



COUNCIL AGENDA: 08-07-12

ITEM: 2.13

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes

**SUBJECT:** SEE BELOW

**DATE:** July 16, 2012

Approved

Date

7/25/12

**COUNCIL DISTRICT: 6**

**SUBJECT: WILLOW GLEN COMMUNITY BENEFIT AND IMPROVEMENT  
DISTRICT ANNUAL REPORT FOR FISCAL YEAR 2012-2013**

## RECOMMENDATION

Adopt a resolution:

1. Approving the Willow Glen Community Benefit and Improvement District Annual Report for Fiscal Year 2012-2013 as filed or modified by Council.
2. Confirming the individual assessments as proposed or modified by Council.
3. Directing the City to pay the assessment on City-owned property within the district in the amount of approximately \$9,069.
4. Directing the Acting Director of Finance to deliver the assessment role to the County for collection with the property taxes.

## OUTCOME

Approval of these recommendations would allow the continuation of the enhanced cleaning, advancement of attractive streetscapes, improvements in parking management and increased promotions and events funded through the levy of special assessments for Willow Glen.

## BACKGROUND

The City of San José established the Willow Glen Community Benefit and Improvement District (CBID) in 2008, pursuant to Chapter 14.31 of Title 14 of the Municipal Code of the City which incorporates and modifies the Property and Business Improvement District Law of 1994, Section

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36600, et seq. of the California Streets and Highways Code, to fund specific enhanced services and improvements above those provided by the City from generally available funds. Since the enhanced services directly benefit individual parcels within the district rather than the City as a whole, the costs are assessed to these benefitted parcels.

The Willow Glen CBID was approved by property owners and adopted by Council on December 16, 2008, to raise funds for cleaner sidewalks, litter pickup, more attractive streetscapes, better parking management and increased promotions and events. The district is broken up into two assessment zones based upon the frequency of the special services. The voter-approved assessment formula provides for an annual inflation adjustment at the rate of the Bay Area Consumer Price Index for all urban consumers and/or other changes in program costs, but not to exceed five percent. The district has an initial term of 15 years, after which it would sunset and need to be re-established in order to continue. Attachment A provides a map and boundary of the district.

## ANALYSIS

As required by the Property and Business Improvement District Law of 1994 (California Streets and Highway Code) for reporting, and in accordance with the agreement between the City and Willow Glen Business Association (Association), the Association has submitted the *Willow Glen Community Benefit Improvement District Annual Report for Fiscal Year July 2012-June 2013* (Report) to the San José City Council (Attachment B). The report contains:

1. Community Benefit and Improvement District boundaries
2. FY 2012-2013 improvements and activities
3. Cost estimates for improvements and activities in FY 2012-2013
4. Method and basis for levying the FY 2012-2013 assessment
5. Acknowledgement of revenue to be carried over

The services provided by this District include sidewalk cleaning, beautification of streetscapes, parking management, and more intense promotions and events. For Fiscal Year 2012-2013, the Willow Glen CBID services will continue with additional landscaping services during the fall season, renting a private lot for public parking, and replacement of LED tree lighting.

The annual change in the applicable Consumer Price Index (CPI) is 2.60 percent. The Administration has reviewed the Association's proposal and concurs with the recommendation that assessments be increased 2.60 percent for Fiscal Year 2012-2013 in order to provide sufficient funding for the increased costs for additional beautification and parking management efforts within the CBID. The total maximum aggregate assessment for Fiscal Year 2012-2013 is anticipated to be approximately \$217,631. The CBID budgeted revenue is reflected on pages 4 and 5 of Attachment B.

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As a property owner within the District (the library and a public parking lot), the City's assessment will be approximately \$9,069. Funds are included in the City's proposed 2012-2013 2012-2013 Adopted Operating budget. The two properties are the library site and a public parking lot.

The assessment roll and diagram for Fiscal Year 2012-2013 will be on file with the City Clerk's Office two weeks prior to the Council meeting for public review.

Approval of the proposed resolution by the City Council will:

1. Approve the CBID annual report as filed or modified by Council;
2. Confirm the individual assessments as proposed or modified by Council;
3. Direct that the City pay the assessment on City-owned property within the district in the amount of approximately \$9,069.

### **EVALUATION AND FOLLOW-UP**

The attached annual report by the Association sets the budget and proposed assessments for Fiscal Year 2012-2013 consistent with the approved Management Plan and Engineer's Report. If the 2012-13 Willow Glen CBID Annual Report is approved with the 2.60 percent increase, staff will bring forward appropriation and funding sources recommendations for Council approval at a later date as appropriate.

### **PUBLIC OUTREACH**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

This memorandum will be posted on the City's website for the August 7, 2012 Council Agenda. The Annual Report is filed in the City Clerk's Office for public review and will also be made available to the property owners within the district upon request. A notice of assessment and map of the district will be recorded with the County Recorder for public viewing and for title purposes. This will allow the district to be referenced in title searches to inform property owners of the district and the accompanying assessment. Staff is also available to respond to any public

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inquiries. Finally, the Willow Glen Business Association's Board of Directors approved the proposed Fiscal Year 2012-2013 assessment increase and budget at its publicly noticed meeting on May 8, 2012.

### **COORDINATION**

This memorandum and related documents and resolutions were coordinated with the City Attorney's Office, the Department of Planning, Building and Code Enforcement and the City Manager's Budget Office.

### **FISCAL/POLICY ALIGNMENT**

This action is consistent with the Council-approved Budget Principle in that it utilizes special assessments for enhanced services.

### **COST IMPLICATIONS**

If the 2012-2013 Willow Glen CBID Annual Report is approved with the 2.60 percent increase, the City's assessment will be approximately \$9,069. The 2012-2013 Adopted Operating Budget includes \$10,000 for this purpose.

### **BUDGET REFERENCE**

The Willow Glen Community Benefit and Improvement District Fund specified above are appropriated in the 2012-2013 Adopted Operating Budget.

### **CEQA**

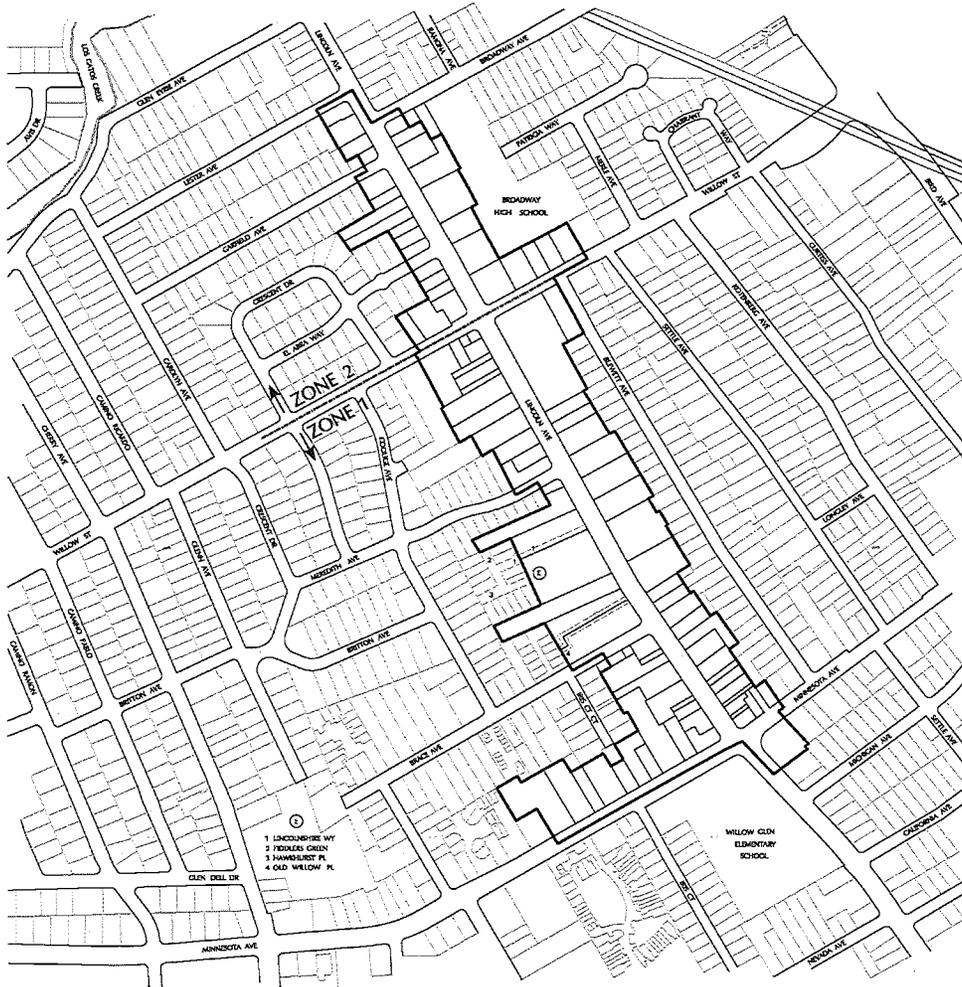
Not a project, File No. PP10-069(a), Annual Reports.

/s/

DAVID SYKES  
Director of Public Works

For questions please contact Thomas Borden, Special Districts Manager, Public Works Department, at 535-6831.

Attachments



- 1 LINDENHURST WY
- 2 FIDOLAS CREEK
- 3 HAWKSWEST PL
- 4 OLD WILLOW PL

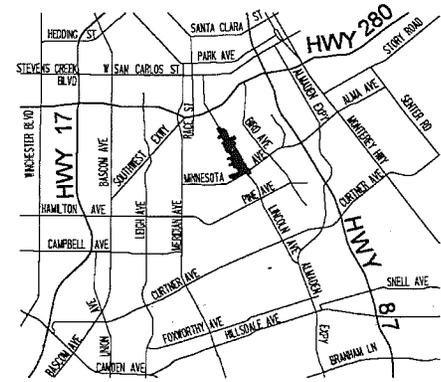
**CERTIFICATIONS**

(1) DIRECTOR OF PUBLIC WORKS  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2012, IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS OF THE CITY OF SAN JOSE.  
 \_\_\_\_\_  
 DAVID BYRER  
 DIRECTOR OF PUBLIC WORKS

(2) CITY CLERK  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2012, IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE.  
 \_\_\_\_\_  
 DENNIS D. HAWKINS, CMG  
 CITY CLERK

(3) CITY COUNCIL  
 BY RESOLUTION NUMBER \_\_\_\_\_, ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2012, AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS DIAGRAM. THE APPROVED DIAGRAM AND ASSESSMENT ROLL FILED IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS CONTAINS THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS DIAGRAM.  
 \_\_\_\_\_  
 DENNIS D. HAWKINS, CMG  
 CITY CLERK

(4) COUNTY RECORDER  
 FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2012, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGES \_\_\_\_\_, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA CLARA. RECORDER'S SERIES NO.: \_\_\_\_\_ FEE PAID: \_\_\_\_\_  
 \_\_\_\_\_  
 REGINA ALCOMENDRAS, COUNTY RECORDER  
 COUNTY OF SANTA CLARA



LOCATION MAP

**CITY OF SAN JOSE**  
 CAPITAL OF SILICON VALLEY  
**PUBLIC WORKS DEPARTMENT**  
 MUNICIPAL SERVICES DIVISION  
 BY: [Signature]

**LEGEND**

— DISTRICT BOUNDARY	— STREET RIGHT OF WAY
- - - ZONE BOUNDARY	- - - PRIVATE STREET
— PROPERTY LINE	

0 300' 600' 900'

SCALE: 1" = 300'

CITY OF SAN JOSE, COUNTY OF SANTA CLARA  
 STATE OF CALIFORNIA  
**WILLOW GLEN**  
**COMMUNITY BENEFIT AND IMPROVEMENT DISTRICT**  
 FISCAL YEAR 2012-2013

SHEET 1 OF 1

## ATTACHMENT B

# Willow Glen Community Benefit Improvement District Annual Report for Fiscal Year July 2012- June 2013 By the Willow Glen Business Association

### 1. Community Benefit Improvement District

The Willow Glen Community Benefit Improvement District (CBID) was established in December 2008 as a special benefit assessment district (District) that conveys special benefits to the properties located within the District Boundaries. Due to the economic climate the implementation of the CBID was deferred until January 1, 2010. No changes are proposed to the District's boundaries, benefit zones, or classification of properties for fiscal year 2012-13. The CBID encompasses the core of downtown Willow Glen, which consists of Lincoln Avenue between Minnesota Avenue and Broadway Avenue on the east and between Minnesota Avenue and Lester Avenue on the west; and some properties on Willow Street, Brace Avenue and Minnesota Avenue.

### 2. Improvements and Activities to be provided in FY 2012-2013

The Willow Glen Business Association (WGBA) has completed a full year of providing services. We have been pleased with the contractors which delivered services and they have been renewed. We have allocated WGBA personnel cost to each component of the CBID operations. This allocation is based upon the overall revenue and personnel expense of WGBA.

The programs for FY 12-13 will focus on sidewalk operations, landscaping, street décor, parking, business directory kiosk development and installation, and marketing/public relations.

The proposed programs/projects are as follows:

#### **Sidewalk Operations, Beautification and Order:**

Sidewalk Maintenance: removal of refuse; cleaning of decorative planters, benches, newspaper racks and crosswalk portals; removal of unauthorized postings, attachments, refuse and graffiti; power scrubbing; manual scrubbing; and sidewalk cleaning. The vendor that handles sidewalk operations also interacts daily with the public and businesses.

## ATTACHMENT B

### Sidewalk Maintenance Frequency:

- 8 hrs/day, 6 days a week – Benefit Zone 1
- 4 hrs/day, 4 days a week – Benefit Zone 2

Powerwashing: An additional 4 power washings per year

Landscaping: planter boxes will be upgraded with fresh plantings; monthly maintenance of the new plantings is scheduled, including the additional of seasonal plants, as needed

Storage: storage is secured for street cleaning equipment and waste services for street refuse

Parking: rental of a portion of the Bank of America parking lot for public parking will continue

Street Lighting and Décor: development, installation, and maintenance of seasonal banners along the street and other promotional and beautification oriented lighting and décor.

### **District Identify and Streetscape Improvements – Marketing/Promotions:**

A Strategic Marketing Committee of the Board has been formed to create an overall branding and marketing campaign for downtown Willow Glen, which will include updates and improvements to the [www.willowglen.org](http://www.willowglen.org) website. The Committee will create a new logo to represent the current and historic image of Willow Glen.

Monthly promotions and events will continue to include but not be limited to: Summer Sale, Halloween, Holiday events and promotions, Valentine's Day, Earth Day, Mother's Day, a Wine Walk and Ladies Night Out

### **Administration**

Marketing/PR Strategy – The Strategic Marketing Committee of the Board will develop an overall strategy to market downtown Willow Glen as a destination and to improve commerce on Lincoln Avenue.

### **C&R**

We have established a 3% reserve for future unknown emergency services.

## ATTACHMENT B

### 3. Estimate of Costs for Improvements and Activities in FY 2012-2013

The estimated cost for improvements and activities for FY 2012-13 is \$217,347.

The table below summarizes the total estimated costs for providing the services to meet the needs of the District in FY 2012-13:

<b>Improvements &amp; Activities</b>	<b>Estimated Costs</b>
Sidewalk Operations & Beautification	\$ 173,878
District Identity & Streetscape	\$ 10,868
Contingency & Reserve	\$ 6,520
Admin	\$ 26,081
<b>Total</b>	<b>\$ 217,347</b>

The assessments will be increased by a CPI of 2.6% (Based upon the average annual change for the San Francisco Bay Area from calendar year 2010 to 2011) The CPI increase will be realized in the second CBID payment indicated on the budget. The projected CBID fees for FY 2012-13 is \$217,347. We have prepared our budget based upon anticipated cash collections from the City for the fiscal year.

The attached District budget provides detailed estimates of revenues and expenses as approved by the WGBA Board of Directors at its public meeting on May 8, 2012.

### 4. Method and Basis of Levying FY 2012-13 Assessments

The methodology for levying District assessments will remain the same for FY 2012-13. Service benefits are distributed to two benefit zones through a frequency method and percent of costs based on benefits derived.

Assessments are calculated on building square footage plus linear feet of street frontage plus lot square footage. The table below reflects the 2.6% CPI increase.

<b>Property Variable</b>	<b>Zone 1</b>	<b>Zone 2</b>
Building Sq. Foot annual cost	\$0.119	\$0.073
Linear Feet annual cost	\$8.905	\$5.553
Lot or parcel size annual cost	\$0.063	\$0.063
Single Family Res. Unit Parcels Cost (building square footage only)	\$0.314	\$0.314

**ATTACHMENT B**

**5. Amount of surplus Revenue to be carried over from previous fiscal year.**

Currently, there is no projection of surplus on June 30, 2012.

**ATTACHMENT B**

**Willow Glen Business Association  
Profit & Loss by Class  
July 1, 2012 through June 30, 2013**

	ADMIN (CBID)	C & R (CBID)	DISI (CBID)	SOBOP (CBID)	Total CBID
	12%	3%	5%	80%	
Revenue	26,082	6,520	10,867	173,878	217,347
City Fee	5,500				5,500
County Fees	1,967				1,967
Office space	2,000				2,000
BofA parking	6,300			0	6,300
					0
Landscaping				115,635	115,635
Holiday Lighting					0
Copier					0
Website	265				265
Advertising			7,540		7,540
Staff					0
Compensation	7,600	0	2,517	40,268	50,385
Taxes	1,520	0	503	8,054	10,077
Benefits	929	0	308	4,922	6,158
Tree Trimming				5,000	5,000
Contingency		6,520			6,520
Event Production costs					
Sponsorships					
<b>Total Expenses</b>	<b>26,081</b>	<b>6,520</b>	<b>10,868</b>	<b>173,878</b>	<b>217,347</b>
<b>Net income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>