CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

COUNCIL AGENDA: 10/28/08
ITEM: 2.11

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Katy Allen

SUBJECT: **PROPOSED WILLOW GLEN COMMUNITY BENEFIT AND IMPROVEMENT DISTRICT**

DATE: 09-29-08

Approved Deanna J. Santana Date 10/6/08

COUNCIL DISTRICT: 6

RECOMMENDATION

Adoption of a resolution by the City Council:

1. Stating its intention to form a Community Benefit and Improvement District in Willow Glen;
2. Preliminarily approving the Willow Glen Management Plan and Engineer's Report;
3. Setting a public hearing on December 16, 2008, at 7:00 p.m.; and
4. Calling an election for tabulation of the ballots for December 16, 2008, at 7:00 p.m.

OUTCOME

Adoption of the first resolution above initiates the formation process of establishing a new assessment district, the Willow Glen Community Benefit and Improvement District, and satisfies the legal requirement to allow affected property owners to vote on the proposed new assessment.

BACKGROUND

The 2007-2008 Mayor's Budget Message approved by Council allocated $65,000 to facilitate a property based improvement district for Lincoln Avenue which, if established, could serve as a model for future property based improvement districts in San José. On December 18, 2007 the City contracted with New City America to conduct a feasibility study and provide formation services for an assessment district on Lincoln Avenue.

Pursuant to New City America's recommendations, on February 12, 2008, Council directed the City Attorney's Office to draft an ordinance, based on the state's Property and Business Improvement District Law of 1994 which would provide more flexibility in forming and operating property based improvement districts through the use of Community Benefit and Improvement District (CBID). On March 11, 2008, Council approved an ordinance amending Title 14 of the San José Municipal Code, the Public Works and Improvement Code, adding a

new Chapter 14.31 to set forth procedures for the formation of Community Benefit and Improvement Districts. In summary, the new Chapter allows CBIDs flexibility over traditional property and improvement districts by authorizing: 1) the initiation of the district formation process on the submittal of a petition of 30% of potential assessees (as opposed to 50%); 2) the levy of assessments on properties zoned for residential use; 3) the levy of assessments for a maximum of 15 years; and, 4) formation costs to be reimbursed by the assessments.

ANALYSIS

The formation process requires that a petition be signed by property owners in the District who will pay more than 30% of the assessment proposed to be levied. All property owners within the proposed boundary of the CBID were mailed a petition and a summary of the Management Plan. New City America has attended several meetings with the Willow Glen Steering Committee at regularly scheduled meetings open to the public, plus three neighborhood meetings regarding the formation of a CBID. Property owners, who will be potentially assessed 30% or more of the assessment, have signed a petition requesting formation of a CBID. On October 21, 2008, a final tally of petitions will be available to Council as a supplemental report.

The assessments collected by the proposed Willow Glen Community Benefit Improvement District (Willow Glen CBID) are anticipated to provide enhanced services for cleaner sidewalks, more attractive streetscapes, better parking management, and more intense promotions and events. Two benefit zones, as depicted on Attachment A, are proposed with varying costs based upon frequency of the special services. The annual assessments are based on several property-related factors:

Property Variable	Zone 1	Zone 2
Building Square Foot Cost	$0.114	$0.07
Linear Feet Cost	$8.50	$5.30
Lot Size Cost	$0.06	$0.06
For Sale Residential Unit Parcels Cost (building square footage only)	$0.30	$0.30

The proposed first year budget for the Willow Glen CBID is $196,738 assessing 103 parcels. Zone 1 includes 74 parcels with an average assessment of approximately $2,134, and Zone 2 includes 29 parcels with an average assessment of approximately $1,338. Originally, the budget was set at approximately $241,000 assessing 135 parcels, however, in response to community feedback, the proposed boundary of the district was revised to more closely reflect the properties receiving benefit from the services. The budget was reduced accordingly, as parcels were removed from the district. The rate that the assessments are calculated, as shown in the above table, remains unchanged.

Pursuant to Article XIII of the California Constitution, all properties, including publicly owned parcels that receive any special benefit must be assessed for that benefit. Because there is no compelling evidence that publicly owned parcels would not benefit equally as privately owned

parcels, the two City-owned parcels within the district will be subject to a total assessment of approximately $4,700.

The CBID will have a term of 15 years, after which it would sunset and need to be reestablished in order to continue.

Two attachments as listed below, provide detail for the district:

Attachment A	Proposed Boundary Map
Attachment B	Willow Glen CBID Management Plan

The Proposed Boundary Map, the Willow Glen CBID Management Plan, and the Willow Glen CBID Engineer's Report are on file in the City Clerk's office for public review. The Management Plan (Attachment B) functions as an operational guide, whereas specific details of the assessment methodology and benefit are defined in the Engineer's Report.

The proposed schedule of events for the formation of Willow Glen CBID follows:

1.	City Council	Adopt a Resolution of Intention Set Public Hearing Set Election Preliminarily Approve Management Plan	October 21, 2008
2.	Public Works	Mail Ballots and Notice	October 31, 2008
3.	City Clerk	Publish Notice of Public Hearing	December 8, 2008
4.	City Council	Conduct Public Hearing Approve Management Plan	December 16, 2008
5.	City Council	Conduct Election	December 16, 2008
6.	Public Works	Record Notice of Assessment (if approved)	December 23, 2008
7.	Public Works	Assessments Imposed Upon Properties (if approved)	January 2009

The Public Hearing on December 16, 2008 will allow for public testimony to be presented to Council. Council must consider all objections or protests to the proposed assessment. The hearing may be continued if necessary to allow staff to respond to Council's inquiries or to implement changes proposed by Council. At the close of the Public Hearing, Council will conduct a form of an election called a protest procedure whereby property owners within the district cast ballots in favor of or opposed to the new assessment, with votes weighted by the amount of the assessment on each parcel. The assessment can only be implemented if affected property owner protests do not outweigh the ballots cast in favor of the new assessment. If approved, the proposed assessment will commence immediately for fiscal year 2008-2009 and will be adjusted annually by the Consumer Price Index, not to exceed 5%. In the event the ballots submitted in opposition to the assessment exceed the ballots in favor of the assessment, Council cannot impose the assessment.

The Notice of Public Hearing is scheduled to be published on December 8, 2008 and mailed along with the property owner ballot on or before October 31, 2008. The notice will inform the owners of the time and date of the hearing, the services to be provided by the district and the proposed assessment. Each completed ballot must be received by the City Clerk prior to the close of the public hearing in order to be included in the tabulation. Although this is a mailed ballot election, any property owner may submit their ballot to Council at the hearing.

EVALUATION AND FOLLOW-UP

As a property owner subject to an assessment of approximately $4,700, Council must decide at the December 16, 2008 Public Hearing whether to vote favorably, negatively or to abstain from casting a ballot. For the Downtown PBID, Council elected to vote for assessment to City properties. If after the close of the Public Hearing, the district is approved by the property owners within the district, the assessments will be placed on the County Property Tax bills for collection. Staff will bring forward appropriation and funding sources recommendations for Council approval at a later date as appropriate.

POLICY ALTERNATIVES

Not applicable.

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)**

While this action does not meet the $1 million threshold under Criterion 1, this memorandum will be posted on the City's website for the October 21, 2008 Council Agenda. The Management Plan, Proposed Boundary Map and Engineers Report are 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.

The consultant, New City America has attended seven meetings with the Willow Glen Steering Committee at regularly scheduled meetings open to all property owners and businesses. Additionally, a newsletter has been published and distributed within the area to help disseminate information. Staff remains available to respond to any public inquiries.

COORDINATION

This memorandum and related documents and resolutions were prepared in cooperation with the City Attorney's Office, the Departments of Transportation and Planning, Building and Code Enforcement and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Council-approved Budget Strategy to continue to move in the general direction of seeking alternative ways to deliver services through appropriate community partnerships and public-private partnerships.

COST IMPLICATIONS

If the CBID is approved on December 16, 2008, the City would be required to pay annual assessments of approximately $4,700 and increasing up to 5% per year. In addition, the City will collect annual assessments from property owners through the County tax bills or by City invoices.

In compliance with the Council-approved Budget Strategy and in conformance with all other City special assessment districts, staff costs will be covered by the assessment collection through this district. Future revenues associated with this recommendation will be programmed in a new fund to be established for this purpose. Recommended actions to establish this fund will be brought forward to Council at a later date.

BUDGET REFERENCE

Not applicable.

CEQA

CEQA: Exempt, File PP08-097

Katy Allen
KATY ALLEN
Director, Public Works Department

For questions please contact TIMM BORDEN, DEPUTY DIRECTOR, at 408-535-8300.

Attachments
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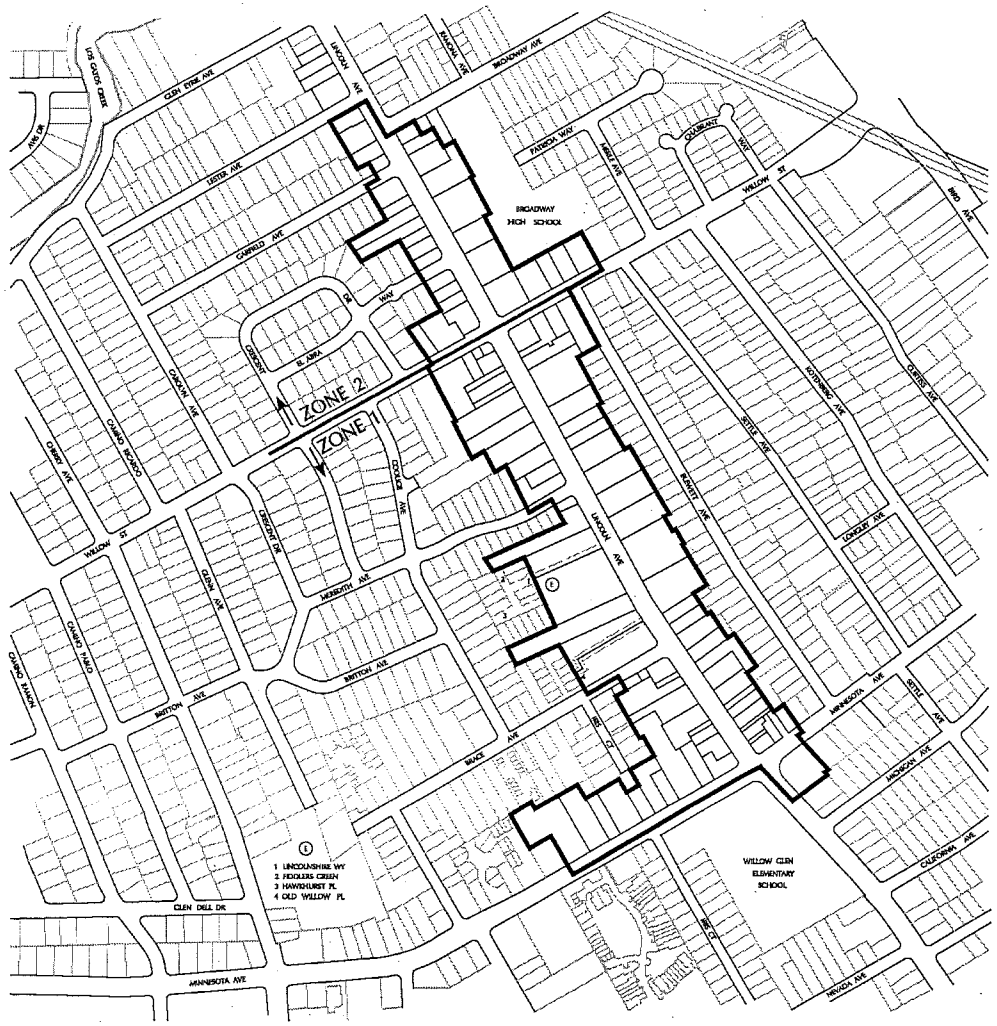


CERTIFICATIONS

(1) DIRECTOR OF PUBLIC WORKS

FILED THIS _____ DAY OF _____, 2008, IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS OF THE CITY OF SAN JOSE.

KATY ALLEN
DIRECTOR, PUBLIC WORKS DEPARTMENT

(2) CITY CLERK

FILED THIS _____ DAY OF _____, 2008, IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE.

LEE PRICE, MMC
CITY CLERK

(3) CITY COUNCIL

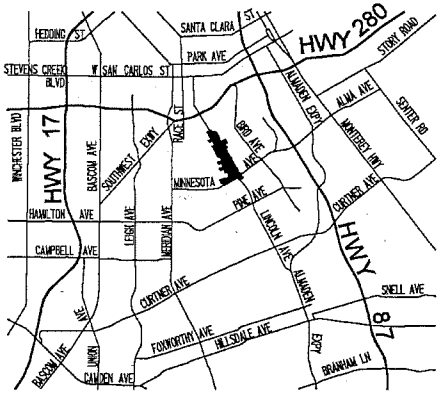
BY RESOLUTION NUMBER _____, ON THE _____ DAY OF _____, 2008, AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON THIS DIAGRAM. THE APPROVED DIAGRAM AND ASSESSMENT ROLL FILED IN THE OFFICE OF THE DIRECTOR OF PUBLIC WORKS CONTAINS THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS DIAGRAM.

LEE PRICE, MMC
CITY CLERK

(4) COUNTY RECORDER

FILED THIS _____ DAY OF _____, 2008, AT THE HOUR OF _____ O'CLOCK ___M, IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE(S) _____, 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

LEGEND

- DISTRICT BOUNDARY
- ZONE BOUNDARY
- STREET RIGHT OF WAY
- 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 IMPROVEMENT DISTRICT

FISCAL YEAR 2008-09

SHEET 1 OF 1

ATTACHMENT A

Preliminary

ATTACHMENT B

WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN SAN JOSE, CALIFORNIA

Formed Under *Section 14.31 of the Public Works and Improvement Code of the City of San Jose*

SUBMITTED TO:

THE BUSINESS AND PROPERTY OWNERS OF THE PROPOSED WILLOW GLEN CBID AND

THE CITY OF SAN JOSE

PREPARED BY:

NEW CITY AMERICA INC. AND THE WILLOW GLEN CBID STEERING COMMITTEE

REVISED PLAN (AFTER PUBLIC MEETINGS)

SEPTEMBER 3, 2008

Preliminary

ATTACHMENT B

WILLOW GLEN/SAN JOSE COMMUNITY BENEFIT IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN SEPTEMBER 2008

TABLE OF CONTENTS

A. EXECUTIVE SUMMARY PAGE 3

B. WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT BOUNDARIES PAGE 9

C. SERVICE PLAN AND BUDGET PAGE 11

D. ASSESSMENTS AND ASSESSMENT METHODOLOGY PAGE 15

E. TIME AND MANNER OF COLLECTING ASSESSMENTS PAGE 25

F. NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED PAGE 25

G. TIMELINE FOR IMPLEMENTATION AND COMPLETION OF MANAGEMENT DISTRICT PLAN PAGE 27

H. PROPOSED RULES AND REGULATIONS TO BE APPLIED TO THE DISTRICT PAGE 28

I. LIST OF PARCELS AND ASSESSMENTS IN THE CBID PAGE 30

Preliminary

ATTACHMENT B

SECTION A - EXECUTIVE SUMMARY OF WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT MANAGEMENT PLAN

Why a Community Benefit Improvement District (CBID) in Willow Glen?

Willow Glen business owners have been organized into the Willow Glen Business Improvement District (BID) since 1989. While the Willow Glen BID has done a very good job of keeping our district relatively clean and safe, we believe that we need to take this district to the next level in terms of economic impact and return on investment by building a Neighborhood Business District that meets the needs of a loyal, yet demographically transitioning residential and customer base. Property and business owners are now meeting and moving forward constructively to respond to the following issues:

- The need for creating a system of daily sidewalk sweeping and steam cleaning throughout Lincoln Avenue and its related district streets;
- The need for more trash receptacles that are better maintained than are currently in Willow Glen;
- The need for sidewalk repair, planter maintenance and tree trimming at higher standards than are currently being provided by the City;
- The need for improved streetscapes and coordinated design;
- The need to support parking coordination, signage and public/private partnerships;
- The need to improve the overall image of the Willow Glen Business District;
- Build Willow Glen's image as a great place to work, shop, eat, live and stroll.

These are issues that cannot be resolved by the City of San Jose or the WG Business Association, but rather must be handled at the community level and in partnership with the City, property and business owners, residents and district customers. This proposed WGCBD would be funded through an assessment levied on each and every parcel in the finalized and approved boundaries of the district. Participating property owners will determine the exact costs of funding the final list of special benefit services. All properties, public and private, commercial, residential and non-profit would be included in this new assessment district and will be required to participate financially upon approval.

New market rate, mixed-use buildings have yet to be built along Lincoln Avenue, but new developments are part of the future. The new 1,000 unit Sobrato residential development along Lincoln and Parkmoor (at the Light Rail Station) is a continuing sign of things to come and pressure will mount as new residential populations will have a need for enhanced services. As this and other new developments come on line, the business district must be ready to service this increase in population, because if the district is not prepared, this growth could cause a negative impact on the district or other more prepared business corridors or centers will find a way to service it.

Currently, the district is a six (6) day per week, sixty (60) hour per week district, with many businesses closing down on Sunday and in the evening hours. The Lincoln Avenue retail

Preliminary

corridor has much more potential as a neighborhood shopping district and regional attraction if the correct image is built and reinforced throughout the district.

The purpose of the WGCBID is to build upon Willow Glen's current assets and to create a sustainable revenue source for that purpose.

The special benefits funded by the proposed WGCBID would include, but not be limited to:

1. Regular sweeping and steam cleaning of sidewalks;
2. Systematic trash emptying, the addition of more receptacles and general maintenance on their appearance;
3. Implementation of a new sidewalk recycling program;
4. Management of on-street and off-street parking demand;
5. Investigating and supporting transit links between the rail station and the core of the WG Business District.
6. Providing enhanced landscaping and beautification;
7. Quick removal of graffiti;
8. Underwriting programs to increase retail commerce in the district;
9. Implementation of business attraction strategies;
10. Developing and maintaining dynamic public spaces to allow employees and visitors to enjoy the great ambiance of the area;
11. Branding the district through new programs, displays of logo and partnering with other groups for holiday events;
12. Taking advantage of the district's unique regional transportation connections;
13. Partnering with the Downtown PBID and other emerging CBDs to determine best practices and mutual contractors for cost efficiencies.

As a property owner in the Willow Glen Business District, we are certain you have come to recognize what a great community it is and what a tremendous future it has. Our great vehicular and pedestrian access, relatively new infrastructure and good commercial mix are a model for other business districts in San Jose. However, business could be better, the sidewalks could be cleaner, the streetscapes could more attractive, parking could be better managed, and our promotions and events could be more intense, all in an effort to strengthen our Willow Glen brand and ultimately raise the value of our properties.

In March 2008, the City Council adopted, and Mayor Chuck Reed signed, a new ordinance, Section 14.31 of the Public Works Improvement Code, facilitating the establishment of special assessment districts in San Jose, known locally as "*Community Benefit Improvement Districts*" *(CBID)*.

The first step in the formation of a CBID is to determine whether neighborhood property owners support assessing themselves to fund services and improvements that benefit properties in the district over and above those provided by the City.

The Willow Glen CBD Steering Committee has coordinated a series of Willow Glen CBID Steering Committee meetings over the past 6 months among the property owners of

Preliminary

ATTACHMENT B

the area to discuss the feasibility of the CBID creation. The Willow Glen CBID Steering Committee had regular meetings and met on the following dates:

2007:

- October 9th;
- November 7th
- December 5th;

2008:

- January 8th;
- February 7th;
- February 26th;
- March 12th;
- July 17th;
- August 21st;

Location:	*Proposed Boundaries:* ➢ **On the north**, from the parcel at the southwest corner of the intersection of Lester Avenue and Lincoln Avenue, (parcel # 264-57-071 in a line running southeastward to include the parcel at the southeast corner of the intersection of Broadway and Lincoln Avenue. (parcel # 264-56-088) ➢ **On the south**, along the north side of Minnesota Avenue, from parcel number 429-17-107, (the City Library) continuing eastward on the north side of Minnesota Avenue to parcel # 429-06-076, and then on the south side of Minnesota Avenue including the parcel 429-018-066 (Wamu Bank site). ➢ **On the east**; along Lincoln Avenue from the parcel at the southeastern corner of the intersection of Lincoln Avenue and Minnesota Avenue (Washington Mutual Bank) running northward along the east side of Lincoln Avenue to the parcel at the southeastern corner of the intersection of Blewitt and Willow Street (parcel 429-06-073), running in a line northward to the parcel representing the last commercial property on the north side of Willow Street, (parcel # 264-56-078) ➢ **On the west,** along Lincoln Avenue from the parcel at the northwestern corner of the intersection of Lincoln Avenue and Minnesota Avenue, running northward along the west side of Lincoln Avenue to the alley west of the intersection of Willow Street and Lincoln Avenue continuing northward to the parcel at the southwestern corner of the intersection of Lester Avenue and Lincoln Avenue, (parcel # 264-57-071).
Categories of Special Benefit Services:	1. Sidewalk operations, beautification and order, and Parking; (SOBOP); 2. District Identity and Streetscape Improvements (DISI/ Marketing and Promotions) 3. Administration, (Personnel) 4. Contingency/Reserve

Preliminary

ATTACHMENT B

Method of Financing:	Special assessments levied on properties within the district will account for 100% of the annual budget. Other funding for the district management corporation will come from sources such as donations, grants, fees for service, special event revenues and in-kind contributions.
Benefit Zones	**BENEFIT ZONES:** Benefit Zones are based upon a frequency of special benefit services due to specific land use needs or types of service. Whereas the parcels between Willow and Minnesota are considered the heart of the district, it is anticipated that they will derive greater benefit from the special benefit services funded by the WGCBD. Therefore, it is suggested that the district be managed with **two benefit zones** with varying costs based upon land use and geography. <u>Benefit Zone 1</u> will include all parcels on both sides of Lincoln Avenue from the intersection of Minnesota and Lincoln northward to the south side of the intersection of Willow Street and Lincoln Avenue. Benefit Zone 1 parcels also include all of those parcels running along the south side of Willow Street, within the boundaries of the CBID. <u>Benefit Zone 2</u> will include all other parcels on both sides of Lincoln Avenue south of Lester Avenue and Broadway to those parcels running along the north side of Willow Street within the boundaries of the CBID.

Assessments	The annual assessments are based on multiple property factors: 1) square footage of the building; 2) square footage of the parcel, or lot size; 3) the linear frontage of the lot abutting any public right of way and the location of that parcel in a benefit zone; 4) or as a "for-sale" residential unit parcel. The assessable square footage of the commercial parcel building area shall be the gross square footage of the building less the square footage of parking spaces, ramps and common areas related to parking that are used exclusively for the residential tenants or offices within the same building. The first year annual rates are as follows:

Property Variable	**Zone1**	**Zone 2**
Building Sq. Foot Cost	$0.114	$0.07
Linear Feet Cost	$ 8.50	$ 5.30
Lot Size Cost	$ 0.06	$ 0.06
For Sale Res. Unit Parcels Cost (building square footage only)	$0.30	$ 0.30

Preliminary

The assessment on each parcel for the first year is the sum of the amounts attributable to each of the property variables, commercial or for sale residential land uses and benefit zones. The assessments are calculated by multiplying the square footage of the building (building size), **plus** the lot size assessment, **plus** the linear frontage of all sides abutting the public right of way included within the boundaries of the district by the rates described above, applicable to the particular parcel based upon its location in a benefit zone; **or** whether the land use is for a residential unit parcel (condo or tenant in common). The assessments in years 2 – 15 may be adjusted for inflation subject to a maximum increase of 5% over the assessment in the prior fiscal year.

For-Sale residential unit parcels

For-sale residential unit parcels are assessed as a separate category. These for-sale condos, under this plan, will be assessed *for their building square footage only at the rate of* $0.30 per square foot per year, commencing the first year of the district. The rationale for this assessment of building square footage rate only is provided below. This assessment will be levied on the actual building square footage, regardless of benefit zone in the Willow Glen CBID.

For-sale residential unit parcels are assessed differently than multi-unit for-rent apartment buildings. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have a business relationship. They are required to have a business license to operate in the City of San Jose and these residential apartment buildings can be bought or sold just as commercial buildings can be bought and sold. In addition, they can be evicted by a landlord, something that sets them apart from single family residential unit parcel owners.

Ground floor commercial or retail condominiums or parcels will be assessed consistent with the assessment methodology used for other commercial parcels in their respective benefit zones.

The for-sale residential assessments would allow for an expansion of the budget and these new revenues would fund *enhanced beautification and residential special benefits* including dog stations, hanging plants, late night security and other items that would respond to the special needs of these residential unit owners, regardless of benefit zone.

For-sale residential unit parcels or condos owned by one owner/developer will be treated as a commercial building with commercial rate assessments until at least 50% plus 1 of the individual units have been sold.

Preliminary

ATTACHMENT B

Annual Budget:	The proposed first year budget for the CBID is $ 196,738.00 and includes the projected special benefit assessments. The annual budgets for subsequent years will be set forth in annual reports prepared by the management corporation and submitted to the City Council as required by state law.
Annual Increase:	Assessments in years 2 – 15 may be adjusted for inflation based on the consumer price index for the San Francisco-Oakland-San Jose Area for all urban consumers, not to exceed 5% annually. This assessment increase can only be initiated by the Willow Glen CBID non-profit management corporation via a request to the City Council at the time of the submission of the Annual Report, due 30 days following each fiscal year. The District Management Corporation may make this recommendation for an annual increase, not to exceed 5%, subject to approval by the San Jose City Council.
City Services:	The City Council, by adopting this Plan, will confirm its intention to ensure an existing level of services in the district equivalent to the level that is being provided elsewhere in the City.

Formation:	District formation requires submission of petitions from owners of property representing at least 30% of the total proposed assessments. The amount of the assessment attributable to property and businesses owned by the same owner that is in excess of forty percent (40%) of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by the business or property owners who will pay the requisite percentage of the assessments. Once the petitions have been submitted, the City Council will consider the adoption of a Resolution of Intent to establish the district and levy the assessments for 15 years. The City will mail out assessment ballots to all owners of property included in the proposed district. The City Council will hold a public hearing between 45-90 days after adopting the Resolution of Intent. The Council may form the Willow Glen CBID if the weighted majority of returned ballots support the district formation. "Weight" is determined by the percentage of monetary contribution each property owner will make to the CBID, based upon the assessment methodology.
Duration:	The district will have a 15 year-term, commencing January 1, 2009.

Preliminary

ATTACHMENT B

B. Willow Glen Community Benefit Improvement District Boundaries

The addresses of the properties included within the boundaries of the Willow Glen CBID, described on page 4, are as follows:

Table B-1

Street	***Address Series***
Brace Avenue	1110 -1114
Lincoln Avenue	1041 – 1396
Minnesota Avenue	1092 - 1151
Willow Street	1033 – 1122

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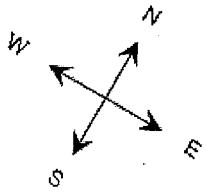
ATTACHMENT B

Willow Glen CBD

Benefit Zone Map

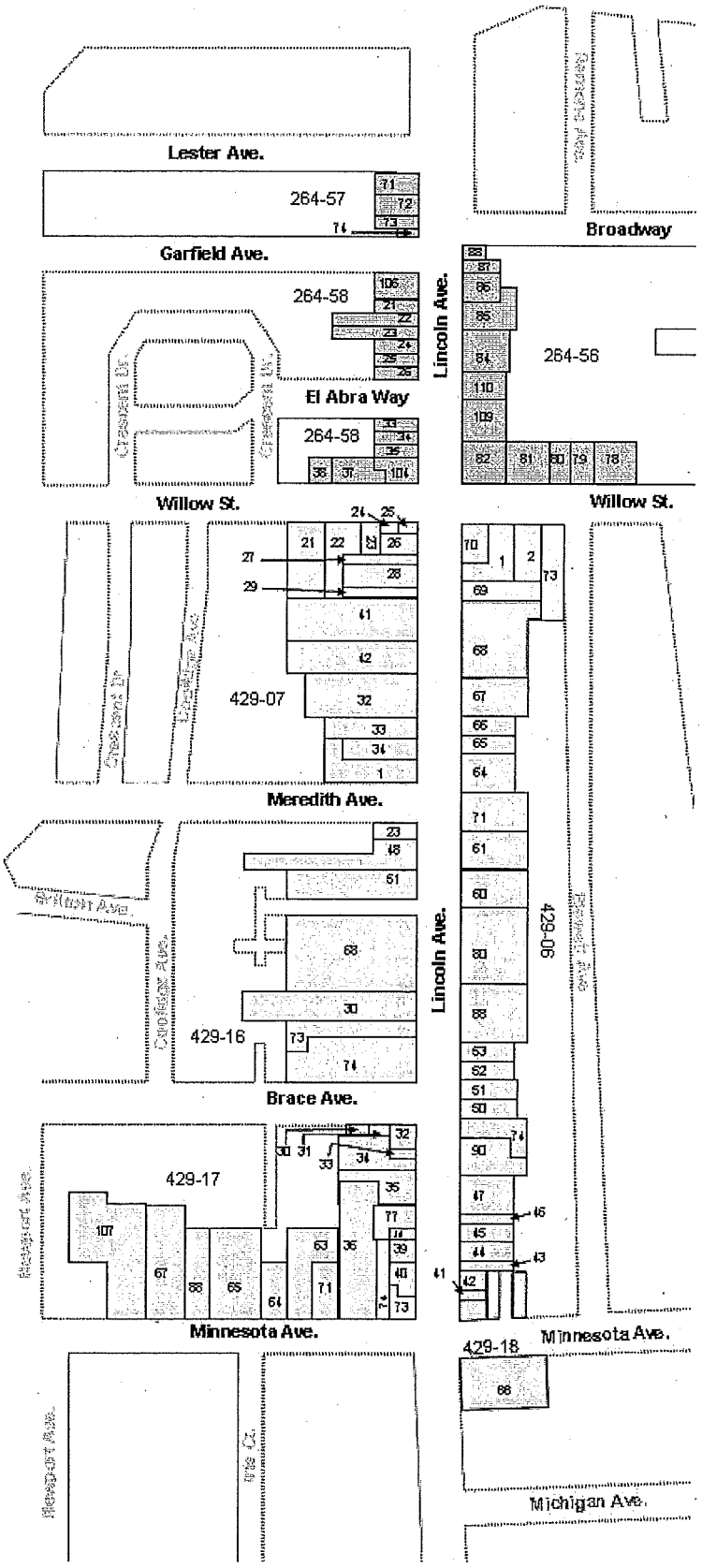
August, 2008

Surrounding Boundaries
(Not included in District)



Benefit Zone 1

Benefit Zone 2



Preliminary

C. SERVICE PLAN AND BUDGET

Service Plan

The Willow Glen CBID Steering Committee has reviewed the survey results and discussed the current and future special benefit needs of the business and property owners in the district. The following list of services is the result of this collaborative community-outreach effort:

SIDEWALK OPERATIONS BEAUTIFICATION AND ORDER AND PARKING:
The first prioritized special benefit services would be those which are referred to as **"Sidewalk Operations, Beautification, Order and Parking (SOBOP)."** These items refer to all special benefit services that are allocated between the curb and the property line and could include:

Examples of the special benefit services and costs include, but are not limited to:

- Sidewalk sweeping, graffiti removal, dog bag maintenance, steam cleaning,
- Quarterly sidewalk steam cleaning
- Spot steam cleaning as necessary
- Systematic trash removal, installation of new trash cans
- Public right of way beautification programs
- Materials for beautification
- Landscaper and maintenance for plants and trees planted with special benefit funding
- Maintenance of pedestrian public spaces in addition to sidewalks
- Banners and decorations
- Supervision of SOBOP Services
- Parking management;
- Graffiti removal, within 24 hours
- Equipment, supplies, tools
- Vehicle maintenance and insurance related to liability issues from new projects within the public rights of way.
- Insurance, (General liability, officers and directors, workers comp)
- Office related expenses for maintenance services;
- Repayment of District formation costs; *(during the first year of operation, up to $10,000 in formation costs may be repaid to the businesses or organizations which funded the formation efforts of the district, for actual expenditures for the cost of preparing this plan and the engineer's report consistent with San Jose Public Works and Improvement Code, Chapter 14.31, Section 14.31.080).*

Preliminary

DISTRICT IDENTITY AND STREETSCAPE IMPROVEMENTS/MARKETING AND PROMOTIONS
(Examples of special benefit services and costs include, but are not limited to)

- Special events
- Marketing and Promotions strategies
- Personnel related to Marketing and Promotions
- Logo development and Web site
- Pedestrian kiosks and way-finding signage system
- Public space development and planning
- Farmer's Market
- Walking map
- Advertising
- Communications
- Insurance for special events;
- Office related expenses for maintenance services;
- Communications;
- Repayment of District formation costs, if any *(see above)*

ADMINISTRATION, (PERSONNEL):
(Examples of special benefit services and costs include, but are not limited to)

- Staff and administrative costs
- Relations with City
- Public relations

CONTINGENCY/RESERVE:
(Examples of special benefit services and costs include, but are not limited to)

- Delinquencies
- Reserves
- Hardship repayments
- Insurance;
- Financial reporting
- Office related expenses for maintenance services;
- Repayment of District formation costs, if any *(see above)*

CONTINUATION OF CITY SERVICES

Throughout the process of establishing the new Willow Glen CBID, businesses and property owners have voiced concerns that the City San Jose maintain existing services at verifiable existing service levels. The San Jose City Council, by adopting this Plan, will confirm its intention to ensure an existing level of services equivalent to the level that is being provided elsewhere in the City.

Preliminary

ATTACHMENT B

Service Plan Operating Budget The service plan budget has been developed to provide the services identified as the highest priorities to the property owners in the Willow Glen CBID area. The operating budget for the first year of the Willow Glen CBID is estimated to be $ 196,738.00. A breakdown of this budget is included in the table below.

Under this plan, **35%** of the special benefit assessments would be derived from linear frontage, **22%** will be derived from building square feet, **43%** would be derived from lot size. Since there are no single family residential unit parcels within the district whose current land use is not of a commercial nature, there are no contributions from this segment of the assessment methodology into the first year budget.

TABLE C – 1

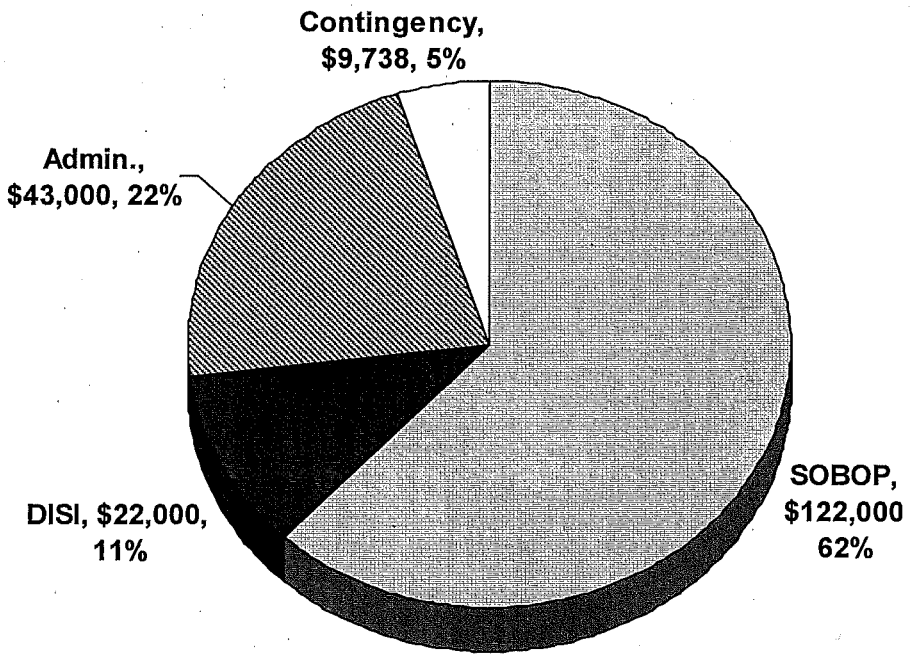
PERCENTAGE OF BUDGET AND ANNUAL COSTS ALLOCATED TO TYPES OF SERVICES

CBID Services in the Willow Glen CBID	*% of 1st year budget*	*Annual first year costs*
Sidewalk Operations Beautification and Order (SOBOP) (Cleaning and Safety, beautification programs, parking)	62%	$ 122,000.00
District Identity and Streetscape Improvements (DISI)	11%	$ 22,000.00
Administrative, (Personnel)	22%	$ 43,000.00
Contingency/Reserve *(surplus funds in this category, at the conclusion of the fiscal year may be transferred to other service categories upon a vote of the Management Corporation)* Repayment of District formation costs; *(during the first year of operation, up to $10,000 in formation costs shall be repaid to the businesses or organizations which funded the formation efforts of the district, for actual expenditures for the cost of preparing this plan and the engineer's report consistent with the San Jose Public Works and Improvement Code, Chapter 14.31, Section 14.31.080).*	5%	$ 9,738.00
Total	*100%*	*$ 196,738.00*

Preliminary

ATTACHMENT B

WILLOW GLEN COMMUNITY BENEFIT IMPROVEMENT DISTRICT
FIRST YEAR BUDGET
$196,738.00



Preliminary

D. ASSESSMENTS AND ASSESSMENT METHODOLOGY

Proportion of Benefit and Proposition 218, General vs. Special Benefits:
The proportionate special benefit derived by each identified parcel shall be determined in a relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional Amendment Article XIII D, Section 2(i), 'Special Benefit', means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the public at large.

No assessment shall be imposed on any parcel, which exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits. A general benefit is defined as a benefit to properties in the surrounding community or a benefit to the public in general resulting from improvement, activity or service to be provided by the assessment levied.

The special benefits funded by this new District will be over and above existing City of San Jose baseline service levels in the commercially zoned parcels and will serve to increase tenancies, increase commerce, increase economic viability and fund a system of cleanliness and beautification over and above current service levels.

All benefits derived from the assessment outlined in the Management District Plan (MDP) fund only services directly benefiting the property owners in this specialized District in maintenance and security, as well as increased commerce and all the other goals and objectives of the Willow Glen CBID's purpose.

Properties are assessed as defined on the county assessor's most current parcel maps.

The following methodology is applied to the database of parcels within the District. The process for compiling the property database includes the following steps:

- A report was submitted to the Public Works Department office using the data obtained from the County of Santa Clara Assessor's office. The Public Works Department reviewed the report.
- A list of properties to be included within the Willow Glen CBID is provided in section 7.

Preliminary

The basis of funding shall be through special benefit assessments levied on real property throughout the District. The rates of assessment vary by the proportionate amount of special benefit received by each parcel. A detailed explanation of the special benefit assessment rationale is made in the attached Engineer's Report.

Calculation of Assessments:
There are four property variables that are to be used in determining parcel property special benefit assessments. These variables are:

- Linear frontage, (sidewalk frontage, all sides),
- Lot or parcel size;
- Gross building square footage, (less the square footage of parking spaces, ramps and common areas related to parking that are used exclusively for the residential tenants or offices within the same building)
- For Sale residential unit parcels;

Commercially Used Parcels:
The annual assessments are based on three property factors: 1) square footage of the building; 2) the linear frontage of the lot abutting any public right of way and 3) the lot or parcel size. .The assessable square footage of the commercial parcel buildings shall be the gross square footage of the building, less the square footage allocated to structured parking spaces, ramps and common areas dedicated to parking that are used exclusively for the residential tenants or offices within the same building. In addition, the location of the parcel determines which benefit zone it is in, which determines the applicable assessment formula.

The assessment on each parcel for the first year is the sum of the amounts attributable to each of the three land uses in their respective benefit zone. The assessments are calculated by multiplying the square footage of the building (building size), **plus** the linear frontage of all sides abutting the public right of way **plus** the parcel or lot size - included within the boundaries of the district by the rates described in this plan, applicable to the particular parcel based upon its location in a benefit zone; **or** whether the land use is for a single family residential unit parcel (condo or row home).

For sale residential unit parcels: For-sale residential unit parcels, are assessed as a separate category. These single family residential unit parcels and/or condos, under this plan, will be assessed *for their building square footage only at the rate of* $0.30 per square foot per year, commencing the first year of the district (there currently are no such land uses in the proposed Willow Glen CBID, however all future parcels of this nature within the boundaries of this plan

Preliminary

will be assessed consistent with the special benefits and costs articulated in this plan).

Multi-unit apartment buildings are treated as commercial properties for the purposes of the proposed assessment because the tenant and landlord have a business relationship. They are required to have a business license to operate in the City of San Jose and these residential apartment buildings can be bought or sold just as commercial buildings can be bought and sold. In addition, residents can be evicted by a landlord, something that sets them apart from for sale residential unit parcel owners.

For sale residential unit parcels, and individual condo owners have a different relationship in the District as compared to retail or commercial land uses. These property owners will receive the benefits from clean and safe special benefit services but not other programs designed to attract and retain businesses.

Ground floor commercial or retail condominiums or parcels will be assessed consistent with the assessment methodology used for other commercial parcels.

The special residential assessments will contribute to the SOBOP, and Administration components of the special benefits budget but would also allow for an expansion of the beautification budget. These new revenues would fund *enhanced beautification and residential special benefits* including dog stations, hanging plants, late night security and other items that would respond to the special needs of these single family residential unit parcel owners, regardless of their benefit zone.

For-sale residential unit parcels or condos owned by one owner/developer will be treated as a commercial building with commercial rate assessments until at least 50% plus 1 of the individual units have been sold.

Public Benefit Non-Profit Corporations:
Public Benefit, Non-Profit parcels which are owned and operated by the public benefit owner (501(c)(3), shall pay into the Willow Glen CBID, however their building mass, which funds marketing programs and some administrative personnel and contingency services, shall be exempt from paying into the CBID. Those parcels will pay on the basis of Benefit Zone, linear frontage and lot or parcel size, not building square footage.

The calculation of assessment for each parcel in the CBID is as follows:

Preliminary

ATTACHMENT B

Table D-1

Projected Annual Costs for First Year of the Willow Glen CBID

Property Variable	Zone1	Zone 2
Building Sq. Foot annual cost	$0.114	$0.07
Linear Feet annual cost	$ 8.50	$ 5.30
Lot or parcel size annual cost	$ 0.06	$ 0.06
Single Family Res. Unit Parcels Cost (building square footage only)	$0.30	$ 0.30

Benefit Zone 1:

Total Linear Street Frontage X $ 8.50 per linear foot
plus
Total Lot Square Footage X $0.06 per Square Foot
plus
Total Building Square footage X $0.114 per Square Foot
Equals
TOTAL PARCEL ASSESSMENT

Benefit Zone 2:

Total Linear Street Frontage X $ 5.30 per linear foot
plus
Total Lot Square Footage X $0.06 per Square Foot
plus
Total Building Square footage X $0.07 per Square Foot
Equals
TOTAL PARCEL ASSESSMENT

All property in the district will be assessed using the above calculation, with the exception of for sale residential unit parcels, which are defined previously.

For sale residential unit parcels are assessed as a separate category. These single family residential unit parcels will be assessed for their building square footage only at the rate of $.30 per square foot for the first year of the District. A detailed explanation of their special benefit and the rationale for this assessment is provided in the attached Engineer's Report. The Calculation of Assessment for each Single Family Residential Unit Parcel in the CBID is as follows:

Total Residential Unit Square footage X $0.30 per Square Foot
Equals
TOTAL FOR SALE RESIDENTIAL UNIT PARCEL ASSESSMENT

Preliminary

ATTACHMENT B

Table D-2

Database for Willow Glen CBID:

Zone	*Linear Frontage Total*	*Lot Square Footage Total*	*Building Square Footage Total*	*Single Family Residents Unit Parcels, Building Square Footage to be assessed only*
1	6,603	1,064,268	333,001	0
2	2,442	339,770	78,077	0
Total	9,045	1,404,038	411,078	0

Table D-3

Amount Generated during the First Year by Property Variable for the Willow Glen CBIDs: $ 196,738.00

Zone	*Linear Frontage Total*	*Lot Square Footage Total*	*Building Square Footage Total*	*Single Family Residents Unit Parcels, Building Square Footage to be assessed only*
1	$ 56,126	$ 63,856	$ 37,962	0
2	$ 12,943	$ 20,386	$ 5,465	0
Total	$ 69,069	$ 84,242	$ 43,427	0

Preliminary

ATTACHMENT B

PERCENTAGE OF BUDGET AND ANNUAL COSTS ALLOCATED TO TYPES OF SERVICES BASED UPON PROPERTY VARIABLE FUNDING THAT PARTICULAR SPECIAL BENEFIT SERVICE

Special Benefit Services in the Willow Glen CBID Plan	*% of 1st year CBID Plan*	*Annual first year costs and how assessments are generated*
Sidewalk Operations Beautification and Order (Cleaning and Safety, beautification programs, parking)	62 %	$ 122,000 (From all linear frontage assessments, (Approximately 1/2 costs from Lot size assessments and balance of ($11,689 from Building square assessment footage costs)
District Identity and Streetscape Improvements – Marketing/Promotions	11%	$ 22,000 (Funded entirely through building square footage assessments)
Administrative, (Personnel)	22%	$ 43,000 Personnel Costs (Approximately 1/2 of Lot size assessments)
Contingency/Reserve	5%	$ 9,738.00 (Funded entirely from building square footage assessments)
Total	100%	$ 196,738.00

Benefit Zones and Frequency of Special Benefit Services:

There will be two benefit zones within the proposed Willow Glen CBID. The Willow Glen CBID may provide services to properties outside of the district on a contract basis. As required by law, the management corporation may not use assessments to provide services outside the district.

Preliminary

ATTACHMENT B

Table D-4

Type and Frequency of Willow Glen CBID SOBOP Services, First Year

Special Benefit Category/Item	Number of employees/ contractors	Benefit Zone 1 Frequency	Benefit Zone 2 Frequency	% of budget, Annual Costs
SOBOP/Personnel	**(Sample for budget)**			
a. Sidewalk sweeping, graffiti removal, dog bag maintenance, b. steam cleaning, c. Regular trash removal, installation of new trash cans d. Landscaper and maintenance e. Banner maintenance f. Supervision of SOBOP Services g. Public rights of way consulting services h. Parking management i. Materials for beautification; j. Other non-personnel items: -General Liability, Directors and Officers and -vehicle insurance; -vehicle and machinery maintenance -materials, equipment and supplies; -Office rent; -Parking signs -B of A parking rental, other parking lot rentals	-2 full time, 6 days per week, ($15 per hour weighted cost) -1 supervisor 40 hours per week ($18.00 per hour weighted cost)	a. 6 days b. Quarterly c. 6 days d. as needed e. quarterly f. daily g. if needed h. Thurs. – Sat. i. as needed	a. 4 days b. Quarterly c. 4 days d. as needed e. quarterly f. daily g. if needed h. Thurs – Sat. i. as needed	
Sub-total for SOBOP –				**$ 122,000 62%**

Preliminary

ATTACHMENT B

Table D-5
District Identity, Administration and Contingency Special Benefit Services, First Year of the Willow Glen CBID

Special Benefit Category/Item	Benefit Zone 1 Frequency	Benefit Zone 2 Frequency	% of budget, total first year costs
District Identity and Streetscape Improvements	**4/5 costs ($17,600)**	**1/5 costs ($4,400)**	
a. Web site b. Special Events c. Holiday decorations d. Branding e. Banner program f. Public art g. Logo development h. Public space design work i. Signage j. Personnel related	a. Same b. Founders Day, (6,000) Dancing on the Avenue (5,400) c. Annual $ 6,000 d. Same e. As needed f. As determined g. Same h. As determined i. As determined	a. Same b. None c. Annual $ 4,400 d. Same e. As needed f. NA g. Same h. As determined i. As determined	
Sub-total DISI			**$ 22,000 11%**
Administration (Personnel))			
a. District manager b. Staff c. Relations with public and public officials	Services allocated equally to each benefit zone	Services allocated equally to each benefit zone	
Sub-total Administration			**$43,000 22%**

Contingency/Reserve			
a. City Costs b. County costs c. Reserve d. Debt service	Costs distributed equally to each benefit zone	Costs distributed equally to each benefit zone	
Sub-total Contingency – 7%			**$ 9,738 5%**
Total Anticipated First Year Costs Needed – 100%			**$ 196,738.00 100%**

Preliminary

Table D-6

Annual First Year Budget for Willow Glen CBID

Program or activity funded by the Willow Glen Community Benefit District	Approximate% of First Year Annual Budget	Estimated Annual Costs (First Year)
Sidewalk Operations, Beautification and Order	62%	$ 122,000.00
District Identity and Streetscape Improvements	11%	$ 22,000.00
Administration/Corporate Operations (Personnel)	22%	$ 43,000.00
Contingency/City Fees/Reserves	5%	$ 9,738.00
Total	**100%**	**$ 196,738.00**

Benefit Zone 1 includes the parcels identified on page 10 and represent the core parcels of the district. These parcels are anticipated to benefit to a greater extent with the creation of the new Willow Glen CBID. Generally speaking, these are the parcels from the south side of Willow Street running southward to Minnesota Avenue.

Benefit Zone 2 include the parcels identified on page 10 and represent that secondary level of needs based upon less frequency of clean and safe special benefit services, as well as benefiting to a lesser extent for the district identity programs. Generally speaking, these are the parcels along the north side of Willow Street running northward to south side of Lester Avenue and Broadway.

Preliminary

Publicly Owned Parcels and Government Assessments:

Public property owners such as the City and County of San Jose, are subject to assessments for the special benefits conferred upon government owned property within the boundaries of the CBID. Article XIIID (4) of the California Constitution, (Proposition 218), requires that government owned parcels be assessed unless they receive no special benefit from the improvements and activities funded by the assessments:

> *"Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from Assessments unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."*

Exemptions and Exclusions:

Consistent with Article XIIID of the State Constitution, (Proposition 218), it has been determined that all parcels within the proposed district will derive special benefits from the assessments. Therefore, no parcels will be exempted from payment of assessments, regardless of use or ownership. As noted above, the square footage of any parking that supports residential tenants or offices in the same building will be excluded from the building square footage when calculating the assessment for the particular parcel.

Over the next few years, within the Willow Glen CBID boundaries, the Steering Committee anticipates new developments and land use changes that will impact the public rights of way and therefore service requirements.

With that background, the Willow Glen CBID Management District Plan provides for the exclusion of all building square footage assessments on a parcel or parcels once that building has been demolished. (Assessments for linear frontage and lot size will continue to be levied on the parcels.) When the new building has received an occupancy permit, that new building square footage, whether it be a commercial building in Benefit Zones 1 or 2, it shall be assessed in accordance with the Management District Plan for the remaining years of the term of the Willow Glen CBID. It shall be the responsibility of the subject property owner to demonstrate the status of its development project to the Management Corporation, in order to receive such assessment discounts.

Public Benefit Non-Profit Corporations:
Public Benefit, Non-Profit parcels which are owned and operated by the public benefit owner (501(c)(3), shall pay into the Willow Glen CBID, however their building mass, which funds marketing programs and some administrative

Preliminary

personnel and contingency services, shall be exempt from paying into the CBID. Those parcels will pay on the basis of Benefit Zone, linear frontage and lot or parcel size, not building square footage.

Annual Assessment Increases

Assessments in years 2 – 15 may be adjusted for inflation based on the consumer price index for the San Francisco-Oakland-San Jose Area for all urban consumers, not to exceed 5% annually. This assessment increase can only be initiated by the Willow Glen CBID non-profit management corporation via a request to the City Council at the time of the submission of the Annual Report, due 30 days following each fiscal year.

The District Management Corporation may make this recommendation for an annual increase, not to exceed 5%, subject to approval by the San Jose City Council.

TABLE D - 7:

PROJECTION OF ASSESSMENTS OVER THE LIFE OF THE DISTRICT
ASSUMING MAXIMUM ANNUAL ADJUSTMENTS

Fiscal Year of Operation	*Maximum Annual Assessment, Adjusted with Maximum CPI of 5%*
2009 - 2010	$ 196,738.00
2010 - 2011	$ 206,575.00
2011 - 2012	$ 216,904.00
2012 - 2013	$ 227,749.00
2013 - 2014	$ 239,136.00
2014 - 2015	$ 251,093.00
2015 - 2016	$ 263,648.00
2016 - 2017	$ 276,830.00
2017 - 2018	$ 290,672.00
2018 - 2019	$ 305,205.00
2019 - 2020	$ 320,465.00
2020 - 2021	$ 336,489.00
2021 - 2022	$ 353,313.00
2022 - 2023	$ 370,979.00
2023 - 2024	$ 389,528.00

Preliminary

E. TIME AND MANNER OF COLLECTING ASSESSMENTS

The Willow Glen Community Benefit Improvement District assessment will appear as a separate line item on the annual property tax bills prepared by Santa Clara County Tax Collector. A special assessment bill will also be issued annually by the City of San Jose to parcels that are exempt from payment of property taxes. Payment of property taxes is due on November 1 and February 1, with the bill becoming delinquent at the close of business December 10 and April 10, respectively. The total bill may be paid with the first installment. The City of San Jose will receive the assessments collected by the Santa Clara Tax Collector and the City will then distribute the assessments to the management corporation pursuant to the management agreement between the City and the owners' association for the district.

Manual billing in Early 2009:
Due to the fact that the Willow Glen CBID was not established in time to be included in the County 2008-09 Fiscal Year Collection cycle, the City of San Jose will conduct a manual billing for the first year of the CBID. These bills will be mailed out in January and March 2009 once the ordinance establishing the Willow Glen CBID has been adopted by the San Jose City Council. These supplemental property tax bills will be due and payable within 30 days of their mailing. Assessments not paid during this first year manual billing cycle will be added to the County property tax rolls, with penalties, the following year of the district. This manual billing will allow the Willow Glen CBID to commence special benefit services within the first quarter of calendar year 2009.

F. NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED

This Willow Glen CBID *will be established for a maximum term of 15 years.* This term is used to allow for enough time for property owners to produce and review sustainable improvement to the public rights of way as results of the services administered by the CBID.

The district would commence operations January 1, 2009 and expire on December 31, 2024, unless disestablished.

Disestablishment:

Each year that the Willow Glen CBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the CBID. This 30-day period begins each year on the anniversary date the City Council established the CBID. Within that 30-day period, if a written petition is submitted by the owners of real property who pay

Preliminary

50% or more of the assessments levied, the CBID may be disestablished by the City Council.

All outstanding indebtedness must be paid prior to disestablishment of the CBID.

G. TIMELINE FOR IMPLEMENTATION AND COMPLETION OF THE WILLOW GLEN DISTRICT COMMUNITY BENEFIT IMPROVEMENT DISTRICT

TABLE G – 1:

TIMELINE FOR DISTRICT FORMATION

Task	*Time task is anticipated to be, or was completed*
Final approval of Management District Plan by Willow Glen CBID Steering Committee	March
Mail out Management District Plan and petition endorsing plan to affected Willow Glen property owners	April
Submit minimum 30% weighted petitions endorsing plan and their related assessments to the City Department of Public Works	Mid - September
Ballots distributed by mail to property owners upon Resolution of the City Council	October - November
Ballots due, public hearing, ballots counted, district formed	December
Interim Non-Profit Management Corporation Board formed	December - January
First assessments billed by the City of San Jose. Second installment mailed out in March and due in April	January - February
First assessments transferred from City to Willow Glen CBID Management Corporation	February - March 2009

Preliminary

H. PROPOSED RULES AND REGULATIONS TO BE APPLIED TO THE DISTRICT

Management of the District:

A new non-profit management corporation will be formed to administer the Willow Glen CBID. At least one voting member of the Board shall be a non-property owning business tenant. The new non-profit District Management Corporation may allocate seats on the Board by slots of ownership related to Benefit Zone and Category of business or land use. The Board may select a minimum and maximum number of seats. The Board will determine its own policies and procedures through adoption of its bylaws which should make accommodation for participation of all CBID members through the Board, the Board meetings, Committees or Task Forces.

Once the CBID has been established, the current CBID Steering Committee will select an interim volunteer Board of Directors consistent with the above board structure, prepare to commence operations, obtain a business registration certificate from the Tax Collector's Office, create by-laws, obtain insurance, and complete other requirements imposed by law and/or the management contract with the City San Jose.

The interim CBID Board nominations will be taken from Willow Glen CBID property owners, merchants, community based organizations and residents interested in developing additional rules and regulations of the new management corporation, all meetings of the interim board are open to the public. The current CBID Steering Committee is cognizant of the need to have this new non-profit management corporation be as transparent as possible and responsive to all sectors of the diverse CBID community.

The new Willow Glen CBID Management Corporation may hire paid staff and sub-contractors to implement the services as outlined in this Management District Plan. The Management Corporation is required to comply with state open meeting and public records laws, the California Public Records Act and the Ralph M. Brown Act. The Management Corporation may reallocate funding within the service categories, not to exceed 10% of the annual budgeted amount for the category, consistent with the Management District Plan.

The management corporation shall aim to meet the following operational objectives for the Willow Glen CBID:

- *Create and manage programs that best respond to the top priorities of Willow Glen District CBID stakeholders;*

Preliminary

- *Maximize coordination with the City of San Jose to avoid duplication of services and to leverage resources;*
- *Deliver services through a cost-effective, non-bureaucratic and easy to access organizational structure; and*
- *Provide accountability and responsiveness to those who pay assessments into the district.*
- *Seek opportunities in which the Willow Glen CBID funds, consistent with the programs as defined in the Management District Plan, may be used in the community to foster job growth, economic opportunities and self-help programs.*

The management corporation may establish rules and regulations that uniquely apply to the district. The following rules and regulations, as may be subsequently modified or supplemented by the management contract with the City of San Jose, will be employed by the Willow Glen CBID management corporation in the administration of the district such as:

Competitive Bidding:
Following the formation of the district, the management corporation board shall develop a policy for competitive bidding as it pertains to contracted services for the Willow Glen CBID.

Conflict of Interest:
Any board member of the Willow Glen CBID management corporation shall recuse themselves from any vote in which a potential financial conflict of interest is apparent. Such potential conflicts include, but are not limited to, prioritizing capital improvement projects which result in special benefit to specific property owners, prioritization of services to benefit a particular owner or group of owners, hiring or selecting the relatives of board members.

Open Door Policy:
Meetings of the management corporation board shall be open to the public. Annual budgets and financial reports shall be submitted to the board members and to the City Council for approval.

Public Access to Meetings and District Records:
Meetings of the district management corporation board and its sub-committees are subject to the Ralph M. Brown Act and must be open to the public. Annual budgets and financial reports shall be submitted to the board members and to the City Council for approval. Records concerning the district are subject to public inspection in accordance with the California Public Records Act.

Preliminary

ATTACHMENT B

LIST OF ASSESSED PARCELS

APN	Site #	Site Street	Assessment	Percent
26456078	1033	Willow St	$1,647.76	0.84%
26456079	1045	Willow St	$1,383.24	0.70%
26456080	1053	Willow St	$866.88	0.44%
26456081	1075	Willow St	$1,418.60	0.72%
26456082	1096	Lincoln Ave	$2,788.25	1.42%
26456084	1074	Lincoln Ave	$2,609.36	1.33%
26456085	1072	Lincoln Ave	$2,210.89	1.12%
26456086	1060-1070	Lincoln Ave	$1,846.78	0.94%
26456087	1058	Lincoln Ave	$764.75	0.39%
26456088	1056	Lincoln Ave	$701.66	0.36%
26456109	1082	Lincoln Ave	$3,048.36	1.55%
26456110	1080	Lincoln Ave	$1,467.60	0.75%
26457071	1041	Lincoln Ave	$1,031.46	0.52%
26457072	1049	Lincoln Ave	$1,267.12	0.64%
26457073	1055	Lincoln Ave	$804.38	0.41%
26457074	1057	Lincoln Ave	$625.37	0.32%
26458021	1065	Lincoln Ave	$743.50	0.38%
26458022	1071	Lincoln Ave	$1,388.83	0.71%
26458023	1075	Lincoln Ave	$1,388.06	0.71%
26458024	1079	Lincoln Ave	$677.61	0.34%
26458025	1083	Lincoln Ave	$762.55	0.39%
26458026	1087	Lincoln Ave	$760.52	0.39%
26458033	1089	Lincoln Ave	$746.93	0.38%
26458034	1091	Lincoln Ave	$647.83	0.33%
26458035	1093	Lincoln Ave	$568.02	0.29%
26458037	1111	Willow St	$2,055.42	1.04%
26458038	1121	Willow St	$840.98	0.43%
26458104	1099	Lincoln Ave	$2,415.96	1.23%
26458106	1061	Lincoln Ave	$1,315.52	0.67%
42906001	1072	Willow St	$1,864.93	0.95%
42906002	1062	Willow St	$1,150.94	0.59%
42906041	1384	Lincoln Ave	$342.67	0.17%
42906042	1378	Lincoln Ave	$1,004.50	0.51%
42906043	1366	Lincoln Ave	$205.92	0.10%
42906044	1360	Lincoln Ave	$1,627.92	0.83%
42906045	1352	Lincoln Ave	$1,334.38	0.68%
42906046	1342	Lincoln Ave	$756.76	0.38%
42906047	1330-1338	Lincoln Ave	$2,081.31	1.06%
42906050	1306	Lincoln Ave	$1,649.22	0.84%
42906051	1302	Lincoln Ave	$1,993.22	1.01%
42906052	1292	Lincoln Ave	$1,119.71	0.57%
42906053	1284	Lincoln Ave	$1,295.50	0.66%
42906060	1228	Lincoln Ave	$3,116.76	1.58%
42906061	1224	Lincoln Ave	$2,584.10	1.31%
42906064	1190	Lincoln Ave	$2,852.96	1.45%

Preliminary

ATTACHMENT B

42906065	1180	Lincoln Ave	$1,878.85	0.96%
42906066	1172-1176	Lincoln Ave	$1,879.76	0.96%
42906067	1140	Lincoln Ave	$3,547.40	1.80%
42906068	1140	Lincoln Ave	$3,558.82	1.81%
42906069	1126-30	Lincoln Ave	$1,974.56	1.00%
42906070	1104	Lincoln Ave	$2,036.69	1.04%
42906071	1202	Lincoln Ave #200	$2,854.86	1.45%
42906073	1060	Willow St #2	$4,505.32	2.29%
42906074	1314	Lincoln Ave	$2,825.08	1.44%
42906076	1093	Minnesota Ave	$738.62	0.38%
42906079	1396	Lincoln Ave	$1,877.52	0.95%
42906080	1250	Lincoln Ave	$4,662.08	2.37%
42906087	1093	Minnesota Ave	$794.70	0.40%
42906088	1264	Lincoln Ave	$3,199.94	1.63%
42906090	1318-1324	Lincoln Ave	$2,983.85	1.52%
42907001	1191	Lincoln Ave	$3,570.03	1.81%
42907021	1122	Willow St	$3,517.72	1.79%
42907022	1122	Willow St	$2,080.86	1.06%
42907023		Willow St	$764.78	0.39%
42907024	1108-1110	Willow St	$643.11	0.33%
42907025	1102	Willow St	$706.54	0.36%
42907026	1109	Lincoln Ave	$1,320.08	0.67%
42907027	1115	Lincoln Ave	$699.58	0.36%
42907028	1123	Lincoln Ave	$1,521.08	0.77%
42907029	1129	Lincoln Ave	$544.08	0.28%
42907032	1165	Lincoln Ave	$4,944.90	2.51%
42907033	1177	Lincoln Ave	$1,500.00	0.76%
42907034	1181	Lincoln Ave	$1,587.96	0.81%
42907041	1147	Lincoln Ave	$3,954.92	2.01%
42907042	1155	Lincoln Ave	$3,125.26	1.59%
42916023	1203	Lincoln Ave	$1,187.06	0.60%
42916030	1261	Lincoln Ave	$3,215.84	1.63%
42916048	1213	Lincoln Ave	$4,357.75	2.22%
42916051	1221	Lincoln Ave	$680.66	0.35%
42916068	1245	Lincoln Ave #a	$7,150.55	3.63%
42916073	1275	Lincoln Ave	$3,228.96	1.64%
42916074	1285	Lincoln Ave	$8,032.85	4.08%
42917030	1114	Brace Ave	$1,135.99	0.58%
42917031	1110	Brace Ave	$538.80	0.27%
42917032	1305	Lincoln Ave	$1,872.96	0.95%
42917033	1319	Lincoln Ave	$326.18	0.17%
42917034	1331	Lincoln Ave	$1,951.64	0.99%
42917035	1345	Lincoln Ave	$2,771.83	1.41%
42917036		Minnesota Ave	$3,792.96	1.93%
42917038	1371	Lincoln Ave	$494.08	0.25%
42917039	1373	Lincoln Ave	$626.86	0.32%
42917040	1377-1389	Lincoln Ave	$1,304.06	0.66%
42917063	1143	Minnesota Ave	$1,650.07	0.84%

Preliminary

ATTACHMENT B

42917064	1145	Minnesota Ave	$1,006.56	0.51%
42917065	1147	Minnesota Ave	$2,190.14	1.11%
42917067	1151	Minnesota Ave	$2,701.60	1.37%
42917071	1139	Minnesota Ave	$1,146.79	0.58%
42917073	1115	Minnesota Ave	$1,781.98	0.91%
42917074	1125	Minnesota Ave	$1,960.49	1.00%
42917077	1351-1359	Lincoln Ave	$1,699.28	0.86%
42917088	1149	Minnesota Ave	$1,195.20	0.61%
42917107		Minnesota Ave	$876.16	0.45%
42918066	1092	Minnesota Ave	$4,286.60	2.18%