



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Nanci Klein

**SUBJECT:** SEE BELOW

**DATE:** April 30, 2024

Approved

Date

5/6/24

**COUNCIL DISTRICT: 3**

**SUBJECT: ACTIONS RELATED TO THE JAPANTOWN BUSINESS  
IMPROVEMENT DISTRICT 2024-2025 BUDGET REPORT, 2024-2025  
ANNUAL ASSESSMENTS, AND SETTING A PUBLIC HEARING ON  
THE LEVY OF ASSESSMENTS**

## **RECOMMENDATION**

- (a) Preliminarily approve the 2024-2025 Budget Report as filed by the Japantown Business Improvement District Advisory Board, or as modified by City Council.
- (b) Adopt a resolution of intention to:
  - (1) Levy the annual assessment for Fiscal Year 2024-2025; and
  - (2) Set Tuesday, June 4, 2024, at 1:30 p.m. as the date and time for the Public Hearing on the levy of the proposed assessments.

## **SUMMARY AND OUTCOME**

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

## **BACKGROUND**

The Jackson-Taylor Business Improvement District was established by City Council in 1990 pursuant to the California Parking and Business Improvement Area Law (BID Law) and subsequently changed its name, with City Council approval, to Japantown Business Improvement District (BID) to promote the economic revitalization and physical maintenance of the Jackson-Taylor business district. City Council appointed the Jackson-Taylor Business and Professional Association (who have since changed its name to the Japantown Business

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Association to correspond with the neighborhood name) as the Advisory Board (Advisory Board) for the BID, to advise City Council on the levy of assessments in the BID, and the expenditure of revenues derived from the assessments for the benefit of the BID. The Japantown BID service area is shown in **Attachment A**.

Pursuant to BID Law, the Advisory Board must come before City Council on an annual basis to present a report (Report) (**Attachment B** - Japantown BID Budget for FY 2024-2025.) The Report proposes a budget for the upcoming fiscal year for the BID to advise the City Council on the levy of assessments in the BID and the expenditure of revenues derived from the assessments for the benefit of the BID. City Council must then 1) review the Report and preliminarily approve it as proposed or as changed by City 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, City Council may approve the budget for Fiscal Year 2024-2025 as filed or as modified by City Council, and levy the BID assessments for the Fiscal Year 2024-2025.

## **ANALYSIS**

The Advisory Board has prepared the Report for City Council's consideration, as the budget for the Japantown BID for Fiscal Year 2024-2025. 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 2024-2025 and an estimate of the cost of providing the improvements and activities. The Advisory Board 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 2024-2025, as described in the Report, are the same as the assessments for Fiscal Year 2023-2024.

City Council may approve the Report as filed or modify the Report and approve it as modified. After the approval of the Report, City Council must adopt a resolution of intention to levy the annual assessment for the 2024-2025 fiscal year and fix a time and place for a public hearing to be held on the levy of the proposed assessment.

## **EVALUATION AND FOLLOW-UP**

The Advisory Board will come before City Council next year to present a report that proposes a budget for the 2025-2026 fiscal year.

## **COST SUMMARY/IMPLICATIONS**

Adoption of the proposed Japantown BID budget does not directly impact City revenue. It is anticipated that a healthy Japantown BID will encourage growth of the retail community, which indirectly generates additional business tax and sales tax revenue for the City. The Japantown BID assessments are restricted for use exclusively by the Japantown BID and it is estimated at \$28,575 in 2024-2025. The 2024-2025 Proposed Operating Budget, subject to City Council approval, includes projected assessment revenue and corresponding expenses totaling \$28,575, as detailed in the Source and Use Statement for the Business Improvement District Fund (351).

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office; the City Clerk's Office; City Manager's Budget Office; the Finance Department; the Planning, Building, and Code Enforcement Department, and the Japantown Business Association.

## **PUBLIC OUTREACH**

The budget for Fiscal Year 2024-2025 was reviewed and approved by the Advisory Board on April 18, 2024, as shown in **Attachment C** – Japantown BID Board Minutes for FY 2024-2025. This memorandum will be posted on the City's Council Agenda website for the May 21, 2024 City Council meeting.

## **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

## **CEQA**

Not a Project, File No PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant impact on the environment.

HONORABLE MAYOR AND CITY COUNCIL

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### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

NANCI KLEIN

Director of Economic Development and  
Cultural Affairs

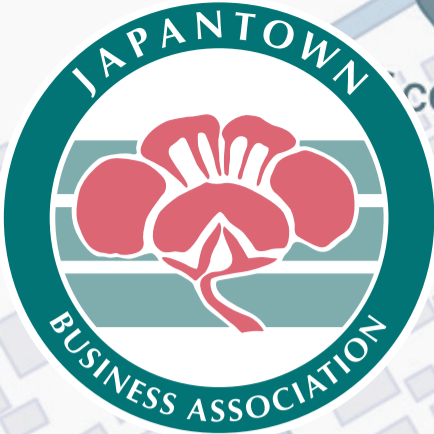
For questions, please contact Sal Alvarez, Executive Analyst, at (408) 793-6943.

### **ATTACHMENTS:**

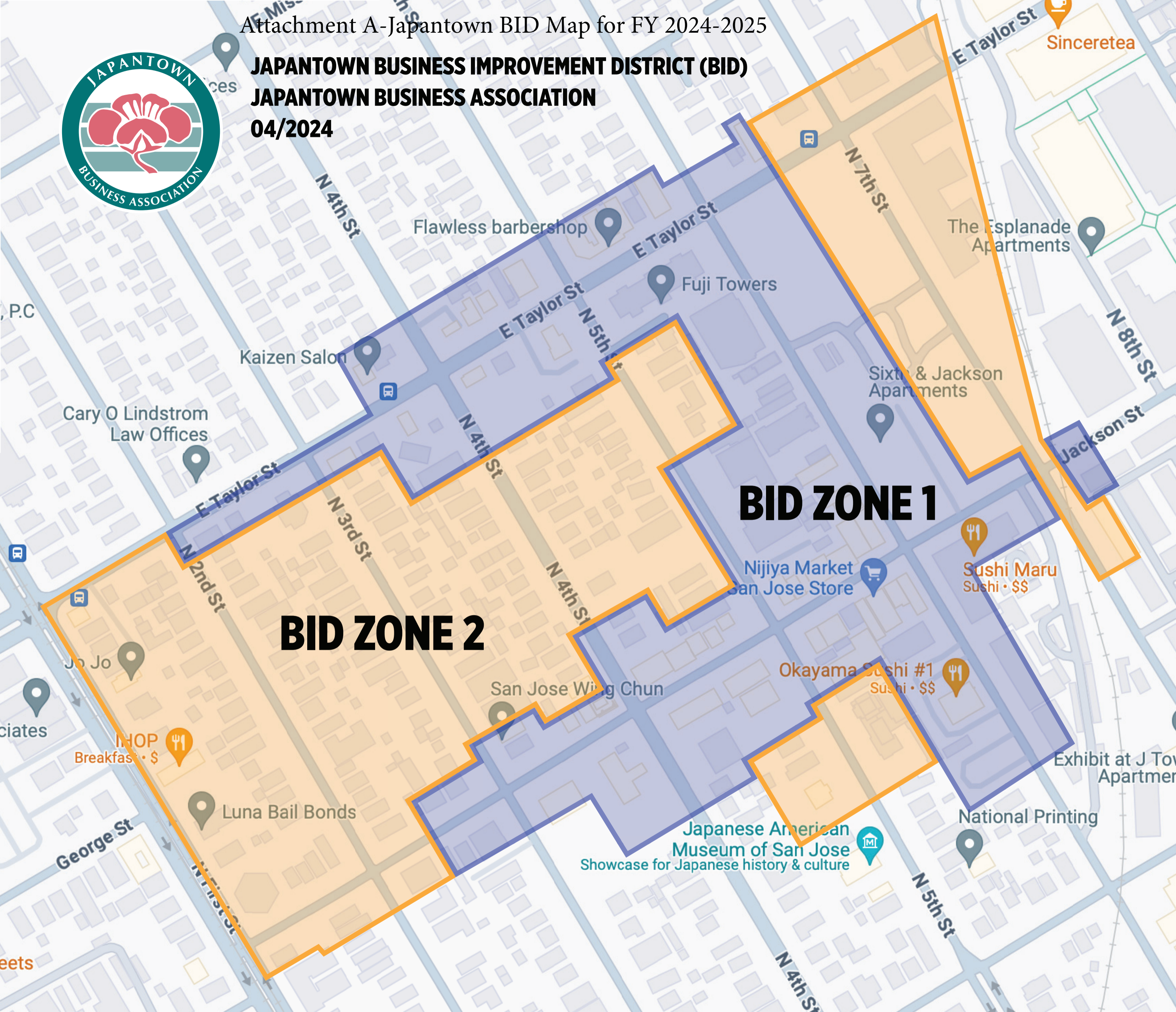
Attachment A – Japantown BID Map for FY 2024-2025

Attachment B – Japantown BID Budget for FY 2024-2025

Attachment C – Japantown BID Board Minutes for FY 2024-2025



**JAPANTOWN BUSINESS IMPROVEMENT DISTRICT (BID)**  
**JAPANTOWN BUSINESS ASSOCIATION**  
**04/2024**





## JAPANTOWN BUSINESS ASSOCIATION

565 N. 6th Street, Suite G. San Jose, CA 95112. phone (408) 298-4303.  
info@japantownsanjose.org

### Japantown BID Budget Report for Fiscal Year 2024-2025

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

#### 1. Estimated budget and improvements:

Japantown BID Income, Zones 1 and 2	\$28,575
Japantown Farmer's Market Booth Fees	18,000
Japantown Farmer's Market Sponsorship	3,000
CSJ Neighborhood Business District (NBD) Grant	5,000
Fundraising efforts (merchandise sales)	2,000
Parking Program Income (leasing from NPOs to businesses)	2,000
Non-BID membership	0
<b>Total</b>	<b>\$58,575</b>

\* *All figures are estimates. Any additional or unused BID funding will be used for beautification, marketing, events, office expenses, or carried over for Year 2025-2026.*

#### 2. Improvements and activities funded by BID:

Japantown Certified Farmer's Market	\$16,000
Marketing and design (advertising, promotions)	15,000
Street cleaning, maintenance and graffiti abatement	10,000
Tree maintenance and planting	5,000
Infrastructure repairs and improvements	5,000
Office expenses (rent, insurance, hardware and software)	5,000
Utilities (web, phone, subscriptions)	3,000
<b>Total</b>	<b>\$59,000</b>

\* *The JBA has financial reserves to accommodate any cost overruns for infrastructure improvements in 2024-2025.*

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### 3. Fiscal Year 2024-2025 Planned Expenses for Japantown Farmer's Market

The Japantown Farmer's Market returned as a seasonal event from May-October 2023 and will reopen again from May 5-October 27, 2024. This is an event entirely funded, managed, and operated by the JBA with the help of volunteers. We are very grateful to Dan Gordon of Gordon Biersch for fully sponsoring the rental fee of the market space for the 2024 Season in order to lower agricultural booth fees and increase marketing.

Volunteer honorariums, stipends to spend at market	10,000
Permits, licensing and inspections	2,000
Promotional (Facebook/Instagram ads), merchandise	2,000
General expenses (garbage bags, storage, cleanup)	1,300
Organizational expenses (mgmt and volunteer software)	500
Concessions (potable water, soft drinks, coffee, etc)	200
Rent	0
<b>Total for Fiscal Year 2024-2025</b>	<b>\$16,000</b>

### 4. Current Japantown BID Assessment rates are below:

<b>Zone 1</b>	\$
Financial institutions	550
Retail (over 10 employees)	375
Restaurants	275
Professional Services (CPAs, Attys, Drs, Agents, etc)	200
Retail (10 employees or less)	200
Commercial Property Owners	175
Non-Retail (Artists, Industrial, Mfg, Repair, Wholesale)	100
<b>Zone 2</b>	
Any business	75

## Japantown BID Address Range

Zone 1 - per breakdown*		Zone 2 - \$75 any	
E. Taylor St.	131-275 (odd) 52-274 (even)	E. Taylor St.	2-50 (even) 281-340 (all)
Jackson St.	80-300 (all)	Jackson St.	1-79 (all)
N. 1st St.	—	N. 1st St.	598-698 (even)
N. 2nd St.	—	N. 2nd St.	595-694 (all)
N. 3rd St.	600, 601, 608, 698	N. 3rd St.	607, 609-694 (all)
N. 4th St.	573-605 (odd) 576-620 (even) 680-702 (all)	N. 4th St.	607-679 (odd) 624-674 (even)
N. 5th St.	575-607 (odd) 590-640 (even) 683, 690, 695	N. 5th St.	565-573 (odd) 613-681 (odd) 560-580 (even) 650-680 (even)
N. 6th St.	520-702 (all)	N. 6th St.	—
N. 7th St.	—	N. 7th St.	598-702 (all)

## Japantown BID Income Sources 2024-2025

Business Classification	Fee (\$)	Number/ Qty.	Gross Revenue (\$)	% of Revenue
Financial Institutions	550	1	550	2
Retail (over 10 employees)	375	1	375	1
Restaurants	275	22	6,050	21
Retail (10 employees or less)	200	20	4,000	14
Professionals	200	17	3,400	12
Commercial Property Owners	175	26	4,550	16
Non-Retail	100	29	2,900	10
Zone 2, Any Businesses	75	90	6,750	24
<b>Total Revenue</b>		<b>206</b>	<b>\$28,575</b>	<b>100</b>

\* We have a loss of about 20 businesses off BID rolls in 2024-2025 from last year's FY due to closures being reconciled on CSJ Finance's side

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## JBA Board of Directors 2024-2025

<b>Tamiko Rast, President</b> Rasteroids Design, Ernest & Fred	408-564-1663	tamiko@rasteroids.com trast@japantownsanjose.org
<b>Jim Nagareda, Vice President</b> Nagareda Studio, Nikkei Traditions, Commercial Property Owner	408-219-4103	jimnagareda@gmail.com
<b>Carolyn Kogura, Treasurer</b> Kogura Company, Commercial Property Owner	408-605-1880	carolynkogura@gmail.com
<b>Miles Rast, Secretary</b> Rasteroids Design	408-564-1662	miles@rasteroids.com
<b>Kari Dobashi Barton</b> Representative for Commercial Property Owner	408-221-3775	karitbarton@gmail.com
<b>Jacqueline Bates</b> Prayer Garden Church of God, Commercial Property Owner	408-234-4537	jaxjmarie@gmail.com
<b>Richard Kogura</b> Kogura Company, Commercial Property Owner	408-605-5530	rkogura@mcmdiversified.com
<b>My Nguyen</b> Headliners	408-421-1420	headlinerssj@gmail.com
<b>Carole Rast</b> Roy's Station, Commercial Property Owner	408-807-3365	bakamom@yahoo.com
<b>Mark Santo</b> Santo Market	408-295-5406	msanto1111@gmail.com
<b>Jordan Trigg</b> Jack's Bar, 7 Bamboo, Jtown Pizza, Spread, Dipsomania Inc., Commercial Property Owner	408-839-2309	jordan@dipsomaniainc.com
<b>Rina Trigg</b> Jack's Bar, 7 Bamboo, Jtown Pizza, Spread, Dipsomania Inc, Commercial Property Owner	408-660-6814	rina@dipsomaniainc.com
<b>Lynne Yamaichi</b> Santo Market, Lotus Preschool	408-772-4129	Lyamaichi@aol.com
<b>Patricia Yasukawa</b> Commercial Property Owner	408-221-5126	pyasukawa@gmail.com

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## Highlights from 2023-2024 Fiscal Year

- **Communication:** the JBA maintains a website for the Business Improvement District ([www.japantownsanjose.org](http://www.japantownsanjose.org)), two Instagram channels (@japantownsj and @japantownfarmersmarket), one Facebook page (Japantown Business Association), and a Facebook group (Fans of San Jose Japantown). JBA also maintains a private communication channel to help JBA businesses to keep apprised of San Jose City Office of Economic Development and District 3 postings and Japantown-specific notices, news and updates.
- **Social Media and Marketing/Merchandising:** the JBA continues to market its own brand with design contributions from local artists and businesses. Japantown's official Instagram account, @japantownsj, has grown an additional 33% without any paid advertisements (11.2K to 14.9K followers), in one year. The JBA implemented paid ads to promote the Japantown Farmer's Market and saw an increase in visitors in the 2023 season.
- **Beautification:** the JBA continues to work with the Rast Family to maintain the appearance of Japantown, including graffiti abatement, street sweeping, and litter/biohazard cleanup. Frank, Miles, and Crystal Rast continue to sweep Zone 1 of Jackson Street 7 days a week. Jordan Trigg maintains most of Taylor Street's Zone 1 regularly.
  - A. The JBA maintains a total of 50 juvenile street trees in Japantown planted in collaboration with Our City Forest and self-planted by our organizations in 2020 and 2021. Our juvenile trees required re-staking to accommodate new growth, pruning, and we handle fertilization and pesticide control. The trees are still being watered in the summer by neighbors and businesses that "adopted" them.
  - B. The JBA worked with Our City Forest in selecting varieties for an additional 20 trees that will be planted on Earth Day, April 20 in Japantown.
  - C. Japantown's mature New Bradford Pear street trees were professionally trimmed, shortened and thinned for pedestrian safety in October 2023 (previously done in 2021).
  - D. Twelve new large plastic planters were placed on sidewalk bulb-outs on the N. 6th/Jackson and N. 6th/Taylor Street intersections to match the eight we placed on N. 5th/Jackson in 2021. Filled with succulents and other drought-tolerant plants, the planters help visibility for drivers and provide extra safety for pedestrians.
  - E. Despite her Stage 4 cancer diagnosis, Carole Rast painted the windows and doors of Japantown businesses with holiday decorations, as she does every year. The JBA paid local students to clean the windows in January.
  - F. The JBA had the sidewalks on the 200 block of Jackson Street, its busiest and most heavily trafficked area, professionally steam-cleaned to remove food residue and dirt.
- **Public Events and Festivals:** Japantown hosted Viva Calle as a hub in September 2023. Nikkei Matsuri, a festival held in Japantown since 1978, has grown steadily in size and space in the last two years due to a revamped format (70 craft booths in 2023, 100 craft booths planned for 2024). The JBA works with Dipsomania, Inc. to promote the regular Beerwalk/Sakewalk/WhiskeyWalk events, Gordon Biersch to promote the Taylor Street Night Market, Yu-Ai Kai for the Yu-Ai Kai Fun Run, the Buddhist Church Betsuin for the Obon Festival, and Wesley United Methodist Church for Aki Matsuri. The Obon Festival, Japantown's oldest and largest festival,

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set a record for the most Obon dancers in the continental United States in 2023 and is expanding its footprint to accommodate larger crowds in 2024.

- **Engagement:** the JBA worked with the City of San Jose, Japantown Community Congress, Japantown Neighborhood Association, and to a lesser degree, neighborhood groups from Hensley, Vendome, Hyde Park and Northside to disseminate information, provide feedback and collaborate on the following issues:
  - G.** Pedestrian, traffic and Dept. of Transportation issues, including the Union Pacific R.R. Quiet Zone implementation; Smart Meters and parking management; mobility initiatives including vehicle-sharing, scooters, bike share programs, and other alternative modes of transportation.
  - H.** The JBA also prompted and/or participated in two traffic studies in Japantown, specifically on the 500 and 600 block of N. 5th Street for speeding and collaborated with stakeholders to evaluate mitigation efforts by the City of San Jose. A second traffic study was conducted in September 2023 at the Gordon Biersch Brewery for Night Market and Japantown Farmer's Market pedestrian crossings of Taylor Street and was found to warrant a pedestrian beacon/marked crossing.
  - I.** Safety and crime issues, including repeat offenders responsible for theft, vandalism, and property destruction. Regular correspondence with the City of San Jose, County of Santa Clara, and SJPd regarding individuals in crisis within the BID. Assist with communicating complaints from Japantown and Hyde Park neighbors regarding code compliance issues.
  - J.** Economic development; regular correspondence with the City of San Jose regarding buildings and developments in the midst of historic, planning, permitting, or building reviews. Assist businesses and provide legal/organizational connections to address sticking points, whether ADA-compliance, Historic Reviews, etc. Provide organizational support and thought-partnership for upcoming developments in the BID Zone.

## JAPANTOWN BUSINESS ASSOCIATION

565 N 6th Street, Suite G - San Jose, CA 95112 - (408) 298-4303



### Meeting Minutes

Thursday, April 18th, 2024 at 6:30pm via Zoom Video Conference

### Japantown Business Association

President Tamiko Rast, Vice President Jim Nagareda, Treasurer Carolyn Kogura, Secretary Miles Rast, Jacqueline Bates, Richard Kogura, My Nguyen, Carole Rast, Mark Santo, Jordan Trigg, Rina Trigg, Lynne Yamaichi, Patty Yasukawa

#### I. Attendees

Board Members Jim Nagareda, Richard Kogura, Miles Rast, Lynne Yamaichi, Jordan Trigg, Rina Trigg, Tamiko Rast, Carolyn Kogura, Patty Yasukawa, Jacqueline Bates

#### II. Additions or Deletions to Agenda

A. None.

#### III. Reports

##### A. JBA Board Meeting Minutes - January and February 2024

No adjustments to Minutes. Miles motions, Carolyn seconds; Board unanimously approves.

##### B. Treasurer's Report

Carolyn reports BID fees received of \$2K. Year-to-date BID fees received is \$11K. Approximately \$80K in the bank.

Tamiko reports that the City of San Jose Finance Department is changing their Business Tax system and this may help the JBA reconcile inflows with City BID documents. The JBA receives money but it does not sync up with any of the documents. The City is slow to remove businesses that have closed. BID documents are reviewed annually but every couple years, Tamiko manually checks every address in Zone 1 and Zone 2 in Japantown against the City's registered business database.

Carolyn asks about the \$5K Neighborhood Business District grant. Tamiko says there is no indication that the program has stopped but has not received notification of a 2024 receipt of funds.

Jim motions to approve, Miles seconds; Board unanimously approves.

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**C. FY 2024-2025 Business Improvement District Report**

(Patty joins meeting). Tamiko explains BID report, history, and procedures to new Board Members. To date, no complaints have been received about the functions of the JBA and BID.

Miles motions to approve, Patty seconds, Board unanimously approves.

**D. Farmer's Market Report**

Tamiko reports committed sponsorships for the farmer's market: \$1K from Shea Properties, \$1K from California Bank & Trust, \$500 from Hello from Mars, and TBD donation from Exhibit at Jtown. Nikkei Matsuri Foundation punting until after their festival.

She reports that the farmer's market does not need sponsorships, but wants donations to go directly to subsidizing the farmers' booth fees. Operations of the market are covered completely by the baked goods and artisans. The market's Opening Day is May 5.

**E. Japantown Cultural Society**

No updates.

**F. Japantown Neighborhood Association**

No updates.

**G. Japantown Community Congress of San Jose (JCCsj)**

Richard reports that the Board is discussing the future of Japantown Prepared with the passing of Rich Saito. Discussion about any Japanese-American or Japantown-committed SJPd officers that can liaise for the community.

**H. Events**

(Rina and Jacqueline joins meeting). Nikkei Matsuri will be happening on Sunday, April 21. The footprint of the festival has expanded due to the popularity of the event; last year had 70 artisan booths, this year will feature 100.

Tamiko met with Mitchell Beutler of the San Jose Buddhist Church Betsuin to discuss the Obon Festival in July. The SJBCB Board has decided to close Jackson Street with the JBA's encouragement and blessing to help with pedestrian safety. More details to come in subsequent months. Mitchell is

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also promoting more communication between SJBCB and Japantown businesses.

Carolyn reports that the Chidori Band will conduct their annual concert on June 15 at the Buddhist Church.

**I. Planning and Priorities**

Frank and Crystal Rast re-staked the African fern pine trees with Tamiko. Tamiko is obtaining a quote from Geddes Tree for the remaining re-staking and trimming of juvenile trees on N. 6th and Taylor Streets.

Tamiko hired Crystal and Daniel Rast at just above minimum wage to fertilize 42 trees; Tamiko and James Gomes fertilized the remaining 8 of the 50 juvenile trees. Jordan is taking care of the weed spraying around Japantown. 20 new trees will be planted on Saturday, April 20 by Our City Forest along N. 6th Street; Tamiko confirmed that Miraido Village maintenance will be responsible for weekly watering for those trees.

**J. Palmer Electric Acknowledgment**

Tamiko found a vector of the Iwashita family crest and prompted the Board to think about ways to honor their family and their company's contributions to repairing the electrical infrastructure of Jtown's monuments, whether it be a placard on the Community Board, etc.

**K. Merchandise Update**

No updates.

**L. Crime and Safety**

Problems continue with the squatter, Tony, at the former Kubota Restaurant. Tamiko has been in constant communication with the landlords, the Kai family, about incidents involving him. A controlled outdoor fire was reported to the family in the prior week and it appears that Tony retaliated by throwing a brick through a 7 Bamboo employee's car window.

Prior incidents involve illegal dumping along N. 5th Street, drug trafficking, people creating disturbances to be let in the building, and Tony being aggressive with neighbors. Tamiko insisted that their eviction lawyer be contacted to proceed with filing and private security be hired.

Discussion about involvement with City of San Jose's District 3 Council staff on traffic issues in Japantown, including speed humps on N. 5th Street and a pedestrian crossing at Gordon Biersch on Taylor Street.

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Miles is cleaning tagging along Jackson, including cleaning poles, newspaper boxes, junction/utility boxes, and garbage bins.

**M. Business Updates**

Jordan reports that Spread should be open around Memorial Day weekend. Construction of the former Cielito Lindo/Onishi properties is held up due to the historic registry; discussion about the impact of historic designation of properties on the future of Japantown and its development.

Jim asks about the cleanliness of the monuments on N. 5th/Taylor. Tamiko reports that's the jurisdiction of the JCCsj but JBA often shares the cost of the care of all Jtown monuments. She would like to discuss repairing the lighting of the Plum Blossom Gates on N. 5th/Jackson with Palmer Electric.

**N. Miscellaneous Updates**

No updates.

**O. Adjournment**

Miles motions to adjourn meeting, Jim seconds; Board unanimously approves at 7:21pm.

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