

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: SEE BELOW

DATE: May 13, 2024

Approved 

Date
5/22/24

COUNCIL DISTRICTS: 6

**SUBJECT: RENEWAL OF THE WILLOW GLEN COMMUNITY BENEFIT
IMPROVEMENT DISTRICT**

RECOMMENDATION

- (a) Conduct a public hearing for the expansion and renewal of the Willow Glen Community Benefit Improvement District and authorize the City Clerk to tabulate the ballots.
- (b) Adopt a resolution by the City Council, as the property owner of parcels within the proposed district, authorizing the execution of a ballot in favor of the expansion and renewal of the Willow Glen Community Benefit Improvement District and the imposition of an assessment in the amount of \$15,138 with annual increases of up to 7% over the next 15 years.
- (c) Direct the City Clerk to report the results of the tabulation of ballots.
- (d) In the event that the Willow Glen Community Benefit Improvement District is approved by a majority of weighted assessments of property owners, adopt a resolution by the City Council:
 - (1) Approving the Willow Glen Community Benefit Improvement District Management Plan and Engineer's Report;
 - (2) Approving and imposing the respective assessments; and
 - (3) Directing the Director of Public Works to deliver the assessment role to the County of Santa Clara for collection with the property taxes.
- (e) Approve an uncoded ordinance to approve the Willow Glen Community Benefit and Improvement District Annual Report for Fiscal Year 2024-2025, as filed or modified by

the City Council, and confirming and levying the individual assessments specified in the resolution.

SUMMARY AND OUTCOME

On April 9, 2024, the City Council adopted a resolution of intention to expand and renew the Willow Glen Community Benefit Improvement District (CBID) and set a public hearing and the tabulation of the ballots on June 4, 2024. The public hearing on June 4, 2024 will allow public testimony to be presented to the City Council. At the close of the public hearing, City Council will direct the City Clerk to tabulate ballots cast with votes weighted by the amount of the proposed 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 assessment (simple majority).

If approved by the property owners, expansion and renewal of the CBID would result in the continuation and new assessment of properties within the district boundaries to pay for enhanced services and activities through enhanced maintenance and cleaning of sidewalk areas, information and safety services, beautification activities, and business development, marketing and promotion programs beyond those provided by the City, for an anticipated 15-year period from January 1, 2025 to December 31, 2039.

BACKGROUND

Property owners, not including the City, within the proposed boundary of the CBID representing over the requisite 30% of assessments, signed a petition supporting the expansion and renewal of the CBID. In response to the petitions submitted, the City Council adopted Resolution No. RES2024-94 on April 9, 2024, pursuant to Chapter 14.31 of the San José Municipal Code, that incorporates and modifies the Property and Business Improvement District Law of 1994 in the California Streets and Highways Code (CBID Law) and included the following:

- Stating its intent to expand and renew the CBID for an additional 15-year term pursuant to CBID Law;
- Preliminarily approving the CBID Management Plan and Engineer's Report; and,
- Setting a public hearing and calling an election for tabulation of the ballots on June 4, 2024.

The mailing of ballots and notice of public hearing was completed on April 19, 2024, meeting the legal requirement of 45 days before the June 4, 2024 public hearing. The notice of public hearing was published in the San Jose Post Record on April 18, 2024. Staff has been available for any property owner inquiries and property owners should have been submitting ballots to the City Clerk.

ANALYSIS**District Services and Budget**

The assessments to be collected by the proposed CBID are anticipated to provide enhanced services above and beyond those currently provided by the City and would specially benefit parcels within the district. **Table 1**, below, outlines the services and proposed CBID budget for its first year of operation, commencing on January 1, 2025, as shown in the CBID Management Plan and Engineer's Report.

Table 1 – CBID Budget for January 1, 2025 to December 31, 2025

EXPENDITURES	TOTAL BUDGET	% OF BUDGET
Clean, Safe, Beautiful	\$348,200	75.2
Economic Vitality	\$25,000	5.4
Management and Advocacy	\$90,000	19.4
Total Expenditures	\$463,200	100.0
REVENUES	TOTAL BUDGET	% OF BUDGET
Assessment Revenues	\$453,936	98.0
Other Revenues (general public benefit*)	\$9,264	2.0
Total Revenues	\$463,200	100.0

*General public benefit includes contributions from Willow Glen Business Association sources.

These services are described in more detail in the CBID Final Management Plan (**Attachment A**) and the CBID Final Engineer's Report (**Attachment B**) that are on file in the City Clerk's Office and are posted on the City's Council Agenda website for the June 4, 2024 City Council meeting.

CBID Boundaries, Zones of Service, and Assessment Rates

A map outlining the proposed CBID area and new single zone of benefit is included in the CBID Management Plan and Engineer's Report. The current CBID district boundary encompasses parcels along Lincoln Avenue, roughly from Minnesota Avenue to Lester Avenue. The CBID is expanding along Lincoln Avenue from Lester Avenue to Coe Avenue, as that area will continue to develop and become more cohesive with the existing district area. The renewed CBID would continue to include the current area and is proposed to extend northerly to include all parcels fronting Lincoln Avenue to the south side of Coe Avenue. The CBID Boundary Map (**Attachment C**) is on file in the City Clerk's Office.

Over the years, the footprint and development of Lincoln Avenue has changed. The original CBID was allocated into two benefit zones, with the Zone 1 receiving a higher level of CBID services than Zone 2. Property owners in the existing Zone 2 requested to have a higher level of service proportionate with Zone 1 levels. Considering new and/or planned commercial development along Lincoln Avenue to Coe Avenue, staff recommends that the Zone 1 service

level be expanded beyond the current CBID's configuration of zones and simplified to apply to the entire district. Table 2 provides the assessment rates based on land use.

Table 2 – Assessment Based on Land Use

LAND USE	LOT SQ. FT.	BLD SQ. FT.	LINEAR SQ. FT.
Commercial/Multi Family	\$0.09469	\$0.26762	\$14.8888
Residential/Nonprofit	\$0.07102	\$0.20071	\$11.1666

The following information represents four examples of special assessments on a range of property types and sizes within the single proposed zone based upon the above rates.

- Single Family Residential - \$1,222.48 per year
5,640 square foot lot; 1,202 square foot building; and 52-foot linear frontage
- Multi-Family Residential - \$2,925.76 per year
15,682 square foot lot; 2,602 square foot building; and 50-foot linear frontage
- Small retail/office building - \$2,003.24 per year
7,841 square foot lot; 1,818 square foot building; and 52-foot linear frontage
- Large retail/office building - \$8,802.71 per year
42,689 square foot lot; 13,504 square foot building; and 77-foot linear frontage

If the CBID is expanded and renewed, assessments at the rates in Table 2 will be submitted to the Santa Clara County Tax collector in August 2024 for collection through property tax bills in Fiscal Year 2024-2025 for funding to be available immediately following the expiration of the existing CBID on December 31, 2024. Properties that do not receive tax bills will be invoiced directly by the City under the same billing schedule. The assessment may be adjusted annually to keep pace with the applicable Consumer Price Index and other program costs consistent with the CBID Management Plan and Engineer's Report. The CBID assessment budget for CBID services may increase by no more than 7% of the prior year's assessment budget on an annual basis. Actual budgets and increases will be determined by the Willow Glen Business Association Board of Directors and formally approved by the City Council annually.

Public Hearing and Next Steps

At the June 4, 2024 meeting, the City Council will conduct a public hearing to receive public testimony and consider objections or protests to the proposed assessment. A final call for any ballots to be submitted in person is required prior to the close of the public hearing. In addition, City Council will cast a ballot as a property owner in favor of or opposed to the expansion and renewal of the CBID. Staff recommends a vote in favor of expansion and renewal to continue to leverage City resources with private investment to help make downtown Willow Glen area a cleaner, safer, and more attractive place for businesses and residents.

At the close of the public hearing, the City Council will conduct a form of an election, called an assessment ballot proceeding, whereby property owners within the district cast ballots in favor of or opposed to the assessment, with votes weighted by the amount of the proposed assessment on each parcel. The City Clerk will tabulate the ballots. The assessment can only be implemented if affected property owner protests do not outweigh the ballots cast in favor of the assessment (simple majority).

If the proposed CBID achieves voter support and City Council votes to approve the district, it effectuates the approval by adopting a resolution that declares the ballot tabulation results; approves the CBID Management Plan and Engineer's Report; and imposes the assessments on those properties within the CBID. The City Manager, or her designee, was delegated authority by City Council on April 9, 2024, by adopting resolution RES2024-95 to negotiate an agreement with the Willow Glen Business Association to continue to oversee the management and provision of CBID services, transfer of funds, and annual reporting for approval by the City Council.

EVALUATION AND FOLLOW-UP

If the renewal of the CBID is approved, the Willow Glen Business Association will be required to submit a financial report in the fall of 2025 summarizing the assessed services and budget for City Council review and acceptance. Annual financial reporting will continue to be required for all subsequent assessment years.

COST SUMMARY/IMPLICATIONS

If the renewal of the CBID is approved, the City's General Fund contribution will be \$15,138 to the CBID in 2024-2025 for assessments on the City-owned Willow Glen Branch Library and a parking lot and the contribution is included in the 2024-2025 Proposed Operating Budget. The CBID assessment budget for services may increase by no more than 7% of the prior year's assessment budget on an annual basis. Staff costs of \$31,366 associated with this action are covered by the deposit agreement approved by City Council on April 9, 2024, between the City and the Willow Glen Business Association.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the City Manager's Budget Office, and the Planning, Building, and Code Enforcement Department.

HONORABLE MAYOR AND CITY COUNCIL

May 13, 2024

Subject: Renewal of the Willow Glen Community Benefit Improvement District

Page 6

PUBLIC OUTREACH

This memorandum will be posted to the City's Council Agenda website for the June 4, 2024 City Council meeting. A notice of public hearing and ballots were mailed to all property owners within the proposed CBID on April 19, 2024 and the notice of public hearing was published on April 18, 2024.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment and PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the Environment.

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/

MATT LOESCH

Director of Public Works

For questions, please contact J. Guevara, Deputy Director of Public Works, at j.guevara@sanjoseca.gov or (408) 535-8300.

ATTACHMENTS:

Attachment A - Willow Glen CBID Final Management District Plan

Attachment B - Willow Glen CBID Final Engineer's Report

Attachment C - CBID Boundary Map

Attachment A

CBID Management Plan

Willow Glen

Community Benefit Improvement District

City of San José, California

FINAL Management District Plan



February 2024

Prepared by:
Kristin Lowell, Inc.

*Prepared pursuant Chapter 14.31 of the
City of San José Municipal Code
And Article XIID of the California Constitution.*

WILLOW GLEN
Community Benefit Improvement District
Management District Plan

Table of Contents

<u>Section Number</u>	<u>Page Number</u>
1. Executive Summary	1
2. CBID Boundary	4
3. CBID Activity and Improvement Plan	8
4. CBID Assessment Budget	11
5. Assessment Methodology	13
6. CBID Governance	18
7. Assessment Roll.....	19

ATTACHMENTS

A. Engineer's Report

SECTION 1: EXECUTIVE SUMMARY

The Willow Glen Community Benefit Improvement District (“CBID”) was first established in 2008 for a 15-year term. The property owners desire to renew it for an additional 15-year term. Developed by the renewal steering committee consisting of several property owners in the district, the CBID Management District Plan (“MDP”) responds to today’s market opportunities, district challenges, future developments, and the evolving needs of the community.

Governed by an Owners’ Association, commonly referred to as the Board of Directors, the CBID’s work program will deliver enhanced services to improve and convey special benefits to properties located within the CBID boundary, above and beyond those provided by the City of San Jose. The CBID will continue to provide and expand upon the existing improvements and activities, specifically, clean, safe, and beautiful, as well as marketing and special events, and CBID management services. Each of these activities is designed to meet the goals of the CBID: to improve the appearance and safety of the area, to increase building occupancy and lease rates and to encourage new business development.

Key changes for the renewed CBID include:

- Add more resources to ensure clean and safe services.
- Move toward a single level of enhanced services through the district.
- Expand the CBID to include parcels along Lincoln Avenue to Coe Street.
- Add capability in the areas of beautification, including lighting the trees on Lincoln Avenue.
- Build flexibility into the design of the CBID to allow for changes anticipated from new development and community changes.

Summary Management District Plan

Pursuant to Chapter 14.31 of the San Jose Municipal Code (CBID Law), which incorporates and modifies the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600, et seq., the CBID is proposed to be renewed for a 15-year term. Upon receipt of petitions signed by property owners representing greater than 30% of the CBID budget, the City will initiate a ballot procedure to officially renew the CBID. Governed by an Owners’ Association, the CBID will deliver enhanced services to improve and convey special benefits to properties located within the CBID boundary, above and beyond those provided by the City.

Location	The existing CBID district boundary encompasses the parcels along Lincoln Avenue roughly from Minnesota Avenue to Lester Avenue. The CBID is expanding along Lincoln Avenue from Lester Avenue to Coe Avenue as that area will continue to develop and become more cohesive with the existing district area. (See Section 2 for CBID boundary map)
Services & Activities	<p>The CBID will finance services that will enhance the environment for property owners, businesses, residents, employees, and visitors, including:</p> <p><u>Clean, Safe, and Beautiful:</u></p> <ul style="list-style-type: none">• <u>Landscaping and Maintenance</u> such as maintaining landscaped corridors, tree trimming throughout the district, maintaining pedestrian walkways.

	<ul style="list-style-type: none"> • <u>Beautification</u> such as tree lighting, streetscape furniture, bike racks, information kiosks, holiday décor, art, and signage. • <u>Ambassadors</u> that support law enforcement, property owners and businesses in overall crime prevention efforts while providing concierge service to customers, residents, and employees. These Ambassadors will also provide cleaning and maintenance services such as sweeping and pressure washing sidewalks and gutters, removing litter, trash, and graffiti throughout the District. <p><u>Economic Vitality:</u></p> <ul style="list-style-type: none"> • <u>Business Development</u> that improves the business climate for existing and targeted new storefront businesses and restaurant users, including activities to assist property owners in recruiting and retaining businesses, and supporting the marketing of new real estate investment and redevelopment opportunities to the broader public. • <u>Marketing and Promotions</u> activities that proactively promote a positive image of the District to those in San Jose and around the region. • <u>Special Events</u> that draw visitors to the community. <p><u>Management:</u></p> <ul style="list-style-type: none"> • <u>Management</u> activities that administer the CBID programs, including communicating with stakeholders and serving as a resource and representative of the community to advocate for policies and resources that further the growth of the neighborhood. 																		
Method of Financing	Levy of assessments upon real property that receives a special benefit from enhanced services.																		
Budget	<p>Total CBID budget for its first year of operations in the renewal term is \$453,936, as follows:</p> <table border="1"> <thead> <tr> <th>EXPENDITURES</th><th>TOTAL</th></tr> </thead> <tbody> <tr> <td>Clean, Safe and Beautiful</td><td>\$348,200</td></tr> <tr> <td>Economic Vitality (marketing/special events)</td><td>\$25,000</td></tr> <tr> <td>Management</td><td>\$90,000</td></tr> <tr> <td>Total Expenditures</td><td>\$463,200</td></tr> <tr> <th>REVENUES</th><th></th></tr> <tr> <td>Assessment Revenues</td><td>\$453,936</td></tr> <tr> <td>Other Revenues (1)</td><td>\$9,264</td></tr> <tr> <td>Total Revenues</td><td>\$463,200</td></tr> </tbody> </table> <p>(1) An allowance is made for general benefits that the CBID may provide. Any CBID services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from the CBID services accounts for \$9,264 of the estimated budget, resulting in a total assessable budget of \$453,936.</p>	EXPENDITURES	TOTAL	Clean, Safe and Beautiful	\$348,200	Economic Vitality (marketing/special events)	\$25,000	Management	\$90,000	Total Expenditures	\$463,200	REVENUES		Assessment Revenues	\$453,936	Other Revenues (1)	\$9,264	Total Revenues	\$463,200
EXPENDITURES	TOTAL																		
Clean, Safe and Beautiful	\$348,200																		
Economic Vitality (marketing/special events)	\$25,000																		
Management	\$90,000																		
Total Expenditures	\$463,200																		
REVENUES																			
Assessment Revenues	\$453,936																		
Other Revenues (1)	\$9,264																		
Total Revenues	\$463,200																		

Assessments	<p>Annual assessments are based upon an allocation of program costs and a calculation of lot square footage, building square footage and linear street frontage. Commercial and multi-family residential properties fully benefit from all the CBID activities. Non-profit and single family residential parcels do not benefit to the same degree and will be assessed at 75% (i.e., a 25% discount).</p> <p>Estimated annual maximum assessment rates for the first year of the renewed CBID are as follows:</p> <table><tr><td>Assessment Rates:</td><td>Lot</td><td>Building</td><td>Linear</td></tr><tr><td>Comm + Multi Family</td><td>\$0.09469</td><td>\$0.26762</td><td>\$14.88888</td></tr><tr><td>Non-Profit + Res SF</td><td>\$0.07102</td><td>\$0.20071</td><td>\$11.16666</td></tr></table>	Assessment Rates:	Lot	Building	Linear	Comm + Multi Family	\$0.09469	\$0.26762	\$14.88888	Non-Profit + Res SF	\$0.07102	\$0.20071	\$11.16666
Assessment Rates:	Lot	Building	Linear										
Comm + Multi Family	\$0.09469	\$0.26762	\$14.88888										
Non-Profit + Res SF	\$0.07102	\$0.20071	\$11.16666										
Increases	<p>Assessments will be subject to an annual increase of up to 7% to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the CBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CBID Owners' Association. The CBID Owners' Association will develop annual budgets and service programs each year for City Council approval and levy.</p>												
City Services	<p>The City has established and documented the base level of pre-existing City services. The CBID will not replace any pre-existing general City services.</p>												
Collection	<p>CBID assessments appear as a separate line item on the annual Santa Clara County property tax bills.</p>												
District Governance	<p>The CBID will be managed by a nonprofit organization that will act as the CBID Owners' Association. The Owners' Association will be governed by a Board of Directors comprised of a majority of CBID property owners. The Board will determine CBID annual services and budgets for City Council approval and levy.</p>												
District Formation	<p>The CBID Law requires the submission of petitions signed by property owners in the proposed district who will pay more than 30% of the total assessments (i.e., petitions must represent more than 30% of the \$453,936 to be assessed). Petitions are submitted to the City, who then mails ballots to all assessed property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the CBID for the City Council to approve renewal.</p>												
Duration	<p>The renewed CBID term will be 15 years from January 1, 2025, through December 31, 2039. Any subsequent renewal of the CBID will require a new Management District Plan, petition, and ballot process.</p>												

SECTION 2: CBID BOUNDARY

CBID Boundary

The existing CBID district boundary encompasses the parcels along Lincoln Avenue roughly from Minnesota Avenue to Lester Avenue. The CBID is expanding along Lincoln Avenue from Lester Avenue to Coe Avenue as that area will continue to develop and become more cohesive with the existing district area.

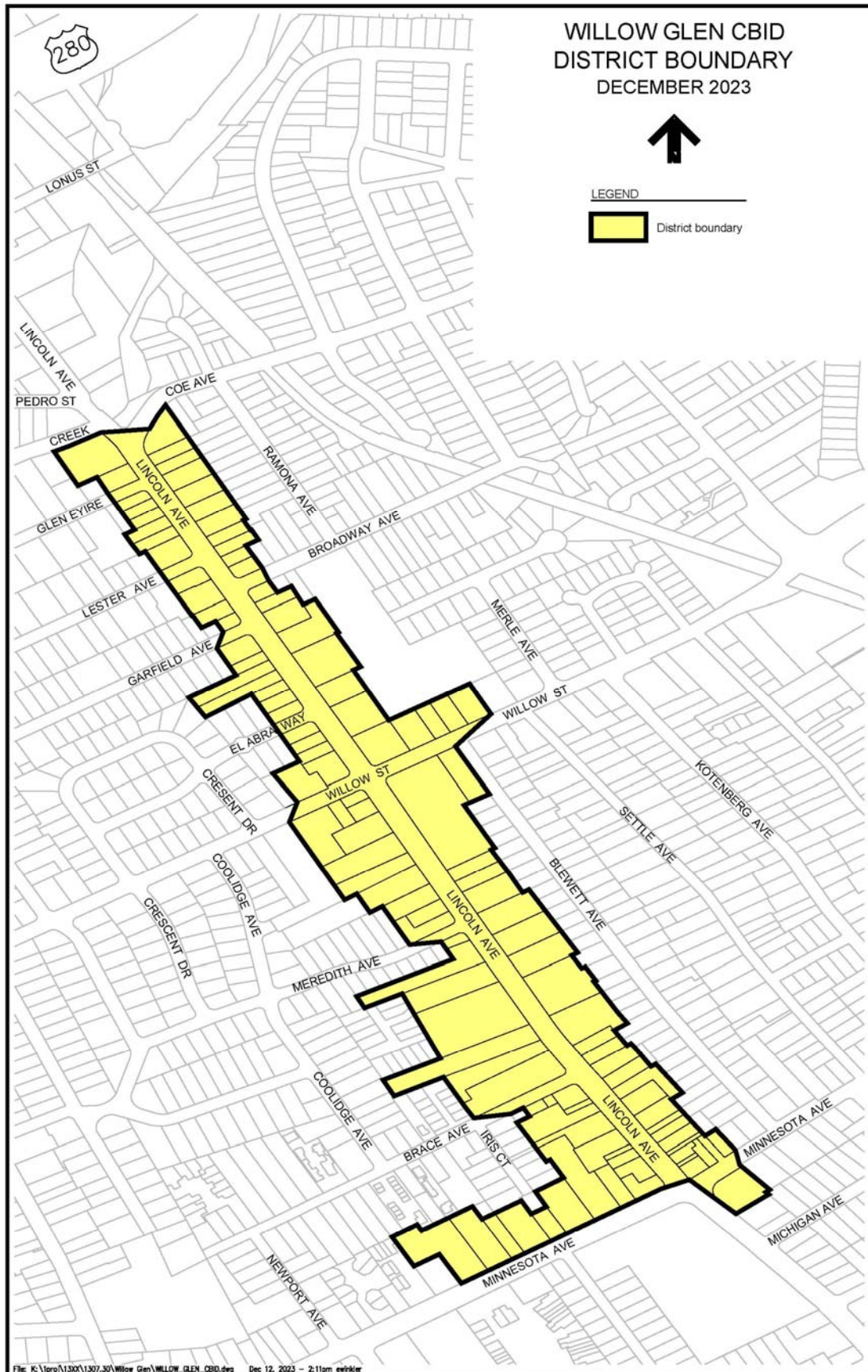
Specifically, the expanded district boundary includes all parcels fronting Lincoln Avenue from the south side of Coe Avenue to the north side of Minnesota Avenue. In addition, the district boundary includes the north side of Minnesota Avenue from APN 429-17-107 (the City Library) easterly across Lincoln Avenue to APN 429-06-076 and the parcel at the southeast corner of Lincoln Avenue and Minnesota Avenue, APN 429-018-066. The east-west boundary also includes a few parcels on the south side of Brace Avenue, APNs 429-017-(030,031) as well as parcels on the north side of Willow Street from APN 264-58-038 easterly across Lincoln Avenue to APN 264-26-078, and the south side of Willow Street from APN 429-07-045 easterly across Lincoln Avenue to APN 429-06-073.

Single Benefit Zone

The original CBID was allocated into two benefit zones to reflect the level and frequency of deployed CBID services. Zone 1, which received the highest level of CBID services, was the commercial core of Lincoln Avenue with the highest concentration of commercial development and pedestrian traffic. It included all parcels in the district boundary from the south side of Willow Street to Minnesota Avenue. Zone 2, which received a lower level of service than Zone 1, was all the remaining parcels in the CBID boundary.

However, as the footprint and development of Lincoln Avenue has changed over the course of the last 15 years, so should the CBID deployment of services. Property owners in the existing Zone 2 requested to have a higher level of service commensurate with Zone 1 levels. That along with new and/or planned commercial development that is extending along Lincoln Avenue to Coe Avenue, it is recommended that the Zone 1 service level be expanded beyond the current CBID's configuration of zones to the entire district. Expanding Zone 1's service levels to the entire district establishes a more reliable and consistent service throughout the district. Creating a single level of service throughout the district will allow the CBID to best address the district's demands and challenges. Establishing a single benefit zone also eliminates what has at times been a confusing difference in service level between the existing zones to ratepayers, simplifying and clarifying the CBID's model and services.

A map of the proposed district boundary is on the following page.



SECTION 3: CBID ACTIVITY AND IMPROVEMENT PLAN

Background

Through a participatory process that included meetings with property owners, the Willow Glen CBID renewal committee collectively determined the CBID priorities for improvements and activities that include beautification, economic development, safety, and cleaning. The specially benefitted parcels within the boundaries of the CBID are a unique mix of retail, office, services, and residential. The CBID improvements and activities are designed to provide special benefits to each of the individual assessed parcels: to improve the appearance and safety of the area, to increase building occupancy and lease rates, to encourage new business development. All the CBID improvements and activities are over and above the City's baseline of services and are not provided by the City, and each of the services provide particular and distinct benefits to each of the individual assessed parcels within the CBID. In order to ensure that parcels outside of the CBID will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be delivered to individual assessed parcels within the boundaries of the CBID and will not extend beyond.

Based upon these findings, the following narrative provides recommendations for the CBID's first year of operation. CBID activities may be amended in subsequent years within the following general categories. Final activities and budgets will be subject to the review and approval of the CBID Owners' Association prior to City Council approval.

Clean, Safe and Beautiful

To respond to stakeholder priorities and guiding principles to make Willow Glen more welcoming, clean and beautiful, the CBID will continue to fund and expand upon the existing cleaning and beautification efforts, but the ambassadors will also be trained to increase the safety of the community. The CBID activities are intended to improve commerce and quality of life by making each individually assessed parcel safer, cleaner, and more attractive, which will encourage investment dollars and generate additional pedestrian traffic. The following is a multi-dimensional approach for providing a safer, cleaner, and more aesthetically appealing district.

Beautification & Placemaking:

In addition to clean and safe services, the CBID budget includes funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance, safety, and walkability within the District, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Street furniture and amenities, such as benches, kiosks, and lighting
- Design and installation of flowering planters
- Tree lighting
- Design and installation of art and decorative elements
- Holiday décor and/or banners
- Bicycle racks and other hardware



Clean and Safety Ambassadors

The Clean and Safety Ambassadors will be dually trained to provide both the cleaning and safety services in the form of visibility and being the eyes and ears of the police. They will have direct contact with the police department and should be able to enable a quick response time. The purpose of these Ambassadors is to provide both the daily cleaning and maintenance as well as their presence on the street that is intended to deter, and report illegal activities taking place on the streets, sidewalks, storefronts, and parking lots. The Ambassadors may coordinate with the police department in reporting those that are participating in aggressive panhandling to suggest and coordinate support services and may document each incident and activity to track the frequency of illegal and threatening behaviors to mobilize enforcement efforts of those people resisting services.



Maintenance Services:

The Clean and Safe Ambassadors will also expand upon the existing CBID services so that the entirety of the district is receives a consistent level of maintenance services that may consist of:

Sidewalk Maintenance: Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks, gutters, and public spaces in the CBID, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

Graffiti Removal: The Clean Team may remove graffiti using solvent, pressure washing and/or color matching. The CBID's goal is to have a zero-tolerance graffiti policy with removing tags within 48 hours.

Sidewalk Pressure Washing: Pressure wash sidewalks and public spaces on an as-needed basis. (During drought years pressure washing may not be permitted.)

Landscape Maintenance: Public landscape areas including tree wells and planters may be maintained and kept free of litter and weeds. In addition, may install and maintain the decomposed granite under the trees.



The table below shows the existing provided service frequency and the projected frequency for the renewed CBID.

CBID Services	Existing CBID Services		Proposed CBID Services (District-Wide)
	Zone 1	Zone 2	
Porter Services; sweeping; pressure washing; landscaping	48 hrs/week	12 hrs/week	
Clean AND Safety Ambassadors; sweeping; pressure washing; landscaping			148 hrs/week
Tree Lighting			All trees on Lincoln Avenue
Beautification			Throughout the District

Economic Vitality

The CBID will provide market information and will establish a variety of key economic metrics to be researched, packaged, and maintained over time. CBID staff will work with property owners, real estate professionals, and City staff to coordinate and leverage business retention and attraction efforts. Some Business Development and Vitality activities may include:

- Compile and maintain up-to-date market information, including a variety of indicators that will be of interest to potential investors and community influencers
- Recruit and retain new businesses with an emphasis on local independent concepts and new services that benefit the properties in the CBID
- One-stop point of contact for all potential new businesses
- Assist with new business planning activities

Marketing:

It is important to not only provide the services needed in the CBID, but to tell the story of improvement in the CBID. Some of the marketing programs being considered are:

- The development of neighborhood brand and marketing materials
- Social media advertising and marketing
- Website development
- Meetings and workshops to promote community engagement
- Special events that activate the retail district
- Newsletter development and distribution
- Maintenance and mapping of restaurant and retail listings and locations

Special Events:

The CBID will continue to promote and host special events that draw residents and visitors to the area and encourage them to eat at the local restaurants, shop, and engage in any type of commercial activity. Events may include the annual Wine Walk, Trick or Treat, and BBQ in the Glen or any other special event that draws people to the area such as farmers markets.

Management

Like any business, the CBID will require a professional staff to properly manage programs, communicate with stakeholders and provide leadership and advocate on behalf of the district. The CBID supports a professional staff that delivers the CBID activities to the assessed parcels within the CBID boundary. The City will contract with the Willow Glen Business Association for the management and delivery of services in the CBID.

Management services will include compensation for an Executive Director and staff members necessary to manage the CBID programs. The management team is responsible for providing the day-to-day operations. CBID funds may be used to leverage additional monies from sponsorships, contracts, grants and earned income. Additional administrative costs may include accounting and annual financial reviews, annual reporting, insurance, program support costs including supplies, equipment and rent, County assessment collection fee (estimated at 1% of assessments), City management fee (\$15,000/year), and other administration costs associated with the overhead and administrative support of programs.

SECTION 4: CBID ASSESSMENT BUDGET

2025 CBID Assessment Budget

The following table outlines the CBID maximum budget for 2025.

EXPENDITURES	TOTAL	% of TOTAL
Clean, Safe and Beautiful	\$348,200	75.2%
Economic Vitality (marketing/special events)	\$25,000	5.4%
Management	\$90,000	19.4%
Total Expenditures	\$463,200	100.0%
REVENUES		
Assessment Revenues	\$453,936	98.0%
Other Revenues (1)	\$9,264	2.0%
Total Revenues	\$463,200	100.0%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Adjustments

During the 15-year term annual assessments may increase up to 7% to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the CBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CBID Owners' Association. The CBID Owners' Association will develop annual budgets and service programs each year subject to City Council approval.

The table below illustrates the estimated maximum budget for each year of the CBID based on the maximum percentage increase as discussed above.

	Clean/Safe	Economic	Management	Total
Year 1	\$348,200	\$25,000	\$90,000	\$463,200
Year 2	\$372,574	\$26,750	\$96,300	\$495,624
Year 3	\$398,654	\$28,623	\$103,041	\$530,318
Year 4	\$426,560	\$30,626	\$110,254	\$567,440
Year 5	\$456,419	\$32,770	\$117,972	\$607,161
Year 6	\$488,369	\$35,064	\$126,230	\$649,662
Year 7	\$522,554	\$37,518	\$135,066	\$695,138
Year 8	\$559,133	\$40,145	\$144,520	\$743,798
Year 9	\$598,272	\$42,955	\$154,637	\$795,864
Year 10	\$640,151	\$45,961	\$165,461	\$851,574
Year 11	\$684,962	\$49,179	\$177,044	\$911,185
Year 12	\$732,909	\$52,621	\$189,437	\$974,967
Year 13	\$784,213	\$56,305	\$202,697	\$1,043,215
Year 14	\$839,108	\$60,246	\$216,886	\$1,116,240
Year 15	\$897,846	\$64,463	\$232,068	\$1,194,377

Any accrued interest or delinquent payments will be expended in the above categories. The cost of CBID improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 20% between them to continue the same level of service. The Owners' Association Board of Directors shall make such a determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases in income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the CBID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Owners' Association Board of Directors and submitted in the annual report, pursuant to Section 36650 of the State Law.

CBID Renewal

CBID funds may be used for renewing the district to hire a consultant and pay the city administration fees to create a new management plan, initiate a petition drive, and assessment ballot initiative.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION 5: ASSESSMENT METHODOLOGY

General

This Management District Plan provides for the levy of assessments for the purpose of providing improvements and activities that specially benefit real property in the CBID. These assessments are not taxes for the general benefit of the City but are assessments that convey special benefits to each individual assessed parcel for which the improvements and activities are provided.

Assessment Factors

In the renewal, since all parcels will receive the same level of service, the assessment rates will be uniform throughout the district. Each parcel's proportional special benefit from the CBID activities is determined by analyzing three parcel characteristics: Building Square Footage, Lot Square Footage, and Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. The building square footage and lot square footage reflects the current use of a property and the long-term value implications that the parcels will demand of the CBID activities. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for CBID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which is then is the basis to proportionately allocate the cost of the special benefits. The assessable budget is allocated 1/3 equally to each of these assessment factors.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the CBID activities. Corner lots will be assessed for each side of the parcels' street frontage.

Property Use Considerations

Each assessed parcel within the CBID specially benefits from the CBID activities but not to the same degree. The proportional special benefit and assessment methodology provides the following land use considerations for Commercial, Residential 4+ units, Non-Profit and Residential 1-3 units.

- **Commercial:** These parcels benefit from all the CBID activities that are designed to increase pedestrian traffic, increase sales, enhance the business climate, retain existing businesses as well as attract new businesses, and increase business investment. Commercial parcels specially benefit from all the CBID activities, and thus will be assessed in direct relationship to the special benefits received.

- **Residential 4+ units:** Residential parcels with 4 or more units, like commercial parcels, specially benefit from all the CBID activities. These parcels are typically income producing and will benefit from a cleaner, safer, and welcoming environment as well as a more vibrant destination that in turn attracts renters.
- **Non-Profit and Residential 1-3 units:** Residential with 1-3 units and non-profit parcels receive benefit from the CBID services but not to the same degree as the commercial and for profit parcels. Since these parcels do not engage in commercial or customer attraction activities, they do not receive the same level of benefit as commercially driven parcels, and thus, will be assessed at 75% to account for the special benefits they do receive. This reflects for the fact that residential and non-profit parcels generate less pedestrian traffic than commercial parcels, and thus, require less CBID services.

Mixed use parcels that have more than one land use as identified above will be assessed for each portion of that land uses square footage multiplied by the appropriate assessment rate for that land use. *Note: The County Assessor's records are used to determine each parcel's land use type and building square footage. If a parcel is incorrectly categorized, the property owner may petition for an assessment adjustment pursuant to the Assessment Appeal Procedure in this section.*

Change in Property Use: If at any time a parcel within the district boundary changes its use, based on a change in zoning designation, entitlement process or otherwise, it will be subject to the assessment methodology for the new use of that property. For example, if a residential parcel with 1-3 units changes to commercial use, then that parcel in subsequent years shall be assessed at the commercial rate. As a result, the CBID may experience the addition or subtraction of assessable lot or building square footage for parcels included and assessed within the CBID boundaries. The modification of use for an assessed parcel within the CBID may then change upwards or downwards the amount of total lot and building square footage assessment for that parcel. In future years, determination of the special benefits bestowed upon individual assessed parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer's Report. Parcels with a change in property use need to provide notice of the change to the District by April 1st of each year. Future year assessments will reflect the change.

Benefit Units

Using the assessment factors and property use considerations described above we assign benefit units to each specially benefitted parcel. The total number of assessable benefit units in the CBID are as follows:

Property Use	Assessable Benefit Units		
	Building SF	Lot SF	Linear Frontage
Commercial + Multi Family	558,244	1,556,176	9,883
Res 1-3 Units + Non Profit	7,157	41,750	280
TOTALS:	565,401	1,597,926	10,163

Assessment Methodology

The proportionate special benefit each assessed parcel receives shall be determined in relationship to the entirety of the capital cost of the CBID improvements and activities. Due to the proportionate special benefits received by these individual parcels from the CBID services, these parcels will be assessed at a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable, and these benefits must be separated from any general benefits. As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the CBID activities and improvements that are not special in nature, are not “particular and distinct” and are not over and above the benefits that other parcels receive. The attached Engineer’s Report has calculated that 2.0% of the CBID activities may be general in nature and will be funded from sources other than special assessments, see Section E of the Engineer’s Report for discussion of special and general benefits.

Calculation of Assessments

Based on the budget allocated to each assessment factor, benefit units for each variable, all of which are discussed above, the following table illustrates the maximum first year annual assessment per assessable benefit unit. Note, assessment rates are rounded off to the fifth decimal place and a parcel’s assessment may vary slightly when calculated using the assessment rates below.

Assessment Rates:	Lot	Building	Linear
Comm + Multi Family	\$0.09469	\$0.26762	\$14.88888
Non-Profit + Res SF	\$0.07102	\$0.20071	\$11.16666

Specifically, the assessment rates are calculated as follows:

Assessment Budget = \$453,936

Assessment Budget allocated to Building Square Footage @ 1/3 = \$151,312

Assessment Budget allocated to Lot Square Footage @ 1/3 = \$151,312

Assessment Budget allocated to Linear Frontage @ 1/3 = \$151,312

Building Square Footage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 565,401 Building Sq Ft = \$0.26762

Non-Profit/Res SF:

Building Sq Ft assessment rate x 0.75 = \$0.20071

Lot Square Footage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 1,597,926 Lot Sq Ft = \$0.09469

Non-Profit/Res SF:

Lot Sq Ft assessment rate x 0.75 = \$0.07102

Linear Frontage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 10,163 Linear Ft = \$14.88888

Non-Profit/Res SF:

Linear Ft assessment rate x 0.75 = \$11.16666

Sample Parcel Assessment - Commercial

To calculate the assessment for a commercial parcel with 5,000 building square feet, 5,000 lot square feet, and 50 linear street frontage, multiply each by the appropriate assessment rate:

Building square footage (5,000) x assessment rate (\$0.26762) = \$1,338.10

Lot square footage (5,000) x assessment rate (\$0.09469) = \$473.45

Linear frontage (50) x assessment rate (\$14.8888) = \$744.44

Total Parcel Assessment = \$2,555.99

Sample Parcel Assessment – Residential Single Family

To calculate the assessment for a residential single family parcel with 2,000 building square feet, 5,000 lot square feet, and 50 linear street frontage, multiply each by the appropriate assessment rate:

Building square footage (2,000) x assessment rate (\$0.20071) = \$401.42

Lot square footage (5,000) x assessment rate (\$0.07102) = \$355.10

Linear frontage (50) x assessment rate (\$11.16666) = \$558.33

Total Parcel Assessment = \$1,314.85

Public Parcel Assessments

There are 2 City of San José publicly owned parcels in the CBID, the library and adjoining parking lot. Both of which will receive the same level of service as all other parcels in the district, and thus, will be assessed for the special benefits they receive from the CBID services. All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIID of the California Constitution was added in November 1996 and provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Below is a list of the publicly owned parcels and their respective assessments.

APN	OWNER NAME	SITE ADDRESS	2025 Assmt
429-17-036	San Jose City of	Minnesota Avenue	\$6,145.30
429-17-101	San Jose City of	Minnesota Avenue	\$8,992.40
			\$15,137.70

Annual Assessment Adjustments

During the 15-year term annual assessments may increase up to 7% to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the CBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CBID Owners' Association. The CBID Owners' Association will develop annual budgets and service programs each year.

The table below illustrates the estimated maximum assessments (rounded to five decimal places) for each year of the CBID based on the estimated percentage increase as discussed above.

Year	Commercial/Multi Family			Non-Profit/Residential SF		
	Lot SF	Building SF	Linear	Lot SF	Building SF	Linear
Year 1	\$0.09469	\$0.26762	\$14.88888	\$0.07102	\$0.20071	\$11.16666
Year 2	\$0.10132	\$0.28635	\$15.93111	\$0.07599	\$0.21476	\$11.94833
Year 3	\$0.10841	\$0.30640	\$17.04628	\$0.08131	\$0.22980	\$12.78471
Year 4	\$0.11600	\$0.32784	\$18.23952	\$0.08700	\$0.24588	\$13.67964
Year 5	\$0.12412	\$0.35079	\$19.51629	\$0.09309	\$0.26310	\$14.63722
Year 6	\$0.13281	\$0.37535	\$20.88243	\$0.09961	\$0.28151	\$15.66182
Year 7	\$0.14211	\$0.40162	\$22.34420	\$0.10658	\$0.30122	\$16.75815
Year 8	\$0.15206	\$0.42974	\$23.90829	\$0.11404	\$0.32230	\$17.93122
Year 9	\$0.16270	\$0.45982	\$25.58187	\$0.12202	\$0.34486	\$19.18641
Year 10	\$0.17409	\$0.49201	\$27.37260	\$0.13057	\$0.36900	\$20.52945
Year 11	\$0.18628	\$0.52645	\$29.28869	\$0.13971	\$0.39484	\$21.96652
Year 12	\$0.19931	\$0.56330	\$31.33890	\$0.14949	\$0.42247	\$23.50417
Year 13	\$0.21327	\$0.60273	\$33.53262	\$0.15995	\$0.45205	\$25.14946
Year 14	\$0.22819	\$0.64492	\$35.87990	\$0.17115	\$0.48369	\$26.90993
Year 15	\$0.24417	\$0.69006	\$38.39149	\$0.18313	\$0.51755	\$28.79362

CBID Guidelines

Time and Manner for Collecting Assessments

As provided by State Law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Santa Clara. The City of San José may direct bill the first year's assessment for all property owners and may direct bill any property owners whose special assessment does not appear on the tax rolls for each year of the BID term.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Santa Clara. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the first fiscal year of operation or for changes to assessments that occur during an assessment year and are prorated for a part of the year, and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the

owner/taxpayer by the County. The City of San José is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

Disestablishment

State law provides for the disestablishment of a CBID pursuant to an annual process. The 30-day period begins each year on the anniversary day that the City Council first establishes the CBID. Within this annual 30-day period, if the owners of real property who pay more than 50% of the assessments levied submit a written petition for disestablishment, the CBID may be dissolved by the City Council. The City Council must hold a public hearing on the proposed disestablishment before voting on whether to disestablish the CBID.

Duration

The CBID will have a 15-year term commencing January 1, 2025, through December 31, 2039. Any major modifications or new or increased assessments during the term of the CBID that are not consistent with the provisions of original Management District Plan will require a new mail ballot process.

Future Development

As a result of continued development, the CBID may experience the addition or subtraction of assessable footage for parcels included and assessed within the CBID boundaries. Parcels with a change in building square or lot square footage need to provide notice of the change to the District by April 1st of each year. Future year assessments will reflect the change.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds and providing proof for the appeal and filed with the Owners' Association prior to April 1 of each year. The Owners' Association shall review the appeal and will determine if the information provided warrants an adjustment to the assessment. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case, appeals will only be considered for the current year and will not be considered for prior years.

Implementation Timeline

The Willow Glen BID is expected to be renewed by June 2024 for inclusion of parcel assessments on the County of Santa Clara 2024 tax roll with an implementation date of the Management District Plan on January 1, 2025. Consistent with State law, the CBID will have a 15-year life through December 31, 2039.

SECTION 6: CBID GOVERNANCE

City Council

Following the submission of petitions from property owners representing more than 30% of the assessments to be paid, the City Council, upon holding a public hearing on the proposed CBID, may elect to renew the CBID. The CBID is renewed by a City Council resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

CBID Governance

The CBID Law establishes a governance framework that allows property owners who pay assessments the ability to determine how the assessments are used. This Management District Plan may be subject to changes if required by the state of California or the City of San José.

Willow Glen CBID

The CBID shall contract with a nonprofit organization that may act as the Owners' Association and governing board for the CBID. The role of the Owners' Association is consistent with similar CBIDs and management organizations throughout California and the nation. The Owners' Association determines budgets, assessment adjustments and monitors service delivery. As part of the Management Plan, the nonprofit organization oversees the delivery of day-to-day CBID activities. The CBID Owners' Association Board of Directors will represent a cross section of property owners found throughout the district. CBID annual services and budgets developed by the Owner's Association will be submitted to the City Council for approval and levy.

Pursuant to the State of California CBID legislation, the Owners' Association Board of Directors is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act when conducting CBID business.

SECTION 7: ASSESSMENT ROLL

The total assessment amount for FY 2024/25 is \$453,936 apportioned to each individual assessed parcel, as follows.

APN	OWNER NAME	Site Address	Parcel Assmt
264-53-039	1048 LINCOLN AVE LLC	1048 Lincoln Ave	\$1,222.48
264-53-040	HOANG DALENA THAO	1044 Lincoln Ave	\$1,147.43
264-53-041	MACIEL GLORIA TRUSTEE	1042 Lincoln Ave	\$1,753.45
264-53-042	KEARNY-BATES JENNIFER L TRUSTEE & ET AL	1040 Lincoln Ave	\$2,074.78
264-53-043	SAN JOSE AERIE FRATERNAL ORDER OF EAGLES	1036 Lincoln Ave	\$2,313.06
264-53-044	1030 LINCOLN AVENUE LLC	1030 Lincoln Ave	\$1,528.37
264-53-045	UPH 1016 LLC	1016 Lincoln Ave	\$3,837.61
264-53-046	ECKOLD FAMILY PROPERTIES LP	1014 Lincoln Ave	\$2,953.13
264-53-047	CAMPBELL ERIC AND JULIE	1010 Lincoln Ave	\$1,777.63
264-53-048	ZINC PROPERTIES LLC	1008 Lincoln Ave	\$1,898.06
264-53-049	ECKOLD FAMILY PROPERTIES LP	990 Coe Ave	\$1,502.74
264-56-078	ALTAMONT VETERINARY HOLDINGS LLC	1033 Willow St	\$4,055.77
264-56-079	BERTOLOTTI JOHN J AND JOAN E TRUSTEE & ET A	1045 Willow St	\$3,504.04
264-56-080	BERTOLOTTI JOHN J AND JOAN E TRUSTEE & ET A	1053 Willow St	\$1,759.58
264-56-084	KIRK RANCH LLC	1074 Lincoln Ave	\$7,831.48
264-56-085	BOUMIS SPILIOS AND VICKI TRUSTEE & ET AL	1072 Lincoln Ave	\$4,912.02
264-56-086	FROOM JUDITH R TRUSTEE	1060 Lincoln Ave	\$4,543.88
264-56-087	MASCAROTTI ROBERT & ANITA	1058 Lincoln Ave	\$1,716.23
264-56-088	FINWALL GORDON J TRUSTEE & ET AL	1056 Lincoln Ave	\$1,651.07
264-56-109	AMLUCK LLC	1082 Lincoln Ave	\$7,866.58
264-56-110	AMLUCK LLC	1080 Lincoln Ave	\$3,078.62
264-56-113	J R WILLOW GLEN LLC	1098 Lincoln Ave	\$6,698.29
264-56-114	J R WILLOW GLEN LLC	1075 Willow St	\$3,544.22
264-57-003	DEROSE CLARE ET AL	1005 Lincoln Ave	\$2,966.58
264-57-033	PORTALE MARIO C AND LINDA D TRUSTEE	26 Glen Eyrie Ave	\$2,242.62
264-57-034	SAWAYA JOYCE TRUSTEE	1019 Lincoln Ave	\$1,143.93
264-57-035	SAWAYA JOYCE TRUSTEE	1025 Lincoln Ave	\$1,446.03
264-57-036	SABA ALICE A TRUSTEE	1033 Lincoln Ave	\$1,395.72
264-57-037	WILLOW GLEN MORTUARY INC	1035 Lincoln Ave	\$1,512.69
264-57-038	WILLOW GLEN MORTUARY INC	1039 Lincoln Ave	\$2,607.22
264-57-071	AUTUMN LLC	1041 Lincoln Ave	\$2,516.99
264-57-072	NEIZVESTNY ILYA	1049 Lincoln Ave	\$5,200.86
264-57-073	PEDREIRO JAMES M AND SALLY M TRUSTEE	1055 Lincoln Ave	\$1,851.62
264-57-074	1057 LINCOLN AVE LLC	1057 Lincoln Ave	\$1,524.71
264-57-102	DEROSE CLARE ET AL	1001 Lincoln Ave	\$5,941.45
264-58-021	SWHM PROPERTIES LLC	1065 Lincoln Ave	\$1,843.28
264-58-022	RUSSOW FRANK H TRUSTEE	1071 Lincoln Ave	\$2,928.70
264-58-023	RUSSOW FRANK H TRUSTEE	1075 Lincoln Ave	\$2,925.76
264-58-024	OMARA DAVID M TRUSTEE	1079 Lincoln Ave	\$1,586.00
264-58-025	SAWAYA JOYCE TRUSTEE	1083 Lincoln Ave	\$1,825.27
264-58-026	VINCENT RICHARD A TRUSTEE	1087 Lincoln Ave	\$1,817.51
264-58-033	TRAN BINH YEN AND FRY COLIN R ET AL	1089 Lincoln Ave	\$1,835.03
264-58-037	WILLOW ST LLC ET AL	1111 Willow St	\$4,967.56

APN	OWNER NAME	Site Address	Parcel Assmt
264-58-038	SHAHEEN MARK A TRUSTEE & ET AL	1121 Willow St	\$2,007.67
264-58-104	BAGLIONE RICHARD A ET AL	1099 Lincoln Ave	\$5,980.54
264-58-106	MANNINA HARRETT W JR ET AL	1061 Lincoln Ave	\$2,908.27
264-58-113	PHAM DENNIS V AND HA HANH H TRUSTEE	1093 Lincoln Ave	\$1,796.05
264-58-114	MONTINI MATTHEW J TRUSTEE & ET AL	1091 Lincoln Ave	\$1,711.40
429-06-041	SALVATORE LLC	1384 Lincoln Ave	\$663.06
429-06-042	HOLMES ROBERT E TRUSTEE & ET AL	1378 Lincoln Ave	\$1,949.23
429-06-043	DIQUATTRO PAUL A AND SANDRA C TRUSTEE & ET	1366 Lincoln Ave	\$347.10
429-06-044	SAN JOSE AUXILIARY STANFORD CHILDRENS HOSP	1360 Lincoln Ave	\$3,221.46
429-06-045	ASSYRIAN AMERICAN ASSN SJ INC	1352 Lincoln Ave	\$2,638.28
429-06-046	MIDDIONE PAUL TRUSTEE & ET AL	1342 Lincoln Ave	\$1,489.03
429-06-047	BERNS BERTRAM M AND BARBARA C TRUSTEE	1330 Lincoln Ave	\$4,008.45
429-06-050	ROMANO FAMILY PARTNERSHIP II LP	1306 Lincoln Ave	\$3,105.22
429-06-051	CANCIAMILLA ANTHONY AND MARIA TRUSTEE	1302 Lincoln Ave	\$3,887.32
429-06-052	TCMB PROPERTIES LLC	1292 Lincoln Ave	\$2,003.24
429-06-053	ADAMS DAVID W TRUSTEE & ET AL	1284 Lincoln Ave	\$2,415.91
429-06-060	FROOM JUDITH R TRUSTEE & ET AL	1228 Lincoln Ave	\$5,719.18
429-06-061	AEBO-BUFF LLC	1224 Lincoln Ave	\$6,339.69
429-06-064	HOUSTON JERRY D TRUSTEE & ET AL	1190 Lincoln Ave	\$5,295.89
429-06-065	R & S PROPERTIES, INC.	1180 Lincoln Ave	\$3,748.61
429-06-066	BAMBURG MARVIN A AND BONNIE L TRUSTEE	1174 Lincoln Ave	\$3,686.81
429-06-071	PERSING INVESTMENTS LLC	1202 Lincoln Ave	\$5,159.63
429-06-073	GAGLIARDI BROTHERS	1060 Willow St	\$7,646.92
429-06-074	SAIA JERRY F TRUSTEE & ET AL	1314 Lincoln Ave	\$5,679.13
429-06-076	SE-CASJ1 LLC	1093 Minnesota Ave	\$1,239.40
429-06-079	1390-1396 LINCOLN LLC	1396 Lincoln Ave	\$3,537.75
429-06-080	A T C BUILDING CO	1250 Lincoln Ave	\$8,303.17
429-06-087	SE-CASJ1 LLC	1093 Minnesota Ave	\$1,487.10
429-06-088	SEETO HOWARD QUIN AND KAY WOO TRUSTEE	1264 Lincoln Ave	\$5,274.25
429-06-090	GAGLIARDI BROTHERS	1318 Lincoln Ave	\$6,022.05
429-06-093	PAJA INVESTMENTS	1100 Lincoln Ave	\$34,606.09
429-07-001	RUBINO JOSEPH P ET AL	1191 Lincoln Ave	\$6,427.47
429-07-023	LINCOLN AVENUE II LLC	Willow St	\$1,280.69
429-07-026	LINCOLN AVENUE II LLC	1109 Lincoln Ave	\$2,473.02
429-07-032	LINCOLN AVENUE II LLC	1165 Lincoln Ave	\$10,086.65
429-07-033	ERIC HOFFMAN FAMILY LP	1177 Lincoln Ave	\$2,477.87
429-07-034	TSANG WAI CHIU AND KEN WONG TRUSTEE	1181 Lincoln Ave	\$3,041.87
429-07-041	SCHIRO SHIRLEE D TRUSTEE & ET AL	1133 Lincoln Ave	\$7,445.65
429-07-042	LINCOLN AVENUE I LLC	1151 Lincoln Ave	\$6,102.74
429-07-045	1122 WILLOW ST LLC	1122 Willow St #200	\$8,156.42
429-07-046	LINCOLN AVENUE II LLC	1110 Willow St	\$3,151.66
429-07-047	LINCOLN AVENUE III LLC	1115 Lincoln Ave	\$5,159.41
429-16-023	OHAN MARTIN M TRUSTEE	1203 Lincoln Ave	\$2,114.54
429-16-030	BYER PROPERTIES LP	1261 Lincoln Ave	\$8,802.71
429-16-048	DADGAR FARAMARZ AND ANNELIES M TRUSTEE	1213 Lincoln Ave	\$8,198.33
429-16-051	1221 LINCOLN LLC	1221 Lincoln Ave	\$2,132.96
429-16-068	LINCOLN AVENUE IV LLC	1245 Lincoln Ave #A	\$12,495.23
429-16-073	VOSSOUGH KEON TRUSTEE	1275 Lincoln Ave	\$5,518.03

APN	OWNER NAME	Site Address	Parcel Assmt
429-16-074	CVS CAREMARK CORPORATION	1285 Lincoln Ave	\$14,622.64
429-17-030	FRANGES MICHAEL AND FRANCIS MARY TRUSTEE	1114 Brace Ave	\$2,146.15
429-17-031	GLANDER CARMELLA R TRUSTEE	1110 Brace Ave	\$1,001.92
429-17-032	PALESTRO RITA L TRUSTEE & ET AL	1305 Lincoln Ave	\$3,199.15
429-17-033	PALESTRO RITA L TRUSTEE	1319 Lincoln Ave	\$548.69
429-17-034	JDING PROPERTIES LLC ETAL	1331 Lincoln Ave	\$3,464.13
429-17-035	JDING PROPERTIES LLC ETAL	1345 Lincoln Ave	\$5,085.65
429-17-036	SAN JOSE CITY OF		\$6,145.30
429-17-038	V & L LLC	1371 Lincoln Ave	\$978.17
429-17-039	MAROUDAS THEONI TRUSTEE	1373 Lincoln Ave	\$1,052.70
429-17-040	PEGASUS INVESTMENTS INC	1379 Lincoln Ave	\$4,397.95
429-17-064	ROBB ALAN O AND DETTE JENNIFER L TRUSTEE	1145 Minnesota Ave	\$1,677.01
429-17-065	LIVE OAK ADULT DAY SERVS	1147 Minnesota Ave	\$3,596.02
429-17-067	MAYNARD DOUGLAS S	1151 Minnesota Ave	\$4,689.63
429-17-073	TSIGARIS NICHOLAS E ET AL	1115 Minnesota Ave	\$3,021.66
429-17-074	DEMATTEI DEVELOPMENT INC	1125 Minnesota Ave	\$3,795.73
429-17-077	SARANGELO LLC	1351 Lincoln Ave	\$5,877.37
429-17-088	ANDERSON IMOGENE	1149 Minnesota Ave	\$2,090.05
429-17-107	SAN JOSE CITY OF		\$8,992.40
429-17-114	1133 MINNESOTA LLC	1133 Minnesota Ave	\$7,427.05
429-18-066	JPMORGAN CHASE BANK NATIONAL ASSOCIATION	1092 Minnesota Ave	\$7,933.43
TOTAL ASSESSMENT:			\$453,936.00

ATTACHMENT B

Willow Glen CBID Final Engineer's Report

Willow Glen Community Benefit Improvement District FINAL Engineer's Report



City of San José, California
February 2024

Prepared by:
Kristin Lowell Inc.

*Prepared pursuant to
Article XIID of the California State Constitution*

TABLE OF CONTENTS

ENGINEER'S STATEMENT	1
----------------------------	---

ENGINEER'S REPORT:

SECTION A: Legislative and Judicial Review	2
SECTION B: Improvements and Activities	4
SECTION C: Benefitting Parcels	5
SECTION D: Proportional Benefits	7
SECTION E: Special and General Benefits.....	10
SECTION F: Cost Estimate	14
SECTION G: Apportionment Method	15

ENGINEER'S STATEMENT

This Report is prepared pursuant to Article XIID of the California State Constitution (Proposition 218) and Chapter 14.31 of the San Jose Municipal Code, which incorporates and modifies the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600, et seq.

The Willow Glen Community Benefit District ("CBID") will provide activities either currently not provided or are above and beyond what the City of San Jose provides. These activities will specially benefit each individual assessable parcel in the CBID. Every individual assessed parcel within the CBID receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the CBID receive the special benefit of these proposed activities.

The duration of the proposed CBID is fifteen (15) years, commencing January 1, 2025, and ending December 31, 2039. An estimated budget for the CBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 7% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 7% in any given year. Funding for the CBID improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the CBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the CBID will receive a special benefit over and above the benefits conferred to those parcels outside of the CBID boundary and to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than the special benefits received.



Respectfully submitted,

A handwritten signature in blue ink that reads "Terrance E. Lowell".

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600, et seq. (the "State Law") is the legislation that authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the CBID. The purpose of the CBID is to encourage commerce, investment, and business activities. In order to meet these goals CBIDs typically fund activities and improvements, such as enhanced safety and cleaning. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, CBIDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the CBID are over and above those already provided by the City within the CBID's boundaries. Each of the CBID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract businesses that benefit the parcels, and improve the economic vitality of parcels.

Specifically, the State Law defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years..."¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district."²*

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: "Special benefit also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general."³

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

³ California Streets and Highways Code, Section 36615.5(b)

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements, Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. 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 assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.⁴

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁵

Judicial Guidance

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portion of a case that applies to CBIDs in particular is noted below.

"The engineer's report describes the services to be provided by the CBID [i.e. the CBID]; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the CBID. And they are particular and distinct benefits to be provided only to the properties within the CBID, not to the public at large—they 'affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share.'"⁶

The contents of this Engineer's Report are prepared in compliance with the above noted authorizing State Law, the State Constitution, and the judicial opinion.

⁴ Section 4, Article XIID of the State Constitution.

⁵ Section 2 (i), Article XIID of the State Constitution.

⁶ *Dahms v. Downtown Pomona Property and Business Improvement District* (2009) 174 Cal.App. 4th 708, 722.

SECTION B: IMPROVEMENTS AND ACTIVITIES

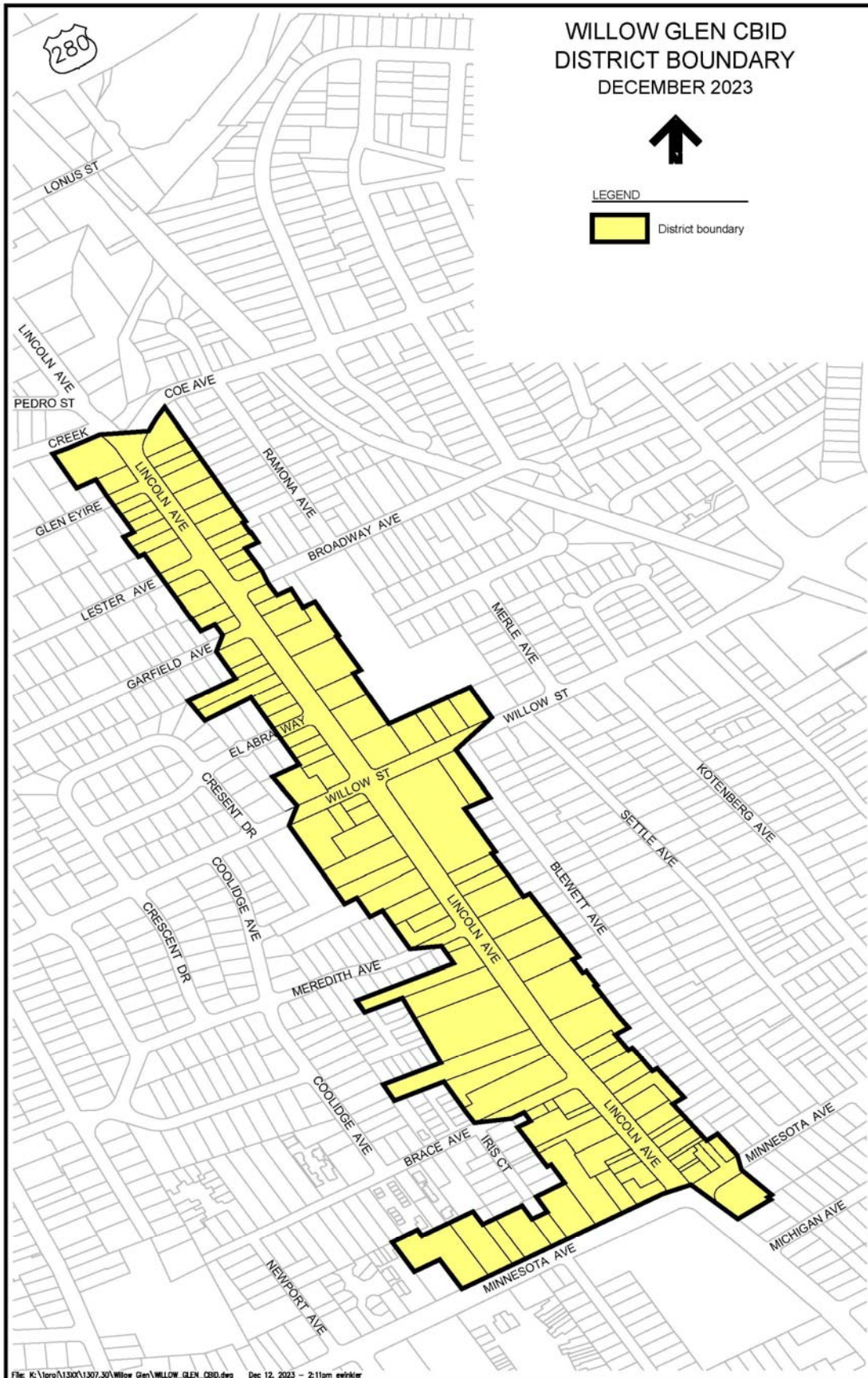
The CBID renewal committee collectively determined the priority for improvements and activities that the CBID will deliver. Accordingly, the CBID will provide the services described in greater detail in Section 3 of this Management District Plan: beautification, economic development, safety, and cleaning.

SECTION C: BENEFITTING PARCELS

CBID Boundary Description

The existing CBID district boundary encompasses the parcels along Lincoln Avenue roughly from Minnesota Avenue to Lester Avenue. The CBID is expanding along Lincoln Avenue from Lester Avenue to Coe Avenue as that area will continue to develop and become more cohesive with the existing district area.

A map of the proposed district boundary is on the following page.



SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIID Section 4(a) of the State Constitution states that “The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided.”

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed improvements, services, and activities is the result of a four-step process:

1. Defining the proposed activities,
2. Determining which parcels specially benefit from the proposed activities,
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the CBID receive.

Each identified parcel within the CBID will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the CBID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factor

Each parcel's proportional special benefit from the CBID activities is determined by analyzing three parcel characteristics: Building Square Footage, Lot Square Footage, and Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive as each reflects the potential demand for the CBID services and deployment. The building square footage and lot square footage reflects the current use of a property and the long-term value implications that the parcels will demand of the CBID activities. The larger the parcel and/or building the greater pedestrian traffic that requires the CBID services. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for CBID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which is then is the basis to proportionately allocate the cost of the special benefits. The assessable budget is allocated 1/3 equally to each of these assessment factors.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the CBID activities. Corner lots will be assessed for each side of the parcels' street frontage.

Property Use Considerations

Each assessed parcel within the CBID specially benefits from the CBID activities but not to the same degree. The proportional special benefit and assessment methodology provides the following land use considerations for Commercial, Residential 4+ units, Non-Profit and Residential 1-3 units.

- **Commercial:** These parcels benefit from all the CBID activities that are designed to increase pedestrian traffic, increase sales, enhance the business climate, retain existing businesses as well as attract new businesses, and increase business investment. Commercial parcels specially benefit from all the CBID activities, and thus will be assessed in direct relationship to the special benefits received.
- **Residential 4+ units:** Residential parcels with 4 or more units, like commercial parcels, specially benefit from all the CBID activities. These parcels are typically income producing and will benefit from a cleaner, safer, and welcoming environment as well as a more vibrant destination that in turn attracts renters.
- **Non-Profit and Residential 1-3 units:** Residential with 1-3 units and non-profit parcels receive benefit from the CBID services but not to the same degree as the commercial and for profit parcels. Since these parcels do not engage in commercial or customer attraction activities, they do not receive the same level of benefit as commercially driven parcels, and thus, will be assessed at 75% to account for the special benefits they do receive. This accounts for the fact that residential and non-profit parcels generate less pedestrian traffic than commercial parcels, and thus, require less CBID provided services.

Mixed use parcels that have more than one land use as identified above will be assessed for each portion of that land uses square footage multiplied by the appropriate assessment rate for that land use. *Note: The County Assessor's records are used to determine each parcel's land use type and building square footage. If a parcel is incorrectly categorized, the property owner may petition for an assessment adjustment pursuant to the Assessment Appeal Procedure in this section.*

Change in Property Use: If at any time a parcel within the district boundary changes its use, based on a change in zoning designation, entitlement process or otherwise, it will be subject to the assessment methodology for the new use of that property. For example, if a residential parcel with 1-3 units changes to commercial use, then that parcel in subsequent years shall be assessed at the commercial rate. As a result, the CBID may experience the addition or subtraction of assessable lot or building square footage for parcels included and assessed within the CBID boundaries. The modification of use for an assessed parcel within the CBID may then change upwards or downwards the amount of total lot and building square footage assessment for that parcel. In future years, determination of the special benefits bestowed upon individual assessed parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer's Report. Parcels with a change in property use need to provide notice of the change to the District by April 1st of each year. Future year assessments will reflect the change.

Benefit Units

Using the assessment factors and property use considerations described above we assign benefit units to each specially benefitted parcel. The total number of assessable benefit units in the CBID are as follows:

Property Use	Assessable Benefit Units		
	Building SF	Lot SF	Linear Frontage
Commercial + Multi Family	558,244	1,556,176	9,883
Res 1-3 Units + Non Profit	7,157	41,750	280
TOTALS:	565,401	1,597,926	10,163

SECTION E: SPECIAL and GENERAL BENEFITS

Special Benefit Defined

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that “only special benefits are assessable”.

The State Law defines special benefit as “...for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.”⁷

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: “‘Special benefit’ also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefit does not make the benefits general.”

Furthermore, the amendment (Section 36622(k)(3)) states: “In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.”

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property-related activities that are specifically intended for and directly benefit each individual assessed parcel in the CBID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel’s assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601(b) states that “Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has

⁷ California Streets and Highways Code, Section 36615.5(a)

confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments.”

The Willow Glen CBID's goal is to fund activities and improvements to provide a cleaner and safer environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety and cleanliness of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from:

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed CBID programs and services

Specifically, each parcel benefits from each of the CBID activities as defined below.

Clean, Safe and Beautiful

The cleaning activities specially benefit each assessed parcel within the CBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, trash removal, and tree trimming. These activities create the environment needed to achieve the CBID's goals. Sidewalks that are dirty and unclean, particularly from homeless activities, deter pedestrians and commercial activity.

The enhanced safety activities make the area safer which attracts more businesses, customers, and residents, and ultimately private investment. When business location decisions are made, “lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment.” Uncertainty affects the investment environment in general, but in particular it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable.”⁸ Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity and an increase in customers that follow from having a safer environment.

The Clean, Safe and Beautiful activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the CBID. Sidewalks that are dirty and

⁸ “Accelerating economic growth and vitality through smarter public safety management” IBM Global Business Services Executive Report, September 2012, pg. 2

unkempt deter pedestrians and commercial activity. "Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists."⁹

- Removing graffiti from buildings to keep the aesthetic appeal uniform throughout the CBID.
- The beautification activities specially benefit each assessed parcel by providing maintained landscaped corridors, tree lighting and streetscape furniture in public places. These activities create the welcoming environment needed to achieve the CBID's other goals.

Economic Vitality

The Economic Vitality activities consist of services directly benefitting the assessed parcels. For example, the CBID will promote local businesses, help property owners attract high-paying tenants through advertising and neighborhood branding efforts, and highlight the special benefits that the assessed parcels are receiving through a website and stakeholder communications and special projects. In addition, the special events will attract customers to the area. These activities will specially benefit assessed parcels by encouraging business development and investment and increased commercial activity (e.g., filling vacant spaces, increased lease rates for commercial spaces). Decisions on where to shop, eat or conduct business are largely based on a perception of the place. If these economic vitality activities were not performed, it would be a deterrent to pedestrian traffic, business, and commerce for the assessed parcels.

Management

The CBID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City departments, and provide leadership. Each parcel will specially benefit from the CBID executive staff that will ensure that the CBID activities are provided and deployed to assessed parcels and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

The fact that each CBID improvement and activity defined above will be provided to each assessed parcel is above and beyond what the city currently provides constitutes a special benefit. In addition, the CBID activities are targeted to improve the safety, cleanliness and vitality of only those parcels that are within the district boundary. Therefore, we conclude that each of the proposed activities provides special benefits to the assessed parcels within the district and that each parcel's assessment is in direct relationship to and no greater than its proportional special benefits received.

⁹ "Benefits of Sidewalks", Iowa Healthiest State Initiative, November 1, 2017

General Benefit Defined

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the CBID activities and improvements that are not special in nature, are not particular and distinct and are not over and above the benefits that other parcels receive.

General Benefit Analysis

The CBID improvements and activities are designed to provide service only to those parcels that are within the district boundary. As discussed above, these activities are determined to provide special benefits only to the assessed parcels. The California Streets and Highways Code Section 36615.5 (b) further defines special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: "Special benefit also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general."¹⁰ If there is any general benefit to property located in the district or to the public at large, it is incidental to providing special benefits to the assessed parcels. However, it is conceivable that there may be some general benefit that is not quantifiable, and it is judicious to allocate a portion of the budget to acknowledge this.

Prior intercept surveys conducted in other California communities: Sacramento Mack Road (2019); San Francisco Union Square (2019); and Los Angeles (Historic Downtown (2019), Arts District (2019), Downtown Industrial (2015), Fashion District (2014), and Downtown San Jose (2011) help to determine to what degree the CBID activities may provide general benefit. These intercept surveys were intended to ask respondents questions regarding whether any of the provided CBID activities were important to their decision to be within the district and whether they intended to engage in any commercial activity while they were there. The surveys concluded that on average 1.4% of the respondents were within the district boundary with no intent to engage in any business activity and that the CBID activities did not contribute to their decision to be in the district. In other words, based on the results of these surveys it is reasonable to conclude that approximately 1.4% of CBID activities provide general benefits.

However for the Willow Glen CBID, to be conservative and to account for any variance in district type, size and services provided, we applied a 2.0% general public benefit factor to account for these variances. The 2%, or \$9,264 of the total budget will need to be funded from sources other than the special assessments.

¹⁰ California Streets and Highways Code, Section 36615.5(b)

SECTION F: COST ESTIMATE

2025 CBID Budget

The Willow Glen CBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Willow Glen CBID boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

EXPENDITURES	TOTAL	% of TOTAL
Clean, Safe and Beautiful	\$348,200	75.2%
Economic Vitality (marketing/special events)	\$25,000	5.4%
Management	\$90,000	19.4%
Total Expenditures	\$463,200	100.0%
REVENUES		
Assessment Revenues	\$453,936	98.0%
Other Revenues (1)	\$9,264	2.0%
Total Revenues	\$463,200	100.0%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Notations

During the 15-year term annual assessments may increase up to 7% to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the CBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CBID Owners' Association. The CBID Owners' Association will develop annual budgets and service programs each year. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the Annual Planning Report each year. District funds may be used for renewal.

Bond Issuance

The District will not issue bonds.

SECTION G: APPORTIONMENT METHOD

Assessment Methodology

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the cleaning and operation expenses of an improvement or the cost of the property service being provided. Due to the proportionate special benefits received by these individual parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received.

As previously discussed above in Section D, the methodology for allocating the cost of the special benefits is allocated to Building Square Footage, Lot Square Footage, and Linear Street Frontage. The table below indicates the assessable footage for each.

Property Use	Assessable Benefit Units		
	Building SF	Lot SF	Linear Frontage
Commercial + Multi Family	558,244	1,556,176	9,883
Res 1-3 Units + Non Profit	7,157	41,750	280
TOTALS:	565,401	1,597,926	10,163

Assessment Rate Calculation

Based on the budget allocated to each assessment factor, benefit units for each variable, all of which are discussed above, the following table illustrates the maximum first year annual assessment per assessable benefit unit. Note, assessment rates are rounded off to the fifth decimal place and a parcel's assessment may vary slightly when calculated using the assessment rates below.

Assessment Rates:	Lot	Building	Linear
Comm + Multi Family	\$0.09469	\$0.26762	\$14.88888
Non-Profit + Res SF	\$0.07102	\$0.20071	\$11.16666

Specifically, the assessment rates are calculated as follows:

Assessment Budget = \$453,936

Assessment Budget allocated to Building Square Footage @ 1/3 = \$151,312

Assessment Budget allocated to Lot Square Footage @ 1/3 = \$151,312

Assessment Budget allocated to Linear Frontage @ 1/3 = \$151,312

Building Square Footage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 565,401 Building Sq Ft = \$0.26762

Non-Profit/Res SF:

Building Sq Ft assessment rate x 0.75 = \$0.20071

Lot Square Footage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 1,597,926 Lot Sq Ft = \$0.09469

Non-Profit/Res SF:

Lot Sq Ft assessment rate x 0.75 = \$0.07102

Linear Frontage Assessment Rate-

Commercial/Multi Family Use:

Assessment Budget \$151,312 / 10,163 Linear Ft = \$14.88888

Non-Profit/Res SF:

Linear Ft assessment rate x 0.75 = \$11.16666

Sample Parcel Assessment - Commercial

To calculate the assessment for a commercial parcel with 5,000 building square feet, 5,000 lot square feet, and 50 linear street frontage, multiply each by the appropriate assessment rate:

Building square footage (5,000) x assessment rate (\$0.26762) = \$1,338.10

Lot square footage (5,000) x assessment rate (\$0.09469) = \$473.45

Linear frontage (50) x assessment rate (\$14.8888) = \$744.44

Total Parcel Assessment = \$2,555.99

Sample Parcel Assessment – Residential Single Family

To calculate the assessment for a residential single family parcel with 2,000 building square feet, 5,000 lot square feet, and 50 linear street frontage, multiply each by the appropriate assessment rate:

Building square footage (2,000) x assessment rate (\$0.20071) = \$401.42

Lot square footage (5,000) x assessment rate (\$0.07102) = \$355.10

Linear frontage (50) x assessment rate (\$11.16666) = \$558.33

Total Parcel Assessment = \$1,314.85

Public Property Assessments

There are 2 City of San José publicly owned parcels in the CBID, the library and adjoining parking lot. Both of which will receive the same level of service as all other parcels in the district, and thus, will be assessed for the special benefits they receive from the CBID services. All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIID of the California Constitution was added in November 1996 and provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Below is a list of the publicly owned parcels and their respective assessments.

APN	OWNER NAME	SITE ADDRESS	2025 Assmt
429-17-036	San Jose City of	Minnesota Avenue	\$6,145.30
429-17-101	San Jose City of	Minnesota Avenue	\$8,992.40
			\$15,137.70

Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments may be subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the District Owner's Association and will vary between 0% and 7% in any given year. The maximum increase for any given year cannot exceed 7% in that year. Any change will be approved by the Owner's Association Board of Directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

The projections below illustrate a maximum 7% annual increase for all assessment rates.

Maximum Assessment Table

Year	Commercial/Multi Family			Non-Profit/Residential SF		
	Lot SF	Building SF	Linear	Lot SF	Building SF	Linear
Year 1	\$0.09469	\$0.26762	\$14.88888	\$0.07102	\$0.20071	\$11.16666
Year 2	\$0.10132	\$0.28635	\$15.93111	\$0.07599	\$0.21476	\$11.94833
Year 3	\$0.10841	\$0.30640	\$17.04628	\$0.08131	\$0.22980	\$12.78471
Year 4	\$0.11600	\$0.32784	\$18.23952	\$0.08700	\$0.24588	\$13.67964
Year 5	\$0.12412	\$0.35079	\$19.51629	\$0.09309	\$0.26310	\$14.63722
Year 6	\$0.13281	\$0.37535	\$20.88243	\$0.09961	\$0.28151	\$15.66182
Year 7	\$0.14211	\$0.40162	\$22.34420	\$0.10658	\$0.30122	\$16.75815
Year 8	\$0.15206	\$0.42974	\$23.90829	\$0.11404	\$0.32230	\$17.93122
Year 9	\$0.16270	\$0.45982	\$25.58187	\$0.12202	\$0.34486	\$19.18641
Year 10	\$0.17409	\$0.49201	\$27.37260	\$0.13057	\$0.36900	\$20.52945
Year 11	\$0.18628	\$0.52645	\$29.28869	\$0.13971	\$0.39484	\$21.96652
Year 12	\$0.19931	\$0.56330	\$31.33890	\$0.14949	\$0.42247	\$23.50417
Year 13	\$0.21327	\$0.60273	\$33.53262	\$0.15995	\$0.45205	\$25.14946
Year 14	\$0.22819	\$0.64492	\$35.87990	\$0.17115	\$0.48369	\$26.90993
Year 15	\$0.24417	\$0.69006	\$38.39149	\$0.18313	\$0.51755	\$28.79362

Budget Adjustment

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the Management District Plan to adjust for surpluses that are carried forward. District funds may be used to fund the cost of renewing the District. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners if one is not established, in accordance with the Streets and Highways Code section 36671.

If an error is discovered on a parcel's assessed footage, the District may investigate and correct the assessed footage after confirming the correction with the Santa Clara County Assessor Data and City Clerk's office. The correction will be made in accordance with the assessment methodology and may result in an increase or decrease in the parcel's assessment.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Owners' Association shall have the right to reallocate up to 20% by line item of the budget allocation within the budgeted categories. Any change will be approved by the Owners' Association Board of Directors and submitted to the City of San Jose within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. Parcels with a change in building or lot square footage need to provide notice of the change to the District by April 1st of each year. Future year assessments will reflect the change.

In future years of the CBID term, the assessments for the special benefits bestowed upon the included CBID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment rate does not change. If the assessment formula changes and increases the assessments, then a ballot as defined in Article 13 Section D of the State Constitution will be required for approval of the formula changes.

CBID Boundary Map

