



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Nanci Klein

SUBJECT: SEE BELOW

DATE: May 21, 2024

Approved

Date

5/22/24

COUNCIL DISTRICT: 3

SUBJECT: PUBLIC HEARING ON THE JAPANTOWN BUSINESS IMPROVEMENT DISTRICT BUDGET REPORT AND ASSESSMENTS FOR FISCAL YEAR 2024-2025

RECOMMENDATION

- (a) Conduct a public hearing and adopt a resolution approving the Japantown Business Improvement District Budget Report for Fiscal Year 2024-2025 as filed or modified by City Council, and levying the Japantown Business Improvement District assessments for Fiscal Year 2024-2025.
- (b) Approve an uncodified ordinance approving the Japantown Business Improvement District Budget Report for Fiscal Year 2024-2025 as filed or modified by City Council, and levying the Japantown Business Improvement District assessments for Fiscal Year 2024-2025, specified in the resolution.

SUMMARY AND OUTCOME

Approval of this action will result in the levy of assessments for the upcoming fiscal year (FY) of the Japantown Business Improvement District.

BACKGROUND

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

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Business District. City Council appointed the Jackson-Taylor Business and Professional Association (who have since changed its name to the Japantown Business Association to correspond with the neighborhood name) as the Advisory Board (Advisory Board) for the BID to advise City Council on the levy of assessments in the BID and the expenditure of revenues derived from the assessments for the benefit of the BID. The Japantown BID service area is shown in **Attachment A** – Japantown BID Map for FY 2024-2025.

Pursuant to the California Parking and Business Improvement Area Law, an annual public hearing is required in order to approve an annual budget report and levy the annual BID assessments. On May 21, 2024, City Council preliminarily approved the FY 2024-2025 Budget Report as filed by the Advisory Board, adopted a resolution of intention to levy the annual assessments for FY 2024-2025 for the BID, and set June 4, 2024 at 1:30 p.m. as the date and time for the required public hearing on the levy of the proposed FY 2024-2025 assessments. The FY 2024-2025 Budget Report preliminarily approved by City Council on May 21, 2024 is attached to this memorandum as **Attachment B** – Japantown BID Budget Report for FY 2024-2025. In accordance with the California Parking and Business Improvement Area Law, the City Clerk published the required legal notice with regard to the levy of assessments for FY 2024-2025.

ANALYSIS

When a hearing is held under the California Parking and Business Improvement Area Law with regard to the levy of assessments of a BID, City Council shall hear and consider all protests against the continued authorization of the BID, the extent of the area, the assessments, or the furnishing of specified types of improvements or activities. Protests may be made orally or in writing. Written protests must be filed with the City Clerk at or before the time fixed for the public hearing. The California Parking and Business Improvement Area Law requires that the proceedings shall terminate if protests are made in writing against the continued authorization of the BID by businesses or property owners in the proposed district that will pay a majority of the charges to be assessed. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those improvements or activities shall be eliminated.

The Advisory Board prepared a Budget Report attached as **Attachment B**, for City Council's consideration, as the budget for the Japantown BID for FY 2024-2025. As required by California Parking and Business Improvement Area Law, the Budget Report has been filed with the City Clerk and contains, among other things, a list of the improvements and activities proposed to be provided in the BID in FY 2024-2025 and an estimate of the cost of providing the improvements and activities. The Advisory Board recommended no change in the BID boundaries or the method and basis for levying assessments. Therefore, the proposed assessments in the BID for FY 2024-2025, described in the Budget Report, are the same as the assessments for FY 2023-2024.

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During the course or upon the conclusion of the public hearing, City Council may order changes in any of the matters provided in the Advisory Board's report. At the conclusion of the public hearing, City Council may adopt a resolution confirming the Budget Report as originally filed or as modified by City Council. The adoption of the resolution and uncodified ordinance constitutes the levy of the assessment for the FY 2024-2025.

EVALUATION AND FOLLOW-UP

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

COST SUMMARY/IMPLICATIONS

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

COORDINATION

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

PUBLIC OUTREACH

In accordance with the California Parking and Business Improvement Area Law, the City Clerk published the required legal notice with regard to the levy of assessments for FY 2024-2025. The budget for FY 2024-2025 was reviewed and approved by the Advisory Board on April 18, 2024 as shown in **Attachment C** - Japantown BID Board Minutes for FY 2024-2025.

This memorandum will be posted on the City's Council Agenda website for the June 4, 2024 City Council meeting.

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COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

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

PUBLIC SUBSIDY REPORTING

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

/s/

NANCI KLEIN

Director of Economic Development and
Cultural Affairs

For questions, please contact Sal Alvarez, Executive Analyst, at (408) 793-6943 or salvador.alvarez@sanjoseca.gov.

ATTACHMENTS:

Attachment A – Japantown BID Map for FY 2024-2025

Attachment B – Japantown BID Budget Report for FY 2024-2025

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

Attachment A-Japantown BID Map for FY 2024-2025

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

BID ZONE 1

BID ZONE 2

Key locations and businesses on the map include:

- Flawless barbershop
- Fuji Towers
- Kaizen Salon
- Cary O Lindstrom Law Offices
- Nijiya Market San Jose Store
- San Jose Wing Chun
- Japanese American Museum of San Jose (Showcase for Japanese history & culture)
- Okayama Sushi #1 (Sushi • \$\$)
- Sushi Maru (Sushi • \$\$)
- Exhibit at J Town Apartments
- National Printing
- Luna Bail Bonds
- INOP Breakfast • \$
- George St
- N 4th St
- N 5th St
- N 6th St
- N 7th St
- N 8th St
- E Taylor St
- Jackson St
- Sinceretee
- The Esplanade Apartments
- Sixth & Jackson Apartments



JAPANTOWN BUSINESS ASSOCIATION

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

Japantown BID Budget Report for Fiscal Year 2024-2025

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

1. Estimated budget and improvements:

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

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

2. Improvements and activities funded by BID:

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

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

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

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

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

4. Current Japantown BID Assessment rates are below:

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

Japantown BID Address Range

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

Japantown BID Income Sources 2024-2025

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

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

JBA Board of Directors 2024-2025

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

Highlights from 2023-2024 Fiscal Year

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

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

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