



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jen Baker

SUBJECT: See Below

DATE: February 18, 2026

Approved

Date:

2/19/26

SUPPLEMENTAL

SUBJECT: Establishment of The Alameda Business Improvement District and Approval to Levy Assessments in The Alameda Business Improvement District for the Remainder of Fiscal Year 2025-2026

REASON FOR SUPPLEMENTAL

This memorandum provides the results of additional analysis conducted on the impacts of eliminating home-based businesses from inclusion in The Alameda Business Improvement District, further recognizing the prevalence of home-based businesses within the proposed district boundary and includes revisions to the proposed ordinance establishing The Alameda Business Improvement District and the resolution approving the Service Plan and levying the Business Improvement District assessment to exempt home-based business from the annual assessment. The Public Hearing on this item was deferred to February 24, 2026.

RECOMMENDATION

- (a) Conduct a public hearing and approve an ordinance to establish The Alameda Business Improvement District, which includes changes to the original proposed ordinance to exempt home-based businesses from the annual assessment.
- (b) Conduct a public hearing and adopt a resolution approving the Service Plan and the levy of assessments for The Alameda Business Improvement District for the remainder of Fiscal Year 2025 2026, which includes changes to the original resolution to exempt home-based businesses from the annual assessment.

- (c) Adopt a resolution authorizing the City Manager or her designee to negotiate and execute an agreement with The Alameda Business Association, Inc. for the administration of The Alameda Business Improvement District.

COST SUMMARY/IMPLICATIONS

Exempting home-based businesses will reduce projected annual assessment revenue by approximately \$55,100 compared to the estimates presented in the original memorandum. The services provided by the district will be adjusted by The Alameda Business Improvement District to meet the revised assessment budget.

As of February 2026, there are 1,862 businesses holding an active business tax certificate within the proposed improvement district boundaries. The recommended assessments are a flat rate assessment fee of \$350 per business, and The Alameda Business Improvement District will offer a reduced annual assessment of \$100 for businesses with less than two employees and for nonprofit organizations, as shown in the table below.

Businesses	Volume	\$ Fee	Annual Assessments
Home-based	551	0	-
Less than two Employees and Non-profits	728	100	\$72,800
Two or more Employees	603	350	\$211,050
Total	1862		\$283,850
70% Collection			\$198,695

If The Alameda Business Improvement District is approved on February 24, 2026, the revised projected revenue for the remainder of Fiscal Year 2025-2026 is \$33,115. The revised projected annual assessment revenue for Fiscal Year 2026-2027 is \$198,695. These projections assume a 70% collection rate and reflect all approved exemptions, including home-based businesses. Assessment revenue will be recognized and appropriated as part of a future budget process to facilitate disbursement to The Alameda Business Improvement District.

HONORABLE MAYOR AND CITY COUNCIL

February 18, 2026

Subject: Establishment of The Alameda Business Improvement District and Approval to Levy Assessments in The Alameda Business Improvement District for the Remainder of Fiscal Year 2025-2026

Page 3

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, and Finance Department.



JEN BAKER

Director of the City Manager's Office of
Economic Development and Cultural
Affairs

The principal authors of this memorandum are Sal Alvarez, Senior Executive Analyst, City Manager's Office of Economic Development and Cultural Affairs, and Victor Farlie, Assistant to the City Manager, City Manager's Office of Economic Development and Cultural Affairs.

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