



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jen Baker

SUBJECT: See Below

DATE: June 3, 2026

Approved

Date:

6/3/2026

COUNCIL DISTRICT: 3

SUBJECT: Public Hearing on the Japantown Business Improvement District and Assessments for Fiscal Year 2026-2027

RECOMMENDATION

- (a) Conduct a public hearing and adopt a resolution approving the Japantown Business Improvement District Budget Report for Fiscal Year 2026-2027 as filed or modified by the City Council and levying the Japantown Business Improvement District assessments for Fiscal Year 2026-2027.
- (b) Adopt a resolution authorizing the City Manager or her designee to negotiate and execute the Second Amended and Restated Agreement between the City of San José and the Japantown Business Association for the operation and administration of the Japantown Business Improvement District.

SUMMARY AND OUTCOME

Approval of this action will result in the levy of assessments for the upcoming fiscal year of the Japantown Business Improvement District and a Second Amended and Restated Agreement with the Japantown Business Association with updated terms from the First Amended and Restated Agreement executed in 1997.

BACKGROUND

The Jackson-Taylor Business Improvement District was established by the City Council in 1990 pursuant to the California Parking and Business Improvement Area Law of 1989 (BID Law) and subsequently changed its name, with City Council approval, to Japantown Business Improvement District (Japantown BID) to promote the economic

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revitalization and physical maintenance of the Jackson-Taylor business district. The City Council appointed Jackson-Taylor Business and Professional Association (which has since changed its name to the Japantown Business Association to align with the neighborhood name) as the Advisory Board for the Japantown BID, to advise the City Council on the levy of assessments in the Japantown BID and the expenditure of revenues derived from the assessments for the benefit of the Japantown BID. The Japantown BID service area is shown in Attachment A – Japantown BID Boundary Map.

Pursuant to BID Law, an annual public hearing is required to approve an annual budget report and levy the annual assessments. On June 2, 2026, the City Council preliminarily approved the Japantown BID Budget for Fiscal Year (FY) 2026-2027 (Report) as filed by the Advisory Board and shown in Attachment B, adopted a resolution of intention to levy the annual assessments for FY 2026-2027 for the Japantown BID, and set June 16, 2026, at 1:30 p.m., as the date and time for the required public hearing on the levy of the proposed FY 2026-2027 assessments. In accordance with BID Law, the City Clerk published the required legal notice regarding the levy of assessments for FY 2026-2027.

ANALYSIS

Under BID Law, when a public hearing is held to levy assessments of a business improvement district, the City Council will hear and consider all protests on the continued authorization of the district, the extent of the area, the assessments, and 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. BID Law also requires that the proceedings terminate if protests made in writing against the continued authorization of the business improvement district are from businesses or property owners in the proposed district that will pay a majority of the assessed charges. If the majority protest is only against the furnishing of a specified type of improvement or activity within the area, those improvements or activities shall be eliminated.

As required by BID Law, the Report has been filed with the City Clerk and contains, among other things, a list of the improvements and activities proposed to be provided in the Japantown BID in FY 2026-2027, and an estimate of the cost of providing the improvements and activities. The Advisory Board has recommended no change in the Japantown BID boundaries or the method and basis for levying assessments. Therefore, the proposed assessments in the Japantown BID for FY 2026-2027, described in the Report, are the same as the assessments for FY 2025-2026.

During or upon the conclusion of the public hearing, the City Council may order changes in any of the matters provided in the Advisory Board's Report. At the conclusion of the public hearing, the City Council may adopt a resolution confirming the Report as

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originally filed or as modified by the City Council. The adoption of the resolution constitutes the levy of the assessment for FY 2026-2027.

EVALUATION AND FOLLOW-UP

The Administration will come before the City Council in May 2027 to present the Advisory Board's Report that proposes a budget for FY 2027-2028.

FISCAL IMPACTS

Adoption of the proposed Japantown BID budget does not directly impact City revenue. The FY 2026-2027 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 (Fund 351).

The City will charge an administrative fee to collect the Japantown BID assessment, which will be added to the Second Amended and Restated Agreement with the Japantown Business Association. The City's administrative fee will be one percent of the assessments collected by the City, and the amount will be reviewed annually as part of the annual report submitted by the Advisory Board to the City. The administrative fee will be made to the City as a deduction from the assessments the City will forward to the Japantown BID.

COORDINATION

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

PUBLIC OUTREACH

The budget for FY 2026-2027 was reviewed and approved by the Advisory Board on April 16, 2026, as shown in Attachment C – The Japantown Business Association Monthly Board Meeting Minutes. This memorandum will be posted on the City Council Agenda website for the June 16, 2026, City Council meeting.

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BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

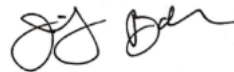
No board, commission, or committee recommendation or input is associated with this action.

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.



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

For questions, please contact Salvador Alvarez, Senior Executive Analyst, City Manager's Office of Economic Development and Cultural Affairs, at salvador.alvarez@sanjoseca.gov or (408) 793-6943.

ATTACHMENTS:

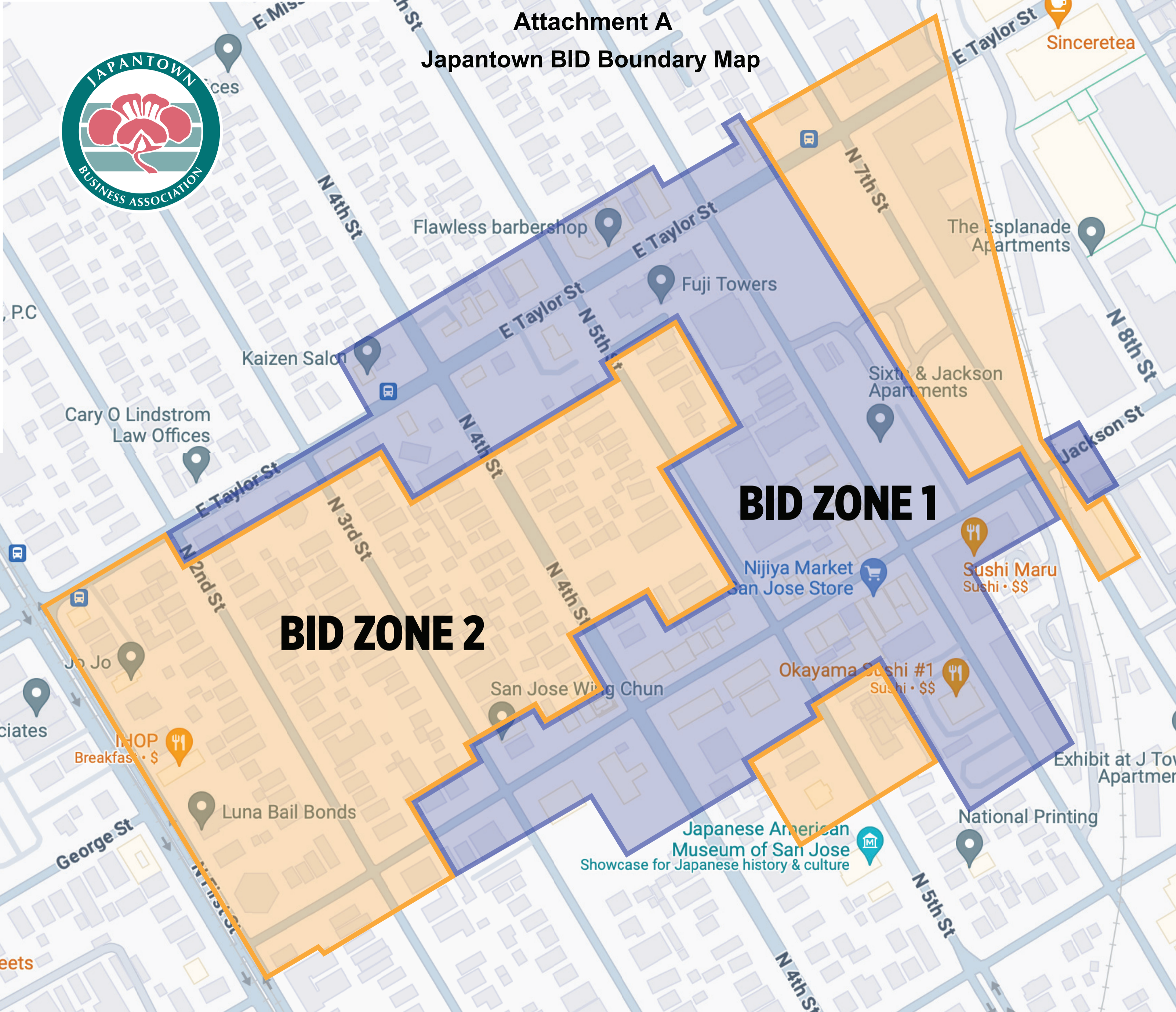
Attachment A – Japantown BID Boundary Map

Attachment B – Japantown BID Budget for Fiscal Year 2026-2027

Attachment C – The Japantown Business Association Monthly Board Meeting Minutes

Attachment A

Japantown BID Boundary Map



BID ZONE 1

BID ZONE 2



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 2026-2027

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	\$30,000
Japantown Farmer's Market Booth Fees & Merchandising	30,000
Japantown Farmer's Market Sponsorship	10,000
CSJ Neighborhood Business District (NBD) Grant	5,000
Fundraising efforts (merchandise sales)	2,000
Parking Program Income (leasing from NPOs to businesses)	1,000
Non-BID membership	0
Total	\$78,000

* *All figures are estimates. Any additional or unused BID funding will be used for beautification, marketing, events, office expenses, or carried over for Year 2027-2028.*

2. Improvements and activities funded by BID:

Japantown Certified Farmer's Market	\$35,000
Marketing and design (advertising, promotions)	13,000
Street cleaning, maintenance and graffiti abatement	10,000
Office expenses (rent, insurance, hardware and software)	5,000
Tree maintenance and planting	6,000
Infrastructure repairs and improvements	3,000
Utilities (web, phone, subscriptions)	3,000
Total	\$75,000

* *The JBA has financial reserves to accommodate any potential cost overruns for infrastructure improvements in 2026-2027.*

3. Fiscal Year 2026-2027 Planned Expenses for Japantown Farmer’s Market

Volunteer honorariums	20,000
Promotional (special event features), merchandise	6,000
Permits, licensing and inspections	5,000
General expenses (garbage bags, storage, cleanup)	2,000
Organizational expenses (management and volunteer software)	2,000
Rent	0
Total for FY 2026-2027	\$35,000

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 2026-2027

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	18	4,950	17
Retail (10 employees or less)	200	29	5,800	20
Professionals	200	24	4,800	16
Commercial Property Owners	175	24	4,200	14
Non-Retail	100	25	2,500	8
Zone 2, Any Businesses	75	86	6,450	22
Total Revenue		208	\$29,625	100

JBA Board of Directors 2026

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
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
Alexis Nichols Glossi Studio, Kaizen Studio	408-791-2621	lexkiss@gmail.com
My Nguyen Wynn Smog Center	408-421-1420	wynnsmogcenter@gmail.com
Carole Rast Roy's Station, Commercial Property Owner	408-807-3365	bakamom@yahoo.com
Jordan Trigg Commercial Property Owner	408-839-2309	jordan@bedrockrestaurants.com
Rina Trigg Commercial Property Owner	408-660-6814	rina@bedrockrestaurants.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 2025-2026 Fiscal Year

- **Communication:** the JBA maintains a website for the Business Improvement District (www.japantownsanjose.org), a website for the Japantown Farmer's Market (www.jtownfarm.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 keep JBA businesses apprised of San Jose City Office of Economic Development and District 3 postings, as well as Japantown-specific notices, news, and updates.
- **Social Media and Marketing/Merchandising:** The JBA continues to market its brand with design contributions from local artists and businesses. Japantown's official Instagram account, @japantownsj, is showing year-over-year growth without any paid advertisements (11.2K to 14.9K followers in 2023-24; 16K total followers in 2024-25; 17.3K total followers in 2026).
- **The Japantown Farmer's Market:** The Japantown Farmer's Market returned as a seasonal event from May-October 2025 and will reopen May 3, 2026 for its new season. 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, thereby removing vendor fees for our small, minority-owned family farms and increasing marketing efforts. For the 2025 season, over 80 farms, bakers, and artisans participated in the market, and it was supported by a total of 21 volunteers donating over 1.1K onsite man-hours. An average of 1K visitors attended the market every Sunday, with a total of 29K visitors over the entire season, and it received MetroActive's Best of Silicon Valley Gold Award for Best Farmer's Market in San Jose/South County.
- **Beautification:** The JBA continues to work with the Rast Family to maintain the appearance of Japantown, including graffiti abatement, street sweeping, weeding, and litter/biohazard cleanup. Frank, Miles, and Crystal Rast continue to sweep Zone 1 of Jackson Street 7 days a week, and Carole Rast maintains many of the street's planters. Jordan Trigg maintains most of Taylor Street's Zone 1.
 - 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 require significant shaping and pruning by a professional Arborist, and we handle fertilization and pesticide control. The trees are still being watered in the summer by neighbors and businesses that "adopted" them, and by college students volunteering for the JBA. The JBA also maintains the mature trees on Jackson Street from N. 4th through N. 6th Street.
 - B. JBA Board Members and community members continue to maintain the 20 large plastic planters we placed on sidewalk bulb-outs on the N. 6th/Jackson, N. 6th/Taylor Street, and N. 5th/Jackson intersections. Filled with succulents and other drought-tolerant plants, the planters help visibility for drivers and provide extra safety for pedestrians.
 - C. 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 2026, and established a quarterly window-cleaning schedule to keep up appearances throughout the year.

- **Public Events and Festivals:**

- D. Japantown hosted Viva Calle as a hub for its ninth time in September 2025, and is on the route for the San Jose Rock N' Roll Half Marathon every October and the Silicon Valley Turkey Trot every November.
- E. Lunar New Year celebrations were held in February 2026 with a performance by lion dancers, mochi-making at Lotus Preschool, and artist appearances with special event shopping experiences, including custom-printed fukubukuro bags.
- F. Nikkei Matsuri, a springtime festival held in Japantown since 1978, has grown steadily in size and space in the last several years due to a revamped format (+30 vendor booth growth in two years); the JBA assists with communication and event strategy, and the corresponding Yu-Ai Kai Fun Run (same-day event that leads into Nikkei Matsuri).
- G. The JBA co-promotes the Gordon Biersch Thursday Night Market, bringing hundreds of visitors to the weekly summer event.
- H. The Obon Festival, Japantown's oldest and largest festival, set a record for the most Obon dancers in the continental United States in 2025 and will continue to expand its footprint to accommodate larger crowds and increase pedestrian safety in 2026.
- I. Japantown's Halloween, hosted by San Jose Taiko with support from the JBA, continues to grow in attendance and popularity. The JBA provides \$1K in donated candy to local businesses to augment each Jackson Street business's initial investment of \$250-500 in candy.

- **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:

- J. Pedestrian, traffic, and Department of Transportation issues, including Smart Meters and parking management; and status reporting of streetscape, roadway, and lighting infrastructure.
- K. The JBA also prompted and/or participated in two traffic studies in Japantown, resulting in the installation of four (4) traffic-calming speed humps on the 500 and 600 blocks of N. 5th Street.
- L. 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, TRUST, and SJPD regarding individuals in crisis within the BID. Assist with communicating complaints from Japantown, Hensley, Vendome, and Hyde Park neighbors regarding code compliance issues.
- M. Economic development; regular correspondence with the City of San Jose regarding buildings and developments in historic, planning, permitting, or building reviews. Assist businesses and provide legal/organizational connections to address sticking points, whether ADA compliance, Historic Reviews, utilities, etc. Provide organizational support

and thought-partnership for upcoming developments in the BID Zone and broker relationships for vacant retail spaces. Discuss revisions and inform policy for the Historic Preservation Ordinance with D3 Councilmember Anthony Tordillos' office.

- N.** The JBA also participated in the application (led by Sustainable Japantown, the Japanese American Museum of San Jose, and San Jose Taiko), for the designation of Japantown as a California Cultural District by the California Arts Council. Japantown was announced as one of ten new CCDs as of December 2025.



THE JAPANTOWN BUSINESS ASSOCIATION
MONTHLY BOARD MEETING

Meeting Minutes

Thursday, April 16th, 2026 at 9:30am

Zoom hosted by James Nagareda

Japantown Business Association Members

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

I. Attendees

Board Members: Tamiko Rast, Jim Nagareda, Carolyn Kogura, Richard Kogura, Carole Rast, Alexis Nichols, My Nguyen, Jordan Trigg, Rina Trigg. Absent: Miles Rast, Jacqueline Bates, Lynne Santo, Patty Yasukawa

II. Additions or Deletions

None.

III. Reports

A. 2026-2027 BID

Tamiko explains the BID process and expected JBA revenues (\$70-75K annually from 200+ businesses with the Farmer's Market being a significant income source. Jim asks about changing rates and increasing the district's boundaries; Tamiko explains it would require a lawyer, legal process, and property owner notifications, and is too time-consuming for this fiscal year.

Motion to approve: Carolyn firsts, Jim seconds. Unanimous approval.

B. March Meeting Minutes

Motion to approve: My firsts, Jim seconds. Unanimous approval.

C. Treasurer's Report

Carolyn reports \$7K in BID fees received in March. Carolyn and Tamiko set up a \$40K 5-month CD at California Bank & Trust for the JBA.

Motion to approve: Jim firsts, Carole seconds. Unanimous approval.

D. Japantown Farmer's Market Report

Tamiko reports that the Farmer's Market will reopen in less than two weeks. Nearly \$10K in sponsorships have been secured, including contributions from

Swenson Builders, Kay's Shiseido, and Glossi Studio. The booth rate was raised by \$10 per week (\$80 for bakers), agricultural booths remain free, volunteer liability coverage has been coordinated, and Tamiko is working on formalizing the dog valet process.

E. Japantown Neighborhood Association (JNA)

Richard: no updates.

F. Japantown Community Congress (JCCsj)

Richard: no updates.

IV. 2026 Planning Priorities

- A. Tamiko reported that two Roy's baristas are watering the Jackson Street trees on a weekly basis and will clean the Zone 1 windows before Nikkei Matsuri. Discussion about replacing the aging/falling Japantown metal blade signs; replacement and materials needs to be discussed.

B. Events

Carole reports that Nikkei Matsuri is on April 26th, the Japantown Farmer's Market opens May 3rd, and Viva Calle will return to Japantown on June 14th. The Night Market reopens May 7th.

C. Crime and Safety

Carole reports finding an abandoned, still running vehicle in the middle of N. 5th Street in front of the former Kubota restaurant. Reported as possibly stolen and involved in a hit-and-run. Jim asks about the effectiveness of speed humps installed on 500 and 600 block of N. 5th; neighbors noted mixed effectiveness with drivers continuing to speed on 5th.

D. Business Updates

Tamiko reports that the Kai family said the renovation of the Kubota property is dependent on the contractor submitting insurance requirements and awaiting San Jose Public Works Department clearance for the building permit.

E. Neighborhood Updates / Miscellaneous Updates

Jim asks about Ukulele Jams' Rodney Takahashi's health. Rina gives an update for Jtown Pizza's reopening. Celebration of Life event for neighbor Lisa Bach on May 2nd.

F. Announcements

No updates.

G. Adjournment

Motion to adjourn: Tamiko firsts, Jim seconds. Unanimous approval. Meeting adjourns at 10:10am.

Next Meeting:

Thursday, May 21, 2026 at 9:30am

Zoom: <https://us02web.zoom.us/j/86341719266?pwd=Q2lMN2xwYjUybGJaZHh1bGtMd01ydz09>