

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SAN JOSE
ESTABLISHING THE STORY ROAD BUSINESS
IMPROVEMENT DISTRICT PURSUANT TO THE PARKING
AND BUSINESS IMPROVEMENT AREA LAW OF 1989**

WHEREAS, under and pursuant to the provisions of the Parking and Business Improvement Area Law of 1989, Section 36500 et seq. of the California Streets and Highways Code (“’89 Law”), the City Council of the City of San José (“City”) on February 3, 2026 adopted Resolution No. RES2026-28, titled “A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DECLARING ITS INTENTION TO ESTABLISH THE STORY ROAD BUSINESS IMPROVEMENT DISTRICT PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989; FIXING THE TIME AND PLACE OF A PUBLIC MEETING AND PUBLIC HEARING AND GIVING NOTICE THEREOF; AND APPOINTING AN ADVISORY BOARD TO ADVISE THE CITY COUNCIL ON ALL ISSUES RELATED TO THE STORY ROAD BUSINESS IMPROVEMENT DISTRICT”; and

WHEREAS, Resolution No. RES2026-28 was duly published, and copies of Resolution No. RES2026-28 were mailed to the affected businesses, as required by the ‘89 Law; and

WHEREAS, as specified in Resolution No. RES2026-28, a public meeting concerning the formation of the Story Road Business Improvement District (“SRBID”) was held before the City Council on February 24, 2026 at the hour of 1:30 p.m. in the Council Chambers of the City of San José, located at 200 East Santa Clara Street, San José, California; and

WHEREAS, as specified in Resolution No. RES2026-28, a public hearing concerning the formation of the SRBID was held before the City Council on April 7, 2026 at the hour of 1:30 p.m. in the Council Chambers of the City of San José, located at 200 East Santa Clara Street, San José, California; and

WHEREAS, written protests from the affected businesses in the proposed SRBID paying fifty percent (50%) or more of the proposed assessment have not been received; and

WHEREAS, at said public hearing, _____ written protests were filed, _____ oral protests were made, such protests were considered and duly overruled and denied, and the City Council determined that there was no majority protest within the meaning of Section 36525 of the '89 Law; and

WHEREAS, on April 7, 2026, the City Council authorized the City Manager or her designee to negotiate and execute an agreement with Story Rd. Business Association, Inc. ("SRBA") for the administration of the SRBID; and

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under 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); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

1. Pursuant to the '89 Law, a parking and business improvement area is hereby established, to be known as the Story Road Business Improvement District ("SRBID").
2. The boundaries of the SRBID are described below, and are shown on the map attached hereto as Exhibit A and incorporated herein.

The boundaries of the SRBID shall include:

Street Name	Odd	Even
Remillard Ct	925-945	930-940
Story Rd	749-1401	720-1260
McLaughlin Av	905-1173	930-1164
Felipe Av	925-1355	N/A
Lucretia Av	N/A	1100-1130
Olinder Ct	1137	900-1170

3. The purpose for forming the SRBID is to provide revenues for physical maintenance, marketing, and promotion efforts to increase commercial activity in the Story Road business corridor. The improvements and activities to be provided in the SRBID will be funded by the levy of assessments. The revenue from the levy of assessments shall not be used to provide improvements or activities outside the SRBID or for any purpose other than the purposes specified in the SRBID's annual budget as approved by the City Council.
4. Businesses operating within the SRBID will be charged a base assessment rate of \$350.00 annually, and for businesses occupying more than 25,000 square feet of commercial space, every additional 25,000 square feet will generate an additional assessment of \$350.00.
5. Assessments will be collected from the SRBID businesses at the same time and in the same manner as the City's business tax.

6. Any SRBID business who fails to remit the assessments within the time required shall pay a first penalty of ten percent (10%) of the amount of the delinquent assessment in addition to the amount of the delinquent assessment. Any SRBID business who fails to remit any assessment on or before thirty (30) days after its due date shall pay a second penalty of ten percent (10%) of the amount of the delinquent assessment in addition to the amount of the delinquent assessment and the first penalty. If the City's Director of Finance or the SRBA determines that the failure to remit the assessment is because of an intentional, material misrepresentation or omission, or fraud by the business, an additional penalty will be imposed on the business in the amount of twenty-five percent (25%) of the delinquent assessment. Any SRBID business who fails to remit on or before the due date any assessment shall pay interest on the delinquent assessment and on any assessed penalty or penalties as set forth in Chapter 1.17 of Title 1 of the San José Municipal Code. Any penalty or interest collected by the City from delinquent assessments shall be forwarded to the SRBA. If a business does not pay the total amount of the outstanding combined business tax and assessments, the City shall send up to two delinquent notices to collect any past due assessments. If the City takes any action on business tax delinquencies against a business with delinquent assessments, the City shall also attempt to collect the delinquent assessments. After one hundred twenty (120) days of delinquency, the City shall have the option to refer accounts to a collection agency.

7. The City shall disburse to the SRBA all collected SRBID assessments and all penalties and interest collected on delinquent SRBID assessments. Disbursements shall be made in such manner as the parties mutually agree upon in writing. The SRBA may expend any funds received only for the purposes authorized by this Ordinance and only in accordance with the budget as approved by the City Council.

8. The City will charge an administrative fee for its costs to collect the SRBID assessment. The City's monthly administrative charge will be one percent (1.0%) of the assessment collected by the City, and the amount will be reviewed annually as part of the annual report submitted by the Board of Directors of the SRBA ("Advisory Board") to the City. The administrative charge will be made to the City as a deduction from the assessments the City will forward to the SRBA.
9. SRBID's fiscal year shall be from July 1 through June 30. Funds remaining at the end of any fiscal year may be used in the subsequent fiscal year if the levy of an assessment is approved by the City Council for that fiscal year and the funds are used in accordance with the '89 Law.
10. New businesses within the SRBID will not be exempt from the levy of assessments as authorized by Section 36531 of the '89 Law.
11. The City Council finds that the businesses within the SRBID will be benefited by the improvements and activities funded by the assessment to be levied.
12. All protests, both written and oral, are overruled and denied, and the City Council finds that there is no majority protest within the meaning of Section 36525 of the '89 Law.
13. All of the businesses in the SRBID established by this Ordinance shall be subject to any amendments to the provisions of the '89 Law.

PASSED FOR PUBLICATION of title this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk

EXHIBIT A DISTRICT BOUNDARIES

