



COUNCIL AGENDA: 6/21/22  
ITEM: 22-975  
FILE: 8.1

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Nanci Klein

**SUBJECT:** SEE BELOW

**DATE:** June 6, 2022

Approved

Date

06/08/22

**COUNCIL DISTRICT: 3**

**SUBJECT: PUBLIC HEARING ON THE JAPANTOWN BUSINESS IMPROVEMENT  
DISTRICT BUDGET REPORT AND ASSESSMENTS FOR FISCAL YEAR  
2022-2023**

## **RECOMMENDATION**

Conduct a public hearing and adopt a resolution to:

- (a) Approve the 2022-2023 Budget Report as filed by the Japantown Business Improvement District Advisory Board, or as modified by City Council; and
- (b) Levy the annual Japantown Business Improvement District assessments for Fiscal Year 2022-2023.

## **OUTCOME**

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

## **BACKGROUND**

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

Pursuant to BID Law, an annual public hearing is required in order to approve the annual budget report and levy the annual BID assessments. On June 7, 2022, the City Council preliminarily approved the 2022-2023 budget report as filed by the Advisory Board or as modified by the City Council and adopted a resolution of intention to levy the annual assessments for Fiscal Year 2022-2023 for the Japantown BID, and set June 21, 2022 at 1:30 p.m. as the date and time for the required public hearing on the levy of the proposed 2022-2023 assessments. The 2022-2023 budget report preliminarily approved by the City Council on June 7, 2022, is attached to this memorandum as Attachment B. In accordance with the BID Law, the City Clerk published the required legal notice with regard to the levy of assessments for Fiscal Year 2022-2023.

## **ANALYSIS**

When a hearing is held under BID Law with regard to the levy of assessments of a BID, the 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. BID 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 (report) attached as Attachment B, for City Council's consideration, as the budget for the Japantown BID for Fiscal Year 2022-2023. 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 BID in Fiscal Year 2022-2023 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 Japantown BID for Fiscal Year 2022-2023, described in the report, are the same as the assessments for Fiscal Year 2021-2022.

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 report as originally filed or as modified by the City Council. The adoption of the resolution constitutes the levy of the assessment for the Fiscal Year 2022-2023.

## **CONCLUSION**

Approval of this action will result in the adoption of a resolution to levy the assessments for the upcoming fiscal year of the Japantown BID.

HONORABLE MAYOR AND CITY COUNCIL

June 6, 2022

**Subject: Public Hearing on the Japantown Business Improvement District Budget Report and Assessments for Fiscal Year 2022-2023**

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### **EVALUATION AND FOLLOW-UP**

The Advisory Board will come before City Council next year to present a report that proposes a budget for the 2023-2024 Fiscal Year.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

### **PUBLIC OUTREACH/INTEREST**

In accordance with the BID Law, the City Clerk published the required legal notice with regard to the levy of assessments for Fiscal Year 2022-2023. The budget for Fiscal Year 2022-2023 was reviewed and approved by the Advisory Board on May 19, 2022.

This memorandum will be posted on the City's website for the June 21, 2022 City Council meeting.

### **COORDINATION**

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

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **FISCAL/POLICY ALIGNMENT**

This action is consistent with the Economic Development Strategy approved by City Council, specifically Initiative No. 5, "Support Start up and Growth of Local Businesses, in Tech as well as Non-Tech fields" and Initiative No. 13, "Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability." A healthy Business Improvement District will encourage growth of the retail community and consequently result in additional sales tax revenue for the City.

### **COST SUMMARY/IMPLICATIONS**

Adoption of the proposed Japantown BID budget does not directly impact City revenue. It is anticipated that a healthy Japantown BID encourages 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 it is estimated at \$31,725 in 2022-2023. The 2022-2023 Proposed Operating Budget, subject to City Council approval, includes projected assessment revenue and corresponding expenses totaling \$40,000, as detailed in the Source and Use Statement for the Business Improvement District Fund (351). Subsequent actions will be brought forward as part of the regular budget process to align these budgeted amounts to the levels recommended in this memorandum.

### **CEQA**

Statutorily Exempt, CEQA Guidelines Section 15061(b), Review for Exemption, File No. PP08-048.

/s/

Nanci Klein  
Director of Economic Development  
Director of Real Estate

For questions, please contact Sal Alvarez, Executive Analyst, at (408) 793-6943.

### **Attachments:**

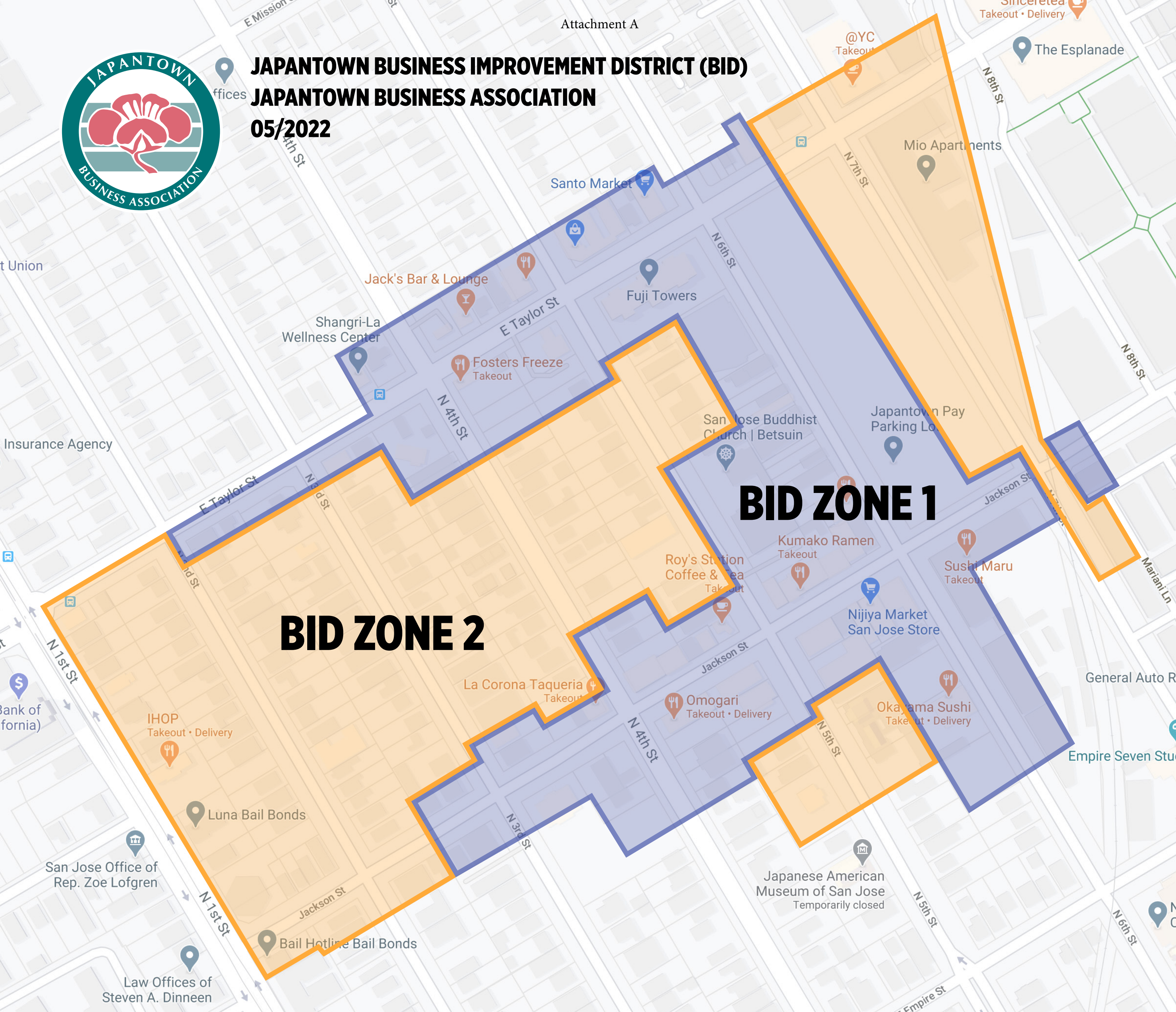
Attachment A – Japantown BID Map for FY 2022-2023

Attachment B – Japantown BID Budget Report for FY 2022-2023





**JAPANTOWN BUSINESS IMPROVEMENT DISTRICT (BID)**  
**JAPANTOWN BUSINESS ASSOCIATION**  
**05/2022**







## 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 2022-2023

1. 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.

**2. Estimated budget and improvements:**

Japantown BID Income, Zones 1 and 2	\$31,725
CSJ Neighborhood Business District (NBD) Grant	25,000
Fundraising efforts	2,000
Parking Program Income (leasing from NPOs to businesses)	2,000
BeerWalk/SakeWalk/events benefitting JBA	3,000
Non-BID membership	0
<b>Total</b>	<b>\$63,725</b>

*\* All figures are estimates. Any additional or unused BID funding will be used for beautification, marketing, events, office expenses, or carried over for Year 2023-2024.*

**3. Improvements and activities funded by BID:**

Infrastructure repairs and improvements	\$20,000
Tree maintenance and planting	8,175
Japantown Certified Farmer's Market	4,350
Marketing and design (advertising, promotions)	14,000
Office expenses (rent, insurance, hardware and software)	7,000
Street cleaning, maintenance and graffiti abatement	5,200
Utilities (web, phone, subscriptions)	3,000
Miscellaneous (sponsorship and local support)	2,000
<b>Total</b>	<b>\$63,725</b>

*\* The JBA has financial reserves to accommodate any cost overruns for infrastructure improvements in 2022-2023.*

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#### 4. Fiscal Year 2022-2023 Planned Expenses for Japantown Farmer's Market

- The Japantown Farmer's Market reopened in May 2022 after a two-year pandemic closure. The event is now being co-managed by the Pacific Coast Farmer's Market Association and Japantown Business Association; expenses are mostly covered by PCFMA.

Rent (\$2.5K/quarter reimbursed by PCFMA)	N/A (PCFMA)
GB Facility maintenance (\$250/month paid for by JBA)	3,000
Permits, licensing and inspections	N/A (PCFMA)
Promotional	1,000
Concessions (potable water, soft drinks, coffee, etc)	N/A (PCFMA)
General expenses (garbage bags, storage, cleanup)	350
<b>Total for Fiscal Year 2022-2023</b>	<b>\$4,350</b>

#### 5. Current Japantown BID Assessment rates are below:

<b>Zone 1</b>	\$
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
<b>Zone 2</b>	
Any business	75

## Japantown BID Address Range: 2022-2023

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)

*\*BID Income sources listed on next page*

## Japantown BID Income Sources 2022-2023

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	21	5,775	18
Retail (10 employees or less)	200	26	5,200	16
Professionals	200	19	3,800	12
Commercial Property Owners	175	34	5,950	19
Non-Retail	100	31	3,100	10
Zone 2, Any Businesses	75	93	6,975	22
<b>Total Revenue</b>		<b>226</b>	<b>\$31,725</b>	<b>100</b>



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## JBA Board of Directors 2022-2023

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

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## Highlights from 2021-2022 Fiscal Year

- **The Restaurant Subsidy Program (May 2020 – Nov. 2021):** To alleviate financial damages from the pandemic, the JBA created a Restaurant Subsidy Program in which \$200 was given to a different Japantown restaurant every week to donate free meals to first responders, teachers, people-in-need, and nonprofit volunteers. In 2021, the JBA doubled the weekly donations to \$400. Over 10 restaurants participated and donors include: Japantown Prepared safety patrollers, Muwekma Ohlone Middle School, Wesley United Methodist Church's Food Distribution Program, Yu-Ai Kai's Brown Bag Program, Guadalupe River Park Conservancy, Sutter Health Respiratory Clinic, Valley Medical staff, and Mexican Heritage Plaza. The program was funded in part by Suzume No Gakko, Japantown's after-school summer program. A final report was issued to our fiscal co-sponsor, the Japantown Community Congress of San Jose, in November 2021.
- **Communication:** the JBA maintained a COVID-specific informational webpage from the beginning of the pandemic, keeping the public apprised of changing business hours and contact information for Japantown's businesses and the Japantown Farmer's Market vendors. It was regularly updated. A second private communication channel was established for JBA businesses to keep apprised of San Jose City Office of Economic Development and District 3 postings and Japantown-specific notices, news and updates.
- **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.
  - A. New street banners and hardware were installed on Jackson Street in June 2021. Hardware replaced failing and hazardous metal poles and carabiners with hurricane-rated flexible poles.
  - B. The JBA planted an additional 30 street trees in empty tree wells in the Japantown district and held a campaign to "adopt out" the tree watering duties for all 50 new trees (including the 20 planted by Our City Forest and JBA in 2019), to neighbors and local businesses. The JBA maintains responsibility for the ongoing pruning and maintenance of these juvenile trees.
  - C. Japantown's mature New Bradford Pear street trees were professionally trimmed, shortened and thinned for pedestrian safety in January 2022; two large branches snapped in Fall 2021 due to high winds.
  - D. Eight large plastic planters were placed on sidewalk bulb-outs on the N. 5th/Jackson Street intersection. These bulb-outs are known to be poorly engineered with no curb sight-lines for drivers, but there are no current plans by the CSJ Dept. of Transportation to repair them, so the planters help visibility for drivers and provide extra safety for pedestrians.
  - E. Pavers were installed in the large tree wells along Jackson Street, increasing the pedestrian walkway and abating the uneven surface from compacted granite "gold fines".
  - F. Restoration of the Japantown Gateway Monument (Redevelopment Agency, artist Ken Matsumoto) on N. 5th/Taylor Streets occurred in April 2022. Repainted with automotive-grade paints and installation of new, in-ground LED fixtures to illuminate the sculpture.
  - G. Restoration of the Japantown Plum Blossom Gates on N. 5th/Jackson Streets occurred in March 2022. Fully repainted with automotive-grade paints for the first time since its installation in the 1980s.

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- **Social Media and Marketing/Merchandising:** the JBA designed and created new branded merchandise for 2022 – including t-shirts and drinkware. All were very well received and helped increase visibility while supporting the organization. Japantown's official Instagram account, @japantownsj, has grown an additional 29% without any paid advertisements (6800 followers to over 8800), in one year.
  - **Public Events and Festivals:** The return of in-person festivals to Japantown required JBA collaboration and community planning. Japantown hosted Viva Calle as a hub in September 2021 and May 2022. Nikkei Matsuri, a festival held in Japantown since 1978, returned after a two-year absence with a change of planning (inclusion of music, beer, contemporary food choices), resulting in larger-than-expected crowds, food vendors and local businesses sold out of food, and all craft vendors expressed a desire to return in 2023. The JBA works with Dipsomania, Inc. to promote the regular Beerwalk events, Gordon Biersch and Moveable Feast to promote the Taylor Street Night Market, Yu-Ai Kai for the Nihonmachi Run, the Buddhist Church Betsuin for the Obon Festival, Wesley United Methodist Church for Aki Matsuri, and plan for the Shukai car exhibition in October.
  - **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:
    - H. Pedestrian, traffic and Dept. of Transportation issues, including the N. 6th/Taylor intersection and signal installation; Union Pacific R.R. Quiet Zone implementation; Smart Meters and parking management; Bike Plan 2025; mobility initiatives including vehicle-sharing, scooters, bike share programs, and other alternative modes of transportation.
    - I. Safety and crime issues, including repeat offenders responsible for theft, vandalism, and property destruction. Regular correspondence with the CSJ, Homeless Concerns and Beautify SJ regarding encampments and individuals in crisis within the BID, and updates to D3 and SJPd regarding speeding and traffic enforcement concerns.