



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Nanci Klein

SUBJECT: SEE BELOW

DATE: May 24, 2023

Approved

Date

5/24/2023

COUNCIL DISTRICT: 3

**SUBJECT: PUBLIC HEARING ON THE JAPANTOWN BUSINESS IMPROVEMENT
DISTRICT BUDGET REPORT AND ASSESSMENTS FOR FISCAL YEAR
2023-2024**

RECOMMENDATION

- (a) Conduct a public hearing and adopt a resolution approving the Japantown Business Improvement District Budget Report for Fiscal Year 2023-2024 as filed or modified by City Council, and levying the Japantown Business Improvement District assessments for Fiscal Year 2023-2024.
- (b) Approve an uncoded ordinance to approve the Japantown Business Improvement District Budget Report for Fiscal Year 2023-2024 as filed or modified by City Council, and levy the Japantown Business Improvement District assessments for Fiscal Year 2023-2024, specified in the resolution.

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.

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 Business District. City Council appointed the Jackson-Taylor Business and Professional Association (who have since changed their 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 Fiscal Year (FY) 2023-2024.

Pursuant to the California Parking and Business Improvement Area Law, an annual public hearing is required in order to approve the annual Budget Report and levy the annual BID assessments. On May 23, 2023, City Council preliminarily approved the FY 2023-2024 Budget Report as filed by the Advisory Board and adopted a resolution of intention to levy the annual assessments for FY 2023-2024 for the BID, and set June 6, 2023, at 1:30 p.m. as the date and time for the required public hearing on the levy of the proposed FY 2023-2024 assessments. The FY 2023-2024 Budget Report preliminarily approved by City Council on May 23, 2023, is attached to this memorandum as Attachment B – Japantown BID Budget Report for FY 2023-2024. In accordance with the California Parking and Business Improvement Area Law the City Clerk has published the required legal notice with regard to the levy of assessments for FY 2023-2024.

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 has prepared a Budget Report attached as Attachment B, for City Council's consideration, as the budget for the Japantown BID for FY 2023-2024. 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 2023-2024 and an estimate of the cost of providing the improvements and activities. The Advisory Board has recommended no change in the BID boundaries or the method and basis for levying assessments. Therefore, the proposed assessments in the BID for FY 2023-2024, described in the Budget Report, are the same as the assessments for FY 2022-2023.

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 Council. The adoption of the resolution and uncodified ordinance constitutes the levy of the assessment for the FY 2023-2024.

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 2024-2025.

COST SUMMARY/IMPLICATIONS

Adoption of the proposed Japantown BID budget does not directly impact City revenue. It is anticipated that a healthy Japantown Business Improvement District will encourage 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 \$30,475 in FY 2023-2024. The FY 2023-2024 Proposed Operating Budget, subject to City Council approval, includes projected assessment revenue and corresponding expenses totaling \$63,725, as detailed in the Source and Use Statement for the Business Improvement District Fund. 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.

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 Planning, Building and Code Enforcement. This memorandum was also coordinated with the Downtown Business & Professional Association.

PUBLIC OUTREACH

In accordance with the California Parking and Business Improvement Area Law, the City Clerk has published the required legal notice with regard to the levy of assessments for FY 2022-2023. The budget for FY 2023-2024 was reviewed and approved by the Advisory Board on April 27, 2023 as shown in Attachment C - Japantown BID Board Minutes for FY 2023-2024.

This memorandum will be posted on the City's website for the June 6, 2023 City Council meeting agenda.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

CEQA

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

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:

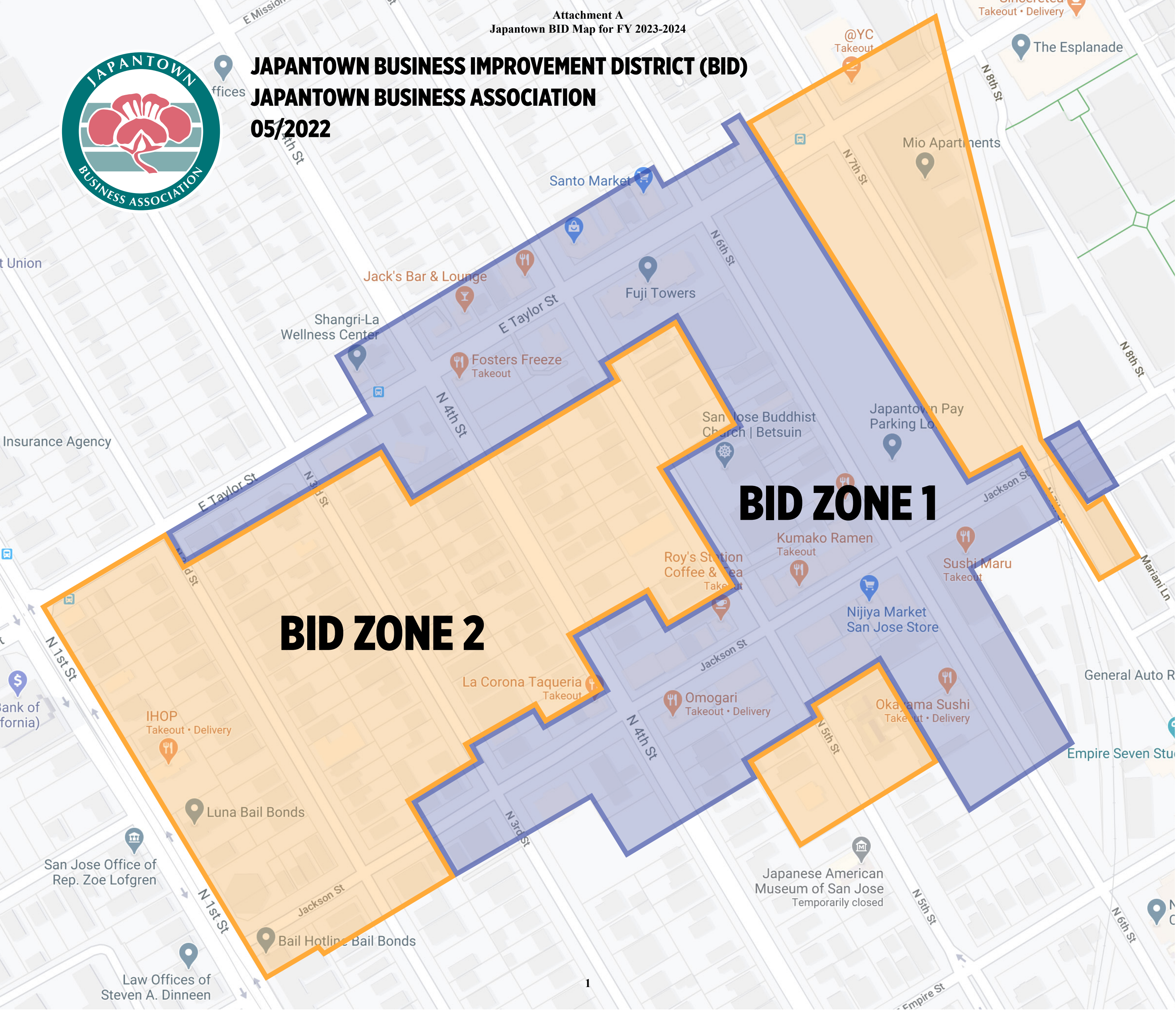
Attachment A – Japantown BID Map for FY 2023-2024

Attachment B – Japantown BID Budget Report for FY 2023-2024

Attachment C – Japantown BID Board Minutes for FY 2023-2024



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



Attachment B
Japantown BID Budget Report for FY 2023-2024



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 2023-2024

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	\$30,475
Japantown Farmer's Market Booth Fees	21,600
CSJ Neighborhood Business District (NBD) Grant	5,000
Fundraising efforts (merchandise sales)	5,000
Parking Program Income (leasing from NPOs to businesses)	2,000
Non-BID membership	0
Total	\$64,075

** All figures are estimates. Any additional or unused BID funding will be used for beautification, marketing, events, office expenses, or carried over for Year 2024-2025.*

3. Improvements and activities funded by BID:

Japantown Certified Farmer's Market	\$19,500
Marketing and design (advertising, promotions, social media)	14,000
Infrastructure repairs and improvements	7,500
Tree maintenance and planting	7,500
Street cleaning, maintenance and graffiti abatement	6,000
Office expenses (rent, insurance, hardware and software)	5,000
Utilities (web, phone, subscriptions)	2,000
Miscellaneous (sponsorship and local support)	1,000
Total	\$62,500

** The JBA has financial reserves to accommodate cost overruns for any of these categories in 2023-2024.*

Attachment B
Japantown BID Budget Report for FY 2023-2024

4. Fiscal Year 2023-2024 Planned Expenses for Japantown Farmer's Market

- The Japantown Farmer's Market will return as a seasonal event from May 7 through October 29, 2023 (24 Sundays). We have returned to self-managing and operations of the event, as we did in 2019.

Rent (\$200 per market day)	4,800
GB Facility maintenance (\$250/month paid for by JBA)	1,500
Permits, licensing and inspections	1,500
Promotional	1,000
Concessions (potable water, soft drinks, coffee, etc)	200
General expenses (garbage bags, storage, cleanup)	500
Volunteer Stipends	10,000
Total for Fiscal Year 2023-2024	\$19,500

5. 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

Attachment B
Japantown BID Budget Report for FY 2023-2024

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)

**BID Income sources listed on next page*

Japantown BID Income Sources 2023-2024

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	20	5,500	18
Retail (10 employees or less)	200	22	4,400	14
Professionals	200	20	4,000	13
Commercial Property Owners	175	33	5,775	19
Non-Retail	100	29	2,900	10
Zone 2, Any Businesses	75	93	6,975	23
Total Revenue		219	\$30,475	100

Attachment B
Japantown BID Budget Report for FY 2023-2024

JBA Board of Directors 2023-2024

Tamiko Rast, President Rasteroids Design, Ernest & Fred	408-564-1663	tamiko@rasteroids.com trast@japantownsanjose.org
Jim Nagareda, VP Nagareda Studio, Nikkei Traditions, Commercial Property Owner	408-219-4103	nagastudio@aol.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
Patty (Dobashi) Yasukawa Commercial Property Owner	408-221-5126	pyasukawa@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	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, Dipsomania Inc.	408-839-2309	jordan@dipsomaniainc.com

Highlights from 2022-2023 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 design and market its own brand. Merchandise has been well received and helped increase visibility while supporting the organization. Japantown's official Instagram account, @japantownsj, has grown an additional 27% without any paid advertisements (8800 to 11.2K), in one year. The JBA also assisted in coordinating a collaboration between Team San Jose and Headliners to bring official San Jose branded merchandise to a brick-and-mortar shop in Japantown.
- **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. The JBA maintains a total of 50 juvenile street trees in Japantown planted in collaboration with Our City Forest and self-planted by our organization in 2020 and 2021. The tree watering duties are handled by neighbors and businesses that "adopted" trees. The trees were professionally pruned in early 2023 and the JBA handles fertilization and pesticide control.
- **Public Events and Festivals:** Japantown festivals require JBA collaboration and community planning. Japantown hosted Viva Calle as a hub in May 2022 and is a planned hub in 2023. Nikkei Matsuri, a festival held in Japantown since 1978, returned after a two-year absence with a major 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. Due to the popularity of the April 2022 event, the April 2023 event has grown to over 70 craft booths and required a larger street footprint. The JBA works with Dipsomania, Inc. to promote the regular Beerwalk/SakeWalk 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 plans 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:
 - A. Pedestrian, traffic and Dept. of Transportation issues, including the infrastructure of the neighborhood primary crosswalk zones, Union Pacific R.R. Quiet Zone implementation, Smart Meters and parking management, and mobility initiatives including vehicle-sharing, scooters, bike share programs, and other alternative modes of transportation.
 - B. 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.

JAPANTOWN BUSINESS ASSOCIATION

565 N 6th Street, Suite G - San Jose, CA 95112 - (408) 298-4303



Meeting Minutes

Thursday, April 27th, 2022 at 6:30pm via Zoom Video Conference

Japantown Business Association

President Tamiko Rast, Vice President Jacqueline Bates, Treasurer Carolyn Kogura, Secretary Miles Rast, Richard Kogura, Jim Nagareda, My Nguyen, Carole Rast, Mark Santo, Jordan Trigg, Patty Dobashi-Yasukawa

I. Attendees

Board Members: Carolyn Kogura, Richard Kogura, Jacqueline Bates, James (Jim) Nagareda, My Nguyen, Carole Rast, Miles Rast, Tamiko Rast, Jordan Trigg, Patty Dobashi-Yasukawa. Absent: Mark Santo.

II. Additions or Deletions

A. No additions or deletions.

III. Reports

A. Reports

Miles motions to approve the March 2023 JBA meeting minutes, Jordan seconds the motion with full board approval.

The JBA received \$3,400 in BID fees last month. Miles motions to approve the March 2023 JBA Financial Report, Carole seconds the motion with full board approval.

B. JBA Board Nominations

- President Nomination. Tamiko inquires whether any Board Members would like to take President position, no takers. Offers to continue serving as President; nominates self for the JBA President position, My seconds with full board approval.

- Vice President Nomination. Carolyn reminds that during last election, Jim offered to serve after Jacqueline. Miles nominates Jim Nagareda, My seconds the nomination with full board approval.

- Treasurer Nomination. Carolyn inquires whether any Board Members would like to take Treasurer position, no takers. Tamiko nominates Carolyn Kogura, Miles seconds with unanimous board approval.

Attachment C
Japantown BID Board Minutes for FY 2023-2024

- Secretary Nomination: Jim nominates Miles Rast, Carolyn seconds with unanimous board approval.

C. JBA BID

The Japantown Business Association BID for 2023 was reviewed for City submission. Miles makes a motion to approve the BID, Carolyn seconds with unanimous board approval.

D. Japantown Farmer's Market

The Japantown Farmer's Market starts next week, May 7th. Dan Gordon is allowing a banner to be placed on his fence to promote the market.

Tamiko has been coordinating with vendors, receiving signed contracts, and ensuring market compliance. Tamiko provided an extensive list of new and existing vendors for the initial market and future weeks.

The Board discussed dispensing gross profits earned from the Farmer's Market back to whomever holds the Market Manager position; for the near term, it is Tamiko, but are factoring in long-term planning for market and eventual successors. The money would compensate the manager for time coordinating the vendors and promoting the event and ensuring vendor compliance.

Richard proposed that the board should provide a minimum payment to selected Market Manager. Potential compensation to the Market Manager will be discussed in one month when accurate financials come back from the market.

Carolyn noted that she will be providing summaries for the market in the JBA Treasurer's Report, but will not be handling the weekly finances for the market. Responsibilities of weekly finances and invoicing will be that of the Market Manager with required reporting back to JBA.

E. Corporation Yard Development

Richard: no updates.

F. Jacqueline enters meeting; Jordan exits meeting.

G. JCCsj and JNA

JCCsj - Welcoming America tour (approximately 50 people), visited Japantown with hosts including JAMsj and Jim Nagareda. JCCsj also hosted a meet-and-greet and walking tour with D3's Councilman Omar Torres and D3 staff.

IV. Events

H. Events

Nikkei Matsuri was very successful in attendance and for businesses. Street sweeping and cleanup was very solid, except for benches.

Miles puts forward a motion that any event held in Japantown should require the hosting party to help clean-up at night or the following day, which includes sweeping and bench cleanup. Jim seconds the motion, with unanimous board approval.

V. 2023 Planning and Priorities

I. Maintenance Projects

Punted this discussion due to meeting time restrictions and lack of update.

J. Merchandise

No updates.

V. Announcements

K. Crime and Safety Updates

An unhoused regular seen in Japantown on prior occasions, “Annie” started a fire on the Pacific Gateway property landing; a police report was filed and nearby businesses informed to keep aware.

L. Business Updates

No updates.

M. Neighborhood Updates

The JBA is receiving an award from Assemblyman Ash Kalra on May 19th for its advocacy and community service. The award is a 2022 Leader in Business Award for the AAPI Heritage Month.

Tamiko spoke with the City of San Jose about their street sweeping crews leaving a slurry of debris along neighborhood streets; CSJ responded that they've informed their staff and outside contractors to make improvements. Tamiko also reported the voids in crosswalks on Jackson Street between 2nd and 4th Streets to the CSJ Dept of Transportation, which the City is patching.

N. Miscellaneous Updates.

The Prayer Garden Church of God is celebrating its 80th Anniversary this weekend; 6th Street will be closed from Jackson to Taylor from 4pm to midnight, celebration starts at 7pm.

The meeting was adjourned at 7:42pm.