

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DECLARING ITS INTENTION TO ESTABLISH THE SAN JOSE HOTEL BUSINESS IMPROVEMENT DISTRICT (SJHBID) WITHIN THE CITY OF SAN JOSE; PRELIMINARILY APPROVING THE SJHBID MANAGEMENT DISTRICT PLAN; AND SETTING A PUBLIC MEETING TO BE HELD ON MARCH 20, 2018 AT 1:30 P.M. AND A PUBLIC HEARING ON APRIL 24, 2018 AT 1:30 P.M.

WHEREAS, the Property and Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq., authorizes the City of San José (“City”) to establish business improvement districts for the purposes of promoting tourism; and

WHEREAS, Team San Jose, San Jose Hotels Inc., lodging business owners, and representatives from the City have met to consider the formation of the San Jose Hotel Business Improvement District (“SJHBID”); and

WHEREAS, San Jose Hotels Inc. has prepared a Management District Plan (“Plan”) for the creation of the SJHBID, attached to the Memorandum to Council dated February 12, 2018, which sets forth the proposed boundary of the SJHBID, a service plan and budget, and a proposed means of governance; and

WHEREAS, lodging business who will pay more than fifty percent (50%) of the assessment under the SJHBID have petitioned the City Council to establish the SJHBID; and

WHEREAS, the City Council accepts the petitions and adopts this Resolution of Intention to establish the SJHBID and to levy an assessment on all lodging businesses with eighty (80) rooms or more within the SJHBID boundaries in accordance with the Property and Business Improvement District Law of 1994;

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

1. The City Council finds that lodging businesses that will pay more than fifty percent (50%) of the assessment proposed in the Plan have signed and submitted petitions in support of the formation of the SJHBID.
2. The City Council declares its intention to form a business improvement district to

be known as the San José Hotel Business Improvement District, pursuant to the Property and Business Improvement District Law of 1994, and preliminarily approves the Management Plan, dated January 17, 2018.

3. The SJHBID shall include all lodging businesses, with eighty (80) rooms or more, located within the boundaries of the City of San Jose, as shown in the map attached as Exhibit A.
4. The name of the district shall be San Jose Hotel Business Improvement District (SJHBID).
5. The annual assessment rate for lodging businesses with eighty (80) rooms or more is a fixed dollar amount per paid occupied room per night as shown in the table below. During the five (5) year term, the assessment rate in each zone may be increased by the San Jose Hotels Inc. Board by a maximum of \$0.50 per paid occupied room per night. The maximum increase in any year shall be \$0.25 in each zone.

Zone	Initial Assessment Rate	Maximum Assessment Rate
A: Within one (1) mile of the San Jose McEnery Convention Center	\$2.50	\$3.00
B: Within one and one-half (1.5) miles of the San Jose International Airport	\$1.25	\$1.75
C: Over one (1) mile from the San Jose McEnery Convention Center and over one and one-half (1.5) miles from the San Jose International Airport	\$1.00	\$1.50

6. The assessments levied for the SJHBID shall be applied toward sales promotion and marketing programs to market assessed lodging businesses in San Jose as tourist, meeting, and event destinations, as described in the Plan. Funds remaining at the end of any year may be used in subsequent years in which SJHBID assessments are levied as long as they are used consistent with the requirements of this resolution and the Plan.
7. The proposed SJHBID will have a five (5) year term, beginning July 1, 2018 through June 30, 2023, unless renewed pursuant to Streets and Highways Code § 36660.

8. Bonds shall not be issued.
9. The time and place for the public meeting to hear testimony on establishing the SJHBID and levying assessments are set for March 20, 2018, at 1:30 PM, or as soon thereafter as the matter may be heard, at the Council Chambers located at 200 E. Santa Clara Street, San Jose, CA 95113.
10. The time and place for the public hearing to establish the SJHBID and the levy of assessments are set for April 24, 2018, at 1:30 PM, or as soon thereafter as the matter may be heard, at the Council Chambers located at 200 E. Santa Clara Street, San Jose, CA 95113. The City Clerk is directed to provide written notice to the lodging businesses subject to assessment of the date and time of the meeting and hearing, and to provide that notice as required by Streets and Highways Code § 36623, no later than March 9, 2018.
11. At the aforesaid public hearing, the testimony of any and all interested persons for or against the establishment of the SJHBID shall be heard and considered by the City Council. Protests may be made orally or in writing by any interested person. Each written protest must be filed with the City Clerk located at 200 E. Santa Clara Street, 14th Floor, San Jose, CA 95113, at or before the time fixed for the public hearing. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.

As provided in Section 36623 of the California Streets and Highways Code, if written protests against the establishment of the SJHBID are filed with the City Clerk by the owners of businesses in the SJHBID which would pay fifty percent (50%) or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than fifty percent (50%), then no further proceedings to establish the SJHBID or to levy the proposed assessment may be taken by the City Council for a period of one year. In order to be counted in determining a majority protest, a written protest must contain a description of the business of the person submitting the protest sufficient to identify the business as a business within the proposed SJHBID.

12. The complete Plan is on file with the City Clerk and may be reviewed upon request.
13. This resolution shall take effect immediately upon its adoption by the City Council.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

EXHIBIT A District Boundaries

