



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Nanci Klein

SUBJECT: SEE BELOW

DATE: June 14, 2021

Approved

Date

06/17/21

COUNCIL DISTRICT: 3

**SUBJECT: PUBLIC HEARING AND ADOPTION OF RESOLUTION TO APPROVE
THE 2021-2022 BUDGET REPORT AND TO LEVY JAPANTOWN
BUSINESS IMPROVEMENT DISTRICT ASSESSMENTS FOR FISCAL
YEAR 2021-2022**

RECOMMENDATION

Conduct a public hearing and adopt a resolution to:

- (a) Approve the 2021-2022 Budget Report as filed by the Japantown Business Improvement District Advisory Board, or as modified by Council; and
- (b) Levy the annual Japantown Business Improvement District assessments for Fiscal Year 2021-2022.

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 Council in 1990 pursuant to the California Parking and Business Improvement Area Law ("BID Law") and subsequently changed its name, with Council approval to Japantown BID ("BID") to promote the economic revitalization and physical maintenance of the Jackson-Taylor business district. 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 Council on the levy of

assessments in the BID and the expenditure of revenues derived from the assessments for the benefit of the BID as 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 15, 2021, the Council preliminarily approved the 2021-2022 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 2021-2022 for the BID, and set June 29, 2021 at 1:30 p.m. as the date and time for the required public hearing on the levy of the proposed 2021-2022 assessments. The 2021-2022 budget report preliminarily approved by the Council on June 15, 2021 is attached to this memo as Attachment B. In accordance with the BID Law, the City Clerk has published the required legal notice with regard to the levy of assessments for fiscal year 2021-2022.

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 has prepared a budget report (the “report”) attached as Attachment B, for Council’s consideration, as the budget for the Japantown BID for Fiscal Year 2021-2022. 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 2021-2022 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 Fiscal Year 2021-2022, described in the report, are the same as the assessments for Fiscal Year 2020-2021.

During the course 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 originally filed or as modified by the Council. The adoption of the resolution constitutes the levy of the assessment for the fiscal year 2021-2022.

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.

EVALUATION AND FOLLOW-UP

The Advisory Board will come before Council next year to present a report that proposes a budget for the 2022-2023 fiscal year.

CLIMATE SMART SAN JOSE

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

PUBLIC OUTREACH

In accordance with the BID Law, the City Clerk has published the required legal notice with regard to the levy of assessments for Fiscal Year 2021-2022. The budget for Fiscal Year 2021-2022 was reviewed and approved by the Advisory Board on May 20, 2021 as shown in Attachment C.

This memorandum will be posted on the City's website for the June 29, 2021 Council agenda.

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 & Professional Association, and the City Clerk's Office.

COMMISSION RECOMMENDATION/INPUT

Not applicable for this project.

FISCAL/POLICY ALIGNMENT

This action is consistent with the Economic Development Strategy approved by 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 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 \$35,825 in 2021-2022. However, due to the timing of the development of the 2021-2022 Proposed Operating Budget and the final adoption of the Japantown BID budget, \$31,000 was allocated in the 2021-2022 Proposed Operating Budget in the Business Improvement District Fund for this purpose. As part of the 2020-2021 Year-End Budget Process, budget adjustments for this fund was brought forward for City Council approval, on June 15, 2021, as part of Manager’s Budget Addendum 35 that was included in the Mayor’s June Budget Message for Fiscal Year 2021-2022.

BUDGET REFERENCE

For budgeting purposes, the table below identifies the fund and appropriation proposed to fund the City’s assessment recommended as part of this memorandum. The BID assessments are collected by the City and then passed through to the BID.

Fund #	Appn #	Appn. Name	Total Appn.	Rec. Budget Action	2021-2022 Proposed Operating Budget Page*	Last Budget Action (Date, Ord. No.)
351	2527	Japantown Business Improvement District	\$31,000	N/A	IX-15	N/A

* The 2021-2022 Operating Budget was reviewed and approved by City Council on June 15, 2021 and adopted on June 22, 2021.

CEQA

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

HONORABLE MAYOR AND CITY COUNCIL

June 14, 2021

Subject: Approval of 2021-2022 Budget Report – Japantown BID

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/s/

NANCI KLEIN

Director of Economic Development

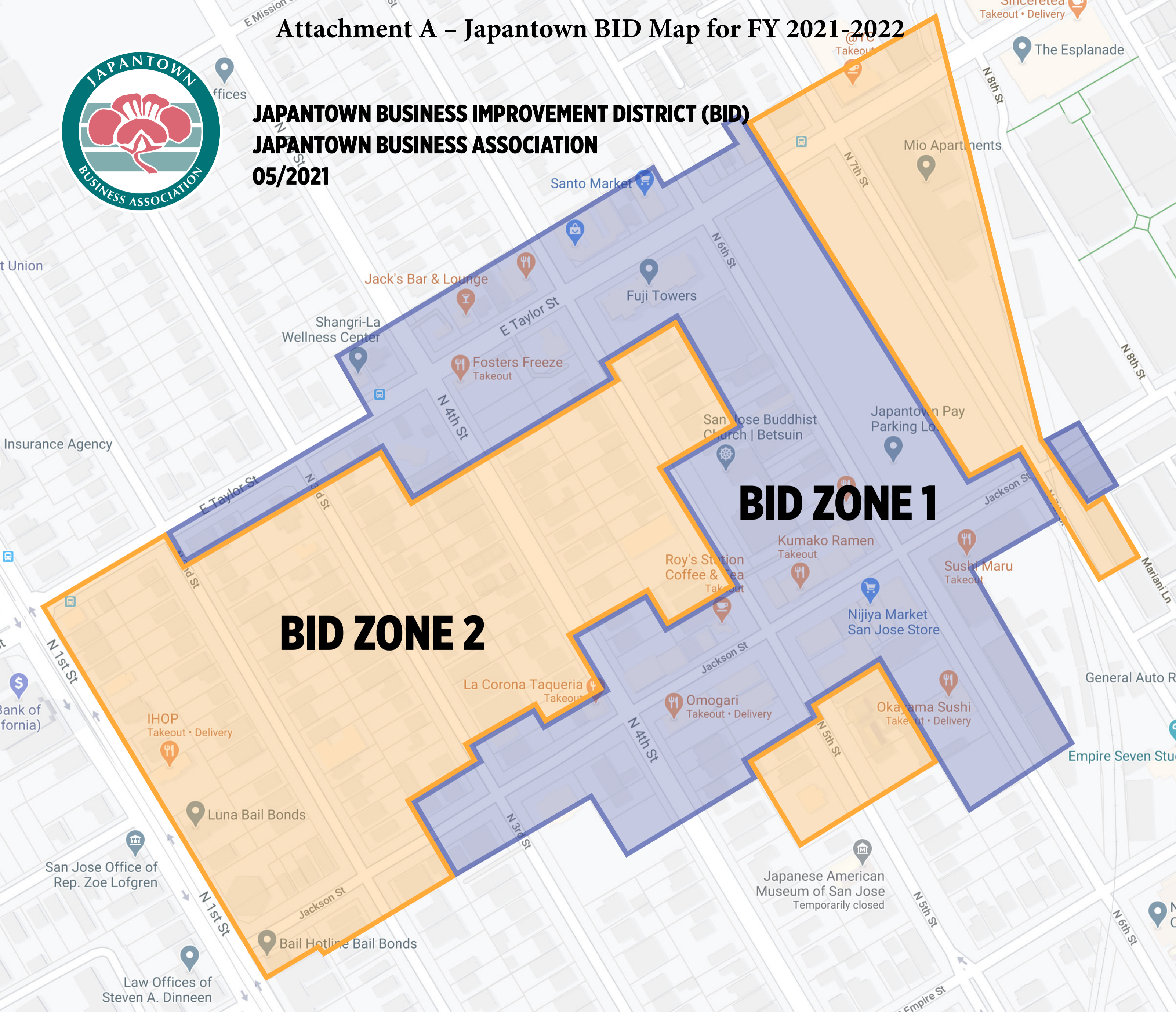
For questions, please contact Sal Alvarez, Executive Analyst, at (408) 793-6943.



Attachment A – Japantown BID Map for FY 2021-2022



JAPANTOWN BUSINESS IMPROVEMENT DISTRICT (BID)
JAPANTOWN BUSINESS ASSOCIATION
05/2021



Attachment B – Japantown BID Budget for FY 2021-2022



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 2021-2022

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	\$35,825
BID NBD Grant	20,000
Japantown Certified Farmer's Market	3,000
Fundraising efforts	3,000
Parking Program Income (leasing from NPOs to businesses)	2,000
BeerWalk/SakeWalk/events benefitting JBA (expected return 2022)	1,000
Non-BID membership	0
Total	\$64,825

* All figures are estimates. Any additional or unused BID funding will be used for beautification, marketing, events, office expenses, or carried over for Year 2022-2023.

3. Improvements and activities funded by BID:

Infrastructure repairs, including painting, banners, hardware	\$20,000
Tree maintenance and planting	18,000
Japantown Certified Farmer's Market	14,250
Marketing and design (advertising, promotions)	12,000
Office expenses (rent, insurance, hardware and software)	7,000
Street cleaning, maintenance and graffiti abatement	5,000
Utilities (web, phone, subscriptions)	3,000
Miscellaneous (sponsorship and local support)	2,250
Total	\$81,500

* The JBA has financial reserves to accommodate the greater cost of infrastructure improvements in 2021-2022.

4. Fiscal Year 2021-2022 Planned Expenses for Japantown Farmer's Market

- As of 3/2020, Japantown Farmer's Market was closed due to COVID-19; no public events are being held on Gordon Biersch property. JFM plans to resume once the property reopens for public use in Spring 2022. Expect all costs to be the same as when market restarted in its new location in June 2019, but limited income due to vendor subsidies.

Rent (2.5K/quarter)	\$5,000
Facility maintenance (550/month)	3,300
Permits, licensing and inspections	3,000
Reimbursement of TFF Vendor Permits (upon reopening)	1,000
Promotional	1,000
Concessions (potable water, soft drinks, coffee, etc)	600
General expenses (garbage bags, storage, cleanup)	350
Total for Fiscal Year 2021-2022	\$14,250

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

Japantown BID Address Range: 2021-2022

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 2021-2022

Business Classification	Fee (\$)	Number/ Qty.	Gross Revenue (\$)	% of Revenue
Financial Institutions	550	0	0	0
Retail (over 10 employees)	375	1	375	1
Restaurants	275	21	5,775	16
Retail (10 employees or less)	200	34	6,800	19
Professionals	200	25	5,000	14
Commercial Property Owners	175	41	7,175	20
Non-Retail	100	35	3,500	10
Zone 2, Any Businesses	75	96	7,200	20
Total Revenue		253	\$35,825	100

JBA Board of Directors 2021-2022

Tamiko Rast, President Rasteroids Design, Ernest & Fred	408-564-1663	tamiko@rasteroids.com trast@japantownsanjose.org
Jacqueline Bates, VP Prayer Garden Church of God, Commercial Property Owner	408-234-4537	jaxjmarie@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
Kari Dobashi-Barton Commercial Property Owner	408-221-3775	karitbarton@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
Jim Nagareda Nagareda Studio, Nikkei Traditions, Commercial Property Owner	408-219-4103	nagastudio@aol.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	408-839-2309	jordan@dipsomaniainc.com

Highlights from 2020-2021 Fiscal Year

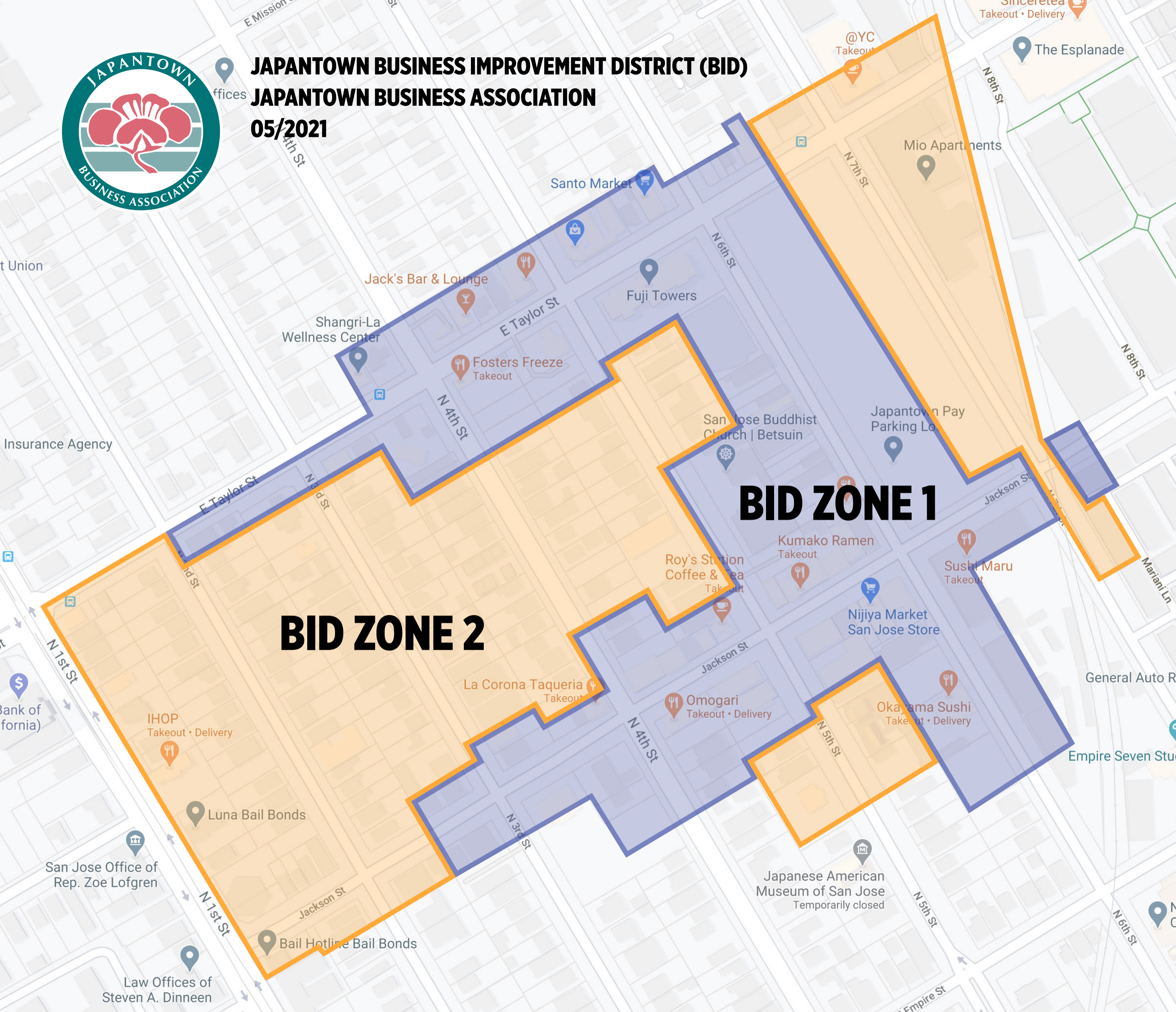
- **The Restaurant Subsidy Program (May 2020 – Current):** To alleviate financial damages from the pandemic, the JBA created a Restaurant Subsidy Program in which \$200 is given to a different Japantown restaurant every week to donate free meals to first responders, teachers, people-in-need, and nonprofit 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.
- **COVID Cares Act (December 2020):** with \$5K funding from the COVID Cares Act and City of San Jose and an additional \$1K of organization funding, the JBA assembled and distributed over 70 boxes with hand sanitizer, sanitizing wipes, disinfecting spray, gloves, and disposable masks to primary, public-facing Zone 1 businesses.
- **Communication:** the JBA created a COVID-specific informational webpage at 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 as County of Santa Clara County protocols changed.
- **Beautification:** the JBA continues to work with the Rast Family to maintain the appearance and upkeep of Japantown, including graffiti abatement, street sweeping, watering of street trees planted in 2019 by Our City Forest, and litter/biohazard cleanup. The JBA also had Japantown's mature street trees professionally trimmed for pedestrian safety. In June 2021, the JBA looks forward to the installation of brand new street banner hardware and banners.
- **Social Media and Marketing/Merchandising:** the JBA designed and created branded merchandise – including t-shirts, pins, and YETI drink tumblers – featuring Japantown and its 130th Anniversary. All were very well received and helped increase visibility while supporting the organization. Japantown's official Instagram account, @japantownsj, has grown over 500% without any paid advertisements (1300 followers to almost 6800), in just over two years' time.
- **Engagement:** the JBA has 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. Restoration of the Nikkei Lantern on N. 5th/Jackson Streets
 - B. Naming of Japantown's newest park, Heinlerville Park
 - C. Pedestrian, traffic safety and Dept. of Transportation issues, including the N. 6th/Taylor intersection; 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
 - D. Safety and crime issues, including repeat offenders responsible for theft, vandalism, and property destruction



JAPANTOWN BUSINESS IMPROVEMENT DISTRICT (BID)

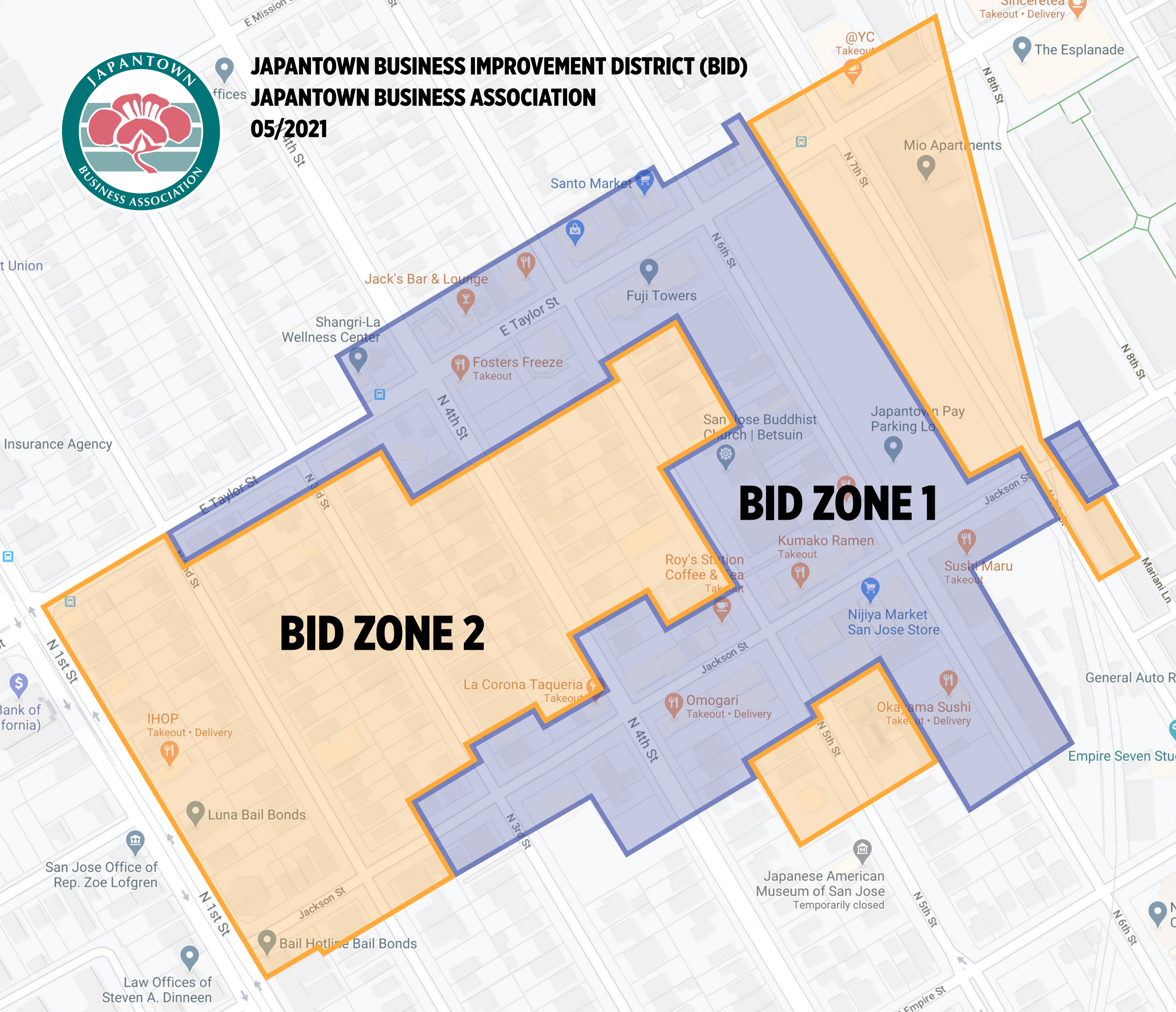
JAPANTOWN BUSINESS ASSOCIATION

05/2021



BID ZONE 1

BID ZONE 2



JAPANTOWN BUSINESS ASSOCIATION

565 N 6th St - San Jose, CA 95112 (408) 298-4303



Meeting Minutes

Thursday, May 20, 2021 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: Jacqueline Bates, Carolyn Kogura, Richard Kogura, Jim Nagareda, My Nguyen, Carole Rast, Miles Rast, Tamiko Rast, Mark Santo.
Guest: Phuong Nguyen (representative from Senator David Cortese's office).
Absent: Kari Dobashi-Barton, Jordan Trigg, Patty Dobashi-Yasukawa.

II. Additions or Deletions

A. None.

III. Reports

- A. **Meeting Minutes.** JBA Board Meeting minutes from April 2021. Jacqueline makes a motion, Miles seconds the motion; unanimous approval.
- B. **Treasurer's Report.** No significant activity outside of meal subsidy program and JBA merchandise. Our numbers are looking solid but we do not believe we've been reimbursed for the \$5K in COVID supplies from the City. Miles makes a motion to approve report, My seconds the motion; unanimous approval.
- C. **BID Renewal.** No questions about JBA 2021-2022 BID Budget. Carolyn makes a motion, Jim seconds the motion; unanimous approval.
- D. **BID Fees.** Buddhist Temple is the commercial property landlord for (5) five separate businesses but pay one commercial property BID fee. Discussion about landlords with multiple properties and multiple businesses paying only one BID fee. Question posed: do we want to add a BID fee for one business per address parcel. Richard: at the very least, one business fee per parcel in order to prevent over-charging buildings with office suites.

Discussion about alternative BIDS, PBIDs and CBIDs and what that would

entail for commercial property landlords, apartment complexes, and businesses; not advised due to potential major increase in property taxes. Jim: Can we structure fees imposed on apartment complexes by number of units? Tamiko: long-term might involve fitting BID Zone geography to actual Japantown district boundaries. Discussion about implementing Associate fees in future.

Motion to collect one BID fee for each property or parcel if renting to separate businesses – no BID exemptions for landlords with multiple properties and multiple commercial tenants. Richard motions, My seconds; unanimous agreement.

Non-Profits Paying BID Fees. Motion to require non-profit housing entities to pay designated BID Zone fees. My makes a motion, Miles and Richard second; unanimous approval.

E. **Farmer's Market Update.** None.

F. **Corp Yard Development.** Richard: Swenson is monitoring the food truck disposal and littering issues.

G. **Japantown Cultural Society.** No updates.

H. **Japantown Neighborhood Association.** Ken Tran and Nick Tong (SJPD) are now handling vandalism, mentally-ill folks in crisis in Japantown. FAA is going to require the clearing of the Guadalupe Gardens. 7EMPIRE will begin renting out apartment units in late Summer. Federal funding is being sought by Zoe Lofgren and Ash Kalra for the \$5-7 million Union Pacific Rail Road Quiet Zone buildout.

Motion to cosign on letter by Flora Moreno de Thompson in support of the Quiet Zone. Richard makes a motion, My seconds; unanimous approval.

I. **JCCsj.** Richard: Buddhist Church is welcoming free advertising for the virtual Obon. Japantown Prepared requests assistance in providing volunteers with bathroom facilities and fridge storage for drinks.

Received \$1,500 from Santa Clara University's Japanese Student Association. JCCsj also received money from Yu-Ai Kai. Richard: suggest using the money for security cameras.

IV. Events

- J. **Events.** Hidden Histories is running tests for augmented reality events in Japantown on June 19th. Viva Calle has an event on September 19th; unsure if Japantown will be a hub or just a passthrough for their event. Paradox pop-up gathering on May 28th from 5pm-9pm to have a convoy between Japantown, City Hall and a local park. Jim: suggest to the parties to not hand out stickers.

V. 2021 Planning & Priorities

- A. **Restaurant Subsidy Program.** \$1,400 of \$6,000 remaining with recent support for Santo Market, JT Express, Minato and Kazoo. The program is going well.

- B. **Neighborhood Maintenance Projects.** Tree planting. Motion to pull the remaining dying trees and prepare tree wells for upcoming trees — quote from Ian Geddes for \$2,650. Miles makes a motion, Carolyn seconds; unanimous approval.

Motion to allow Sherman Trigg to move forward with tree planting with labor at \$150 per tree. Additional costs to be reimbursed would be trees themselves and planting supplies to complete project for 30 trees. Jim makes a motion, Miles seconds; unanimous approval.

Motion regarding installing pavers around the tree wells. Quote from Pablo Martinez for 25 trees between 3rd and 6th, quoted \$7,800. \$4,200 is for labor and \$3,600 is the materials. One row of pavers would increase the walking space by six inches. Board approved allowing inclusion of large tree wells on 5th and 6th as needed. Jacqueline makes a motion, Richard seconds; unanimous approval.

- C. **Neighborhood Maintenance.**

Banners will be installed in the next couple weeks.

- D. **Merchandise.**

New t-shirts are not moving as quickly as the original run. As for the tumblers; they are almost entirely sold out. Tamiko to research costs for larger water bottles or tumblers.

V. Announcements

- E. **Crime and safety updates.** Collecting evidence for First Community Senior Housing investigation regarding illegal conduct and prostitution on premises. Japantown Prepared patrollers reported to JCCsj's Pam and Rich complaints from complex residents.
-

F. **Business updates.**

Potential new tenant for Banana Crepe.

G. **Neighborhood updates.**

H. **Other announcements.**

Meeting was adjourned at 8:15pm.
