

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SAN JOSE
ESTABLISHING THE ALUM ROCK SANTA CLARA
STREET 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 December 16, 2025 adopted Resolution No. RES2025-440, titled “A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DECLARING ITS INTENTION TO ESTABLISH THE ALUM ROCK SANTA CLARA STREET 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 ALUM ROCK SANTA CLARA STREET BUSINESS IMPROVEMENT DISTRICT”; and

WHEREAS, Resolution No. RES2025-440 was duly published, and copies of Resolution No. RES2025-440 were mailed to the affected businesses, as required by the ‘89 Law; and

WHEREAS, as specified in Resolution No. RES2025-440, a public meeting concerning the formation of the Alum Rock Santa Clara Street Business Improvement District (“ARSCSBID”) was held before the City Council on January 13, 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. RES2025-440, a public hearing concerning the formation of the ARSCSBID was held before the City Council on February 3, 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 ARSCSBID 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 February 3, 2026, the City Council authorized the City Manager or her designee to negotiate and execute an agreement with Alum Rock Santa Clara Street Business Association, Inc. ("ARSCSBA") for the administration of the ARSCSBID; 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 Alum Rock Santa Clara Street Business Improvement District ("ARSCSBID").
2. The boundaries of the ARSCSBID are described below, and are shown on the map attached hereto as Exhibit A and incorporated herein.

The boundaries of the ARSCSBID shall include:

Full Street Name	Odd	Even
Alexander Avenue	1-7	2-18
Alum Rock Avenue	1501-2591	1500-2652
East Santa Clara Street	1051-1499	1052-1498
Eastgate Avenue	1-41	2-98
Jose Figueres Avenue	1-19	2-26
Kentucky Place	1-75	2-68
Ketzal Way	2151-2199	2150-2198
McCreery Avenue	1-63	2-72
Muirfield Drive	1-25	2-26
North 24th Street	1-27	2-14
North 25th Street	1-43	2-18
North 26th Street	1-21	2-16
North 27th Street	1-35	2-68
North 28th Street	1-99	2-98
North 33rd Street	1-13	2-18
North 34th Street	1-19	2-10
North Capitol Avenue	1-79	2-10
North Jackson Avenue	1-39	2-18

Full Street Name	Odd	Even
North King Road	1-13	2-16
North Sunset Avenue	1-99	2-98
Ribbs Lane	2301-2333	2300-2398
South 23rd Street	1-7	2-28
South 24th Street	1-9	2-14
South 26th Street	1-7	2-46
South 28th Street	1-49	2-46
South 33rd Street	1-19	2-20
South 34th Street	1-31	2-30
South Capitol Avenue	1-99	2-32
South Jackson Avenue	1-49	2-48
South King Road	1-25	2-60
South Sunset Avenue	1-25	2-42
Scharff Avenue	1-3	2-10

3. The purpose for forming the ARSCSBID is to provide revenues for physical maintenance, marketing, and promotion efforts to increase commercial activity in the Alum Rock Santa Clara Street business corridor. The improvements and activities to be provided in the ARSCSBID 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 ARSCSBID or for any purpose other than the purposes specified in the ARSCSBID's annual budget as approved by the City Council.
4. The assessment rate for the business owners is a flat rate of \$350.00 annually.
5. Assessments will be collected from the ARSCSBID businesses at the same time and in the same manner as the City's business tax.
6. Any ARSCSBID 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 ARSCSBID 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 ARSCSBA 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 ARSCSBID 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 ARSCSBA. 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 ARSCSBA all collected ARSCSBID assessments and all penalties and interest collected on delinquent ARSCSBID assessments. Disbursements shall be made in such manner as the parties mutually agree upon in writing. The ARSCSBA 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 ARSCSBID 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 ARSCSBA ("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 ARSCSBA.

9. ARSCSBID'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 ARSCSBID 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 ARSCSBID 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 ARSCSBID 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

