



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jen Baker

SUBJECT: See Below

DATE: January 12, 2026

Approved:

Date:

1/21/26

COUNCIL DISTRICT: 7

SUBJECT: Preliminary Actions Required for the Creation of the Story Road Business Improvement District and Levy of Assessments for Fiscal Year 2026-2027

RECOMMENDATION

- (a) Adopt a resolution:
 - (1) Declaring the City Council's intention to establish the Story Road Business Improvement District;
 - (2) Setting a public meeting for February 24, 2026, at 1:30 p.m. and a public hearing for April 7, 2026, at 1:30 p.m.;
 - (3) Directing the City Clerk to publish the required notice of the public meeting and public hearing; and
 - (4) Appointing Story Rd. Business Association, Inc. as the Advisory Board to advise the City Council on all issues related to the Story Road Business Improvement District.
- (b) Subject to the establishment of the Story Road Business Improvement District:
 - (1) Preliminarily approve the budget report of the Advisory Board for Fiscal Year 2026-2027; and
 - (2) Adopt a resolution of intention to levy an assessment for Fiscal Year 2026-2027 and set a public hearing for April 7, 2026, at 1:30 p.m. on the levy of assessments for Fiscal Year 2026-2027.

SUMMARY AND OUTCOME

Adoption of this resolution will result in a public meeting on February 24, 2026, and a public hearing on April 7, 2026, on the formation of the Story Road Business Improvement District (SRBID) and the levy of assessments on assessed businesses for Fiscal Year 2026-2027 in the SRBID. The Council will also appoint the Story Road Business Association as the SRBID Advisory Board. In addition, the SRBID budget report will be preliminarily approved.

BACKGROUND

The Story Road business corridor is one of San José's most active and culturally significant commercial areas, home to 434 businesses that serve a diverse local population. The corridor functions as a major gateway connecting downtown San José to Little Saigon and the greater Story Road community. The corridor is anchored by landmark commercial property, including Grand Century Mall, which serves as a vital cultural town square, and the modern Vietnam Town complex, which in recent years has successfully attracted new entrepreneurs and investment. Businesses along the corridor include restaurants, retail shops, salons, professional services, and many family-owned enterprises that reflect the area's rich cultural diversity.

Many business owners are immigrants who face language and cultural barriers that have, at times, limited their access to government resources and technical support. In response to a challenging business environment, the City Manager's Office of Economic Development and Cultural Affairs has collaborated with local business owners to organize a formal business association and establish a long-term framework for economic sustainability and corridor revitalization. San José currently has four Business Improvement Districts (BID): the Downtown BID, established in 1988; the Japantown BID, established in 1990; and the Tully Road Eastridge and Monterey Corridor BIDs, established in 2024.

In winter 2023, the City Manager's Office of Economic Development and Cultural Affairs issued a Request for Proposals to identify an organization to facilitate this work. Community Strong Strategies was selected to lead outreach and coordination efforts along the Story Road business corridor. Community Strong Strategies' primary tasks included identifying and engaging local business owners, establishing the governance and operational structure of a business association, and serving as a liaison between local businesses, the City, and community partners.

The project formally launched in February 2024, with Community Strong Strategies hosting an initial community meeting in the Story Road business corridor, followed by extensive door-to-door multi-lingual outreach and stakeholder engagement. By December 2024, a formal Story Road Business Association (SRBA) Board was established with adopted bylaws, and the organization received its nonprofit 501(c)(6) designation.

Since its formation, the SRBA Board has actively participated in community events, organized corridor clean-up and beautification efforts, and promoted local businesses through social media and community partnerships. The SRBA Board has also been a strong advocate for improving safety, maintenance, and economic opportunity along the corridor.

In November 2025, the SRBA Board voted to explore the formation of a BID to provide a sustainable funding source for maintenance, beautification, and business support services. Meeting minutes documenting this vote are included as Attachment A – SRBA Board Minutes.

ANALYSIS

BIDs are formed pursuant to the California Parking and Business Improvement Area Law of 1989, Streets and Highways Code §36500 et seq. (BID Law) to allow businesses or property owners to assess themselves to support joint efforts such as physical maintenance, marketing, and promotion. Under BID Law, the City Council may establish a BID by adopting a resolution of intention, conducting a public meeting and a public hearing, fulfilling certain notice requirements, and adopting an ordinance to establish the BID. The BID must be renewed annually by action of the City Council. BID Law allows for an Advisory Board to be appointed by the City Council to advise the City Council on all issues related to the improvement district.

BID Law allows for the creation of special benefit assessment districts to raise funds within a specific geographic area. Assessment districts allow business owners to organize their efforts and raise funds exclusively for the benefit of the district. Business owners within assessment district boundaries fund the district, and those funds are used to provide services that are desired by and benefit businesses within the district. At a neighborhood level, the example of mature BIDs in San José, such as those for Downtown and Japantown, highlights the positive long-term impact for residents, businesses, and San José.

The requirements under BID Law provide a stable funding source for services and improvements and state that:

- Funds cannot be diverted for other government programs;
- Funds can be customized to meet the needs of each area; and
- Funds are deployed for a wide range of services, including cleaning, safety and beautification, environmental improvements, marketing, and branding.

Creation of a New BID

The following steps must be taken sequentially to establish a BID:

1. Establishment of an Advisory Board

The Advisory Board is appointed by the City Council to make recommendations regarding the expenditure of the revenues derived from the assessment and the method and basis of levying the assessment. If the BID is approved, the Advisory Board will return annually to report to the City Council, request renewal, and submit a proposed budget for the coming year.

Staff recommends that the City Council appoint the Story Road Business Association as the Advisory Board. The SRBA Board has been at the forefront of the effort to form the assessment district. Its vision is to create a safe, sustainable, and clean environment where businesses, employees, and families can enjoy the rich culture of food, retail, and entertainment the corridor has to offer. The SRBA Board actively participated in drafting the budget report and service plan, consulting with business owners along the corridor. The commitment of the SRBA Board to the local business community is designed to ensure there is effective management of the funds.

The SRBA Board will consist of nine voting members, representing a variety of industries spread across the geographic boundary of the BID, and the SRBA Board shall include a majority of business owners or representatives of business owners paying the BID assessment.

2. City Council Adoption of a Resolution of Intention to Establish a BID and Setting of Public Meeting and Public Hearing Dates

The public meeting provides information and an opportunity to comment on the proposed BID and the levy of assessments. At a subsequent public hearing, the City Council will take testimony on the establishment of the BID, the boundaries of the BID, the annual budget of the BID, and the types of activities proposed to be funded from the assessment. If business owners who would pay a majority of the BID assessment protest, the City Council shall not initially establish or renew the BID.

3. Ordinance Reading

The first and second readings of an ordinance establishing the BID and the levy of an assessment are the final steps in the creation of the BID. Ordinances are effective 30 days after the second reading.

The following is a proposed timeline for the creation of the SRBID and initial funding of the district's activities:

Appointment of Advisory Board	February 3, 2026
Resolution of Intention to Establish a BID	February 3, 2026
Resolution of Intention to Levy	February 3, 2026
Assessment for Fiscal Year 2026-2027	
Publication and Mailing of Notice	February 7, 2026
Public Meeting	February 24, 2026
Public Hearing	April 7, 2026
Ordinance First Reading	April 7, 2026
Resolution to Approve Budget and	
Levy Assessment for Fiscal Year 2026-2027	April 7, 2026
City of San José Agreement with SRBA	April 7, 2026
Ordinance Second Reading	April 21, 2026
Ordinance Becomes Law	May 22, 2026
Assessment Begins*	July 1, 2026

** Assessments will be collected on a rolling basis as part of the annual business tax account renewal for each business in the district and remitted to SRBID.*

Improvement District Boundaries

The proposed BID will include all assessed businesses, existing and in the future, located within the boundaries of the SRBID described below.

Street Name	Odd	Even
Remillard Ct	925-945	930-940
Story Rd	749-1401	720-1260
McLaughlin Av	905-1173	930-1164
Felipe Av	925-1355	N/A
Lucretia Av	N/A	1100-1130
Olinder Ct	1137	900-1170

A map of the SRBID boundaries is included as Attachment B – BID Boundary Map and Budget.

COST SUMMARY/IMPLICATIONS

As of November 2025, there are 434 businesses holding active business tax certificates within the SRBID. The SRBA recommends a flat base assessment fee of \$350 applied to all businesses occupying up to 25,000 square feet of commercial space. For businesses occupying more than 25,000 square feet of commercial space (e.g., Walmart, Amazon, and Public Storage), an additional space-based assessment will be applied. Every additional 25,000 square feet generates an additional assessment of \$350.

As of November 2025, there are 18 businesses that fall within this category. This tiered structure ensures an equitable distribution of costs to meet service needs by requiring high-capacity retailers to contribute a proportionate share of the assessment fee, and provides the SRBA with a consistent, predictable revenue stream that reflects the permanent physical impact of each business in the business corridor.

If the SRBID is approved by the City Council on April 7, 2026, the annual forecasted income, based on a 70% collection rate and accounting for exemptions (e.g., vacant storefronts, places of worship, or government buildings), is \$129,185.

The City will charge an administrative fee to cover the costs of collecting the SRBID assessment. The City's administrative charge will be equal to 1.0 % of the assessment revenue collected by the City, and the amount will be reviewed annually as part of the annual report submitted by the Advisory Board to the City. The administrative charge will be deducted prior to the transfer of the assessment revenues to the SRBID.

The City will collect the SRBID assessments in conjunction with the business tax payments and will transfer the assessment revenue to the SRBID. The assessment revenues will be recognized and appropriated through a future budget process.

Attachment B – BID Boundary Map and Budget outlines the proposed SRBID budget for Fiscal Year 2026-2027. The budget's most significant expenditures are for clean and safe services and marketing and branding efforts, which together account for 80% of total expenditures.

EVALUATION AND FOLLOW-UP

The SRBA Board will report annually to the City Council to secure the renewal of the BID. The first report is expected in June 2027 and will include a proposed budget for Fiscal Year 2027-2028.

COORDINATION

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

PUBLIC OUTREACH

SRBA Board members and City staff conducted outreach walks in the district on August 15 and 19, 2025. Each outreach team delivered an informational flier and answered business owner questions. The informational flier that was distributed is attached as Attachment C – Outreach Handout.

A town hall meeting was held on December 10, 2025, to address public questions and comments. Additionally, this memorandum will be posted on the City's Council Agenda website for the February 3, 2026 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

January 12, 2026

Subject: Preliminary Actions Required for the Creation of the Story Road Business Improvement District and Levy of Assessments for Fiscal Year 2026-2027

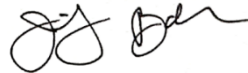
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CEQA

Not a Project, 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.

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.



Jen Baker

Director of the City Manager's Office of
Economic Development and Cultural
Affairs

The principal author of this memorandum is Minh Tran, Executive Analyst II, City Manager's Office of Economic Development and Cultural Affairs, and Victor Farlie, Assistant to the City Manager, City Manager's Office of Economic Development and Cultural Affairs.

For questions, please contact minh.tran@sanjoseca.gov or (408) 535-5613.

ATTACHMENTS:

Attachment A: SRBA Board Minutes

Attachment B: BID Boundary Map and Budget

Attachment C: Outreach Handout

ATTACHMENT A
SRBA Board Minutes

Story Road Business Association meeting
November 10, 2025 @ 10:00-11:00 AM
Zoom

Minutes

Agenda

Roll Call: Paul Pham, Vu Dinh, Hong Chu, Jeff Vo, Nick Dezurbiria, Thao Le, Alex Nguyen

I. Today's agenda and format

- A. CCS presentation, open discussion (all options are on the table), motion to act, vote
- B. Motion by 10:45, vote by 11 AM
- C. Time permitting - Events and Marketing updates

II. BID Background

What we're deciding on

- A. Fee - base, tier rate
- B. Budget - allocation and priorities

What it means for small businesses

- A. Show District map
- B. Fees, cost of business, inflation
- C. Steady level of service
- D. What it means for SRBA, fiduciary responsibility - stewards of funds
- E. Accountability - record keeping, bookkeeping, brown act, annual reporting/budgeting
- F. What's next: outreach (townhalls), council adoption, and fee collection
 - a. TREBA and MCBA as models

III. Community Strong Strategies

- A. Business Improvement District (10 minutes)

IV. Open Discussion

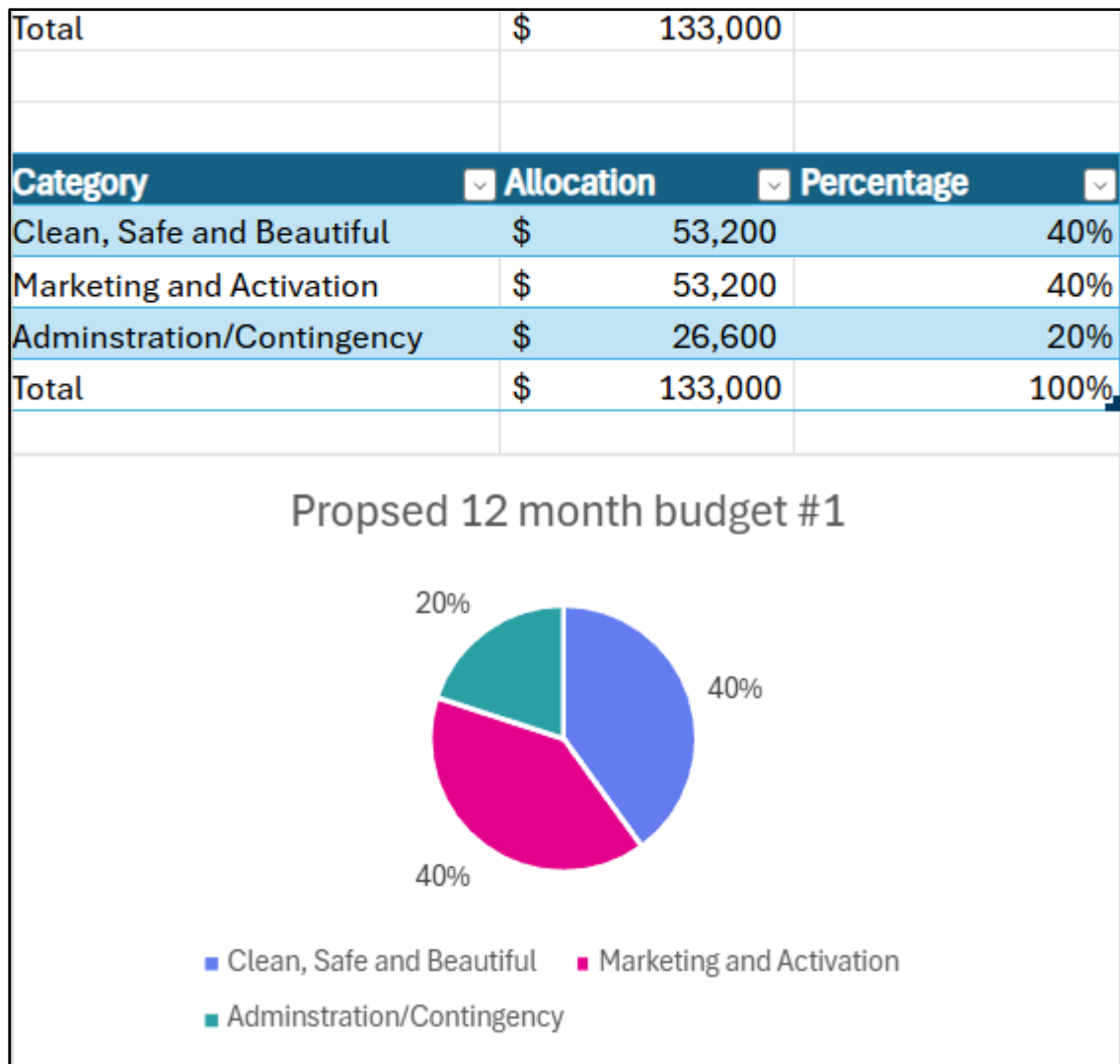
V. Motion & Vote

- A. ACTION ITEM: Approve BID budget and funding formula (1 minute)

example	Total sqft	base fee	additional assessment	total assessment
	A	B	$C = (A/25000) \times B$	$D = B + C$
#1	24,000	\$300	\$0	\$300
#2	25,000	\$300	\$300	\$600
#3	27,600	\$300	\$300	\$600
#4	75,000	\$300	\$900	\$1,200
#5	24,000	\$400	\$0	\$400
#6	25,000	\$400	\$400	\$800
#7	27,600	\$400	\$400	\$800
#8	75,000	\$400	\$1,200	\$1,600

Total Assessment = Bldg.SF/25,000*Base rate (\$350)+ Base Fee (\$350)

Base Rate	Ideal revenue	Adjusted revenue
\$350.00	\$179,634.34	\$133,119.34



Motion: Hong motion, Paul 2nd to set at \$350 base rate with 3 categories (insert here) for an allocation of 40%/40%/20% of \$133,000

Unanimous approval.

Nic and Thanh were absent.

VI. Committee Reports and Updates (25 Minutes)

- A. Clean, Safe & Beautification Committee - Nick Dezurbiria (3 minutes)
 - a. Mural/banners
 - b. Gateway and other capital projects
 - c. Martha's Kitchen, Columbus Park
 - d. Break-ins, Camera program, SJPd pay raise, SCC DA hiring freeze
- B. Marketing Committee: Vu Dinh, Alex Nguyen & Jeff Vo (10 minutes)
 - a. Branding: Banner design, Marketing material
ACTION ITEM: Approve quote for website and branding
 - b. Social media - website (business/store directory), IG, FB, LinkedIn
 - e. Winter Holidays (11/27 Thanksgiving and 12/25 Christmas)
 - i. Holiday San Jose
 - ii. Holiday shop book - airport/hotels
 - iii. Toy/blanket/jacket drive
 - g. 2/8/26 Super Bowl
 - i. 2/17/26 Tet
 - j. Mixer
 - k. 3/19/26 SJ Sharks Vietnamese Heritage Night
 - o. FIFA World Cup 6/11/26-7/19/26 Levi Stadium
 - q. Night Market
 - r. Crawfish Cook-off

VII. New Business (5 Minutes)

VIII. Open Discussion (5 Minutes)

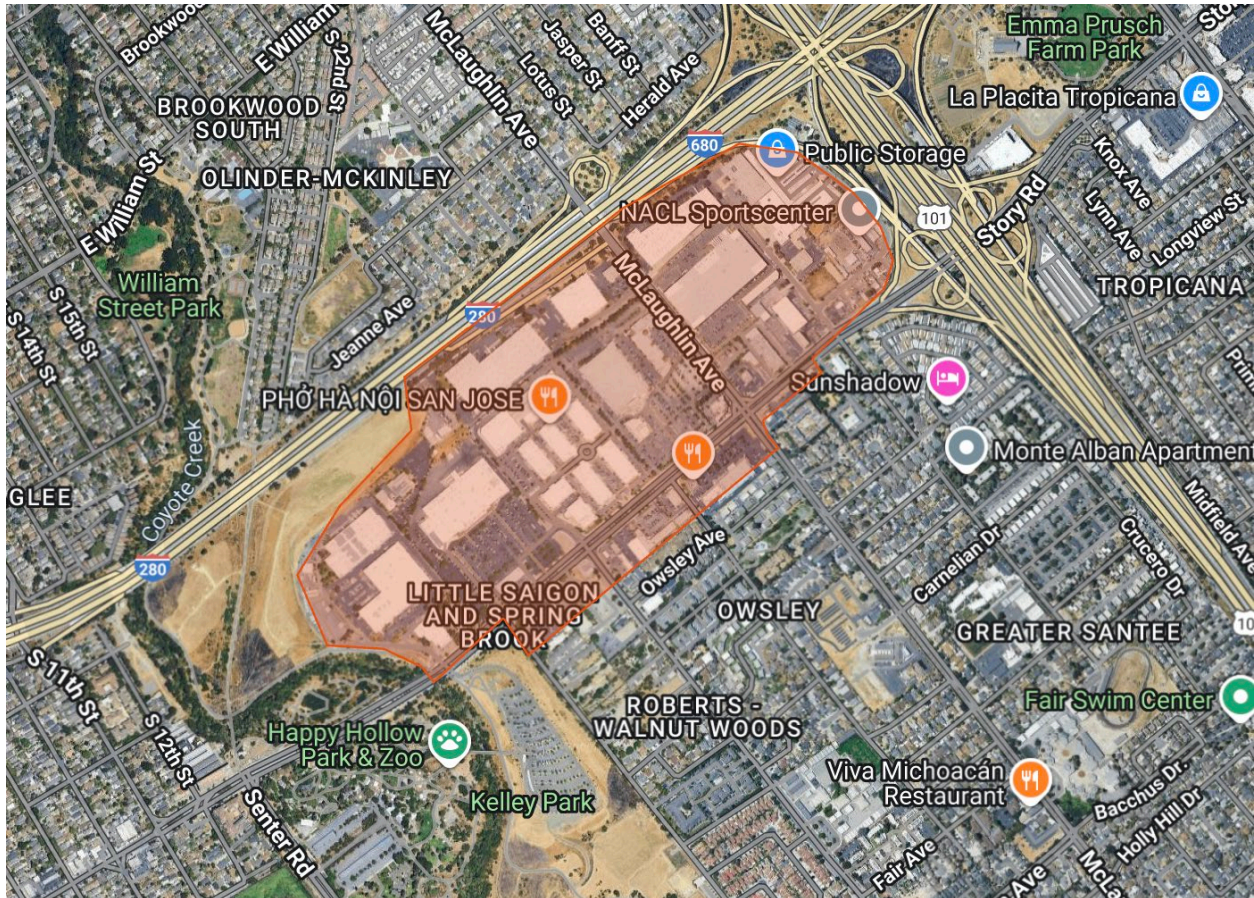
- A. Administrative assistance
- B. Other business

IX. Adjournment

- A. Next meeting 11/24/25
- B. Meeting location

ATTACHMENT B

BID Boundary Map and Budget



PROPOSED BID SERVICES — STORY ROAD BUSINESS ASSOCIATION

The Story Road Business Association (SRBA) anticipates generating approximately \$129,185 annually through assessments applied to 434 businesses within the district boundary. Businesses are assessed based on the business space they occupy, base rate, and a flat base fee of \$350 applied to all businesses. This estimate reflects a 30% delinquency rate based on historical collection patterns for similar Business Improvement Districts in San José.

The assessment methodology is designed to allocate assessments in proportion to the benefits received by businesses within the district, using business space occupied as a proxy for benefit. All businesses were assessed for a flat base fee of \$350 to support district-wide services that provide shared benefits throughout the corridor. In addition, a space-based assessment is calculated by dividing the amount of business space occupied by 25,000 square feet and rounding the result down to the nearest whole number to determine an incremental assessment factor. This factor is multiplied by a

base rate of \$350 and added to the flat base fee. The use of whole-number increments ensures consistent, predictable, and equitable application of the assessment methodology across all businesses, while maintaining alignment with proportional benefit requirements.

$$\text{Total Assessment} = \text{Base Fee} + \text{Base rate} \times \text{INT}(\text{Business space} \div 25,000)$$

Base fee: \$350

Base rate: \$350

The SRBA will allocate funds across three primary service categories as approved by the Board: Clean, Safe, and Beautiful (40%), Marketing and Activation (40%), and Administration and Contingency (20%). These services are designed to directly and specifically benefit the assessed businesses, enhance the district's vitality, and foster a clean, safe, and welcoming commercial corridor.

Category	Allocation	Percentage
Clean, Safe and Beautiful	\$ 51,674.00	40%
Marketing and Activation	\$ 51,674.00	40%
Administration/Contingency	\$ 25,837.00	20%
Total	\$ 129,185.00	100%

Clean, Safe and Beautiful (40% — \$51,674)

The Clean, Safe, and Beautiful program is intended to improve the overall condition and appearance of the Story Road corridor by providing supplemental services that address cleanliness, safety, and aesthetics. These services are designed to enhance the day-to-day environment for businesses and customers, reduce negative impacts on commercial activity, and support a well-maintained and welcoming corridor. Services may include, but are not limited to:

- Regular litter removal, sidewalk sweeping, and targeted corridor cleanups focused on high-need areas;
- Removal of bulky items and illegal dumping debris to improve sidewalk accessibility and storefront visibility;
- On-demand graffiti abatement on public-facing surfaces within the district;
- Pressure washing of sidewalks and removal of gum and stains in priority locations;
- Installation and maintenance of enhanced lighting elements to improve nighttime visibility and safety;

- Coordination with maintenance vendors, City departments, and partner organizations to address ongoing cleanliness and safety concerns;
- Safety patrols or partnerships with local enforcement and service providers to deter loitering, vandalism, and illegal dumping;
- Installation and maintenance of planters, banners, murals, and other beautification elements that reinforce the corridor's identity; and
- Implementation of camera or monitoring programs, as feasible, to support corridor safety efforts.

These services will be supplemental to baseline City services and will directly improve the business environment within the corridor.

Marketing and Activation (40% — \$51,674)

The Marketing and Activation program is intended to promote the Story Road corridor as a cohesive destination by increasing awareness of local businesses and encouraging customer visitation. Through coordinated marketing efforts and community activations, this program supports business visibility, strengthens corridor identity, and fosters a positive image of the district. Services may include, but are not limited to:

- Social media management and digital outreach to highlight Story Road businesses, promotions, and events;
- Design and production of corridor-wide marketing materials, including flyers, maps, and business directories;
- Coordination and hosting of community events, cultural celebrations, mixers, and seasonal activations that drive foot traffic;
- Website development and maintenance to promote district businesses, events, and resources;
- Partnerships with local artists, cultural organizations, schools, and community groups to activate public spaces and reflect the corridor's cultural identity; and
- District branding and promotional efforts that strengthen Story Road's image as a welcoming and vibrant commercial destination.

These initiatives will enhance the visibility of local businesses and foster a sense of community pride along Alum Rock Santa Clara Street.

Administration and Contingency (20% — \$25,837)

The Administration and Contingency category supports the effective management and delivery of district services in accordance with the approved service plan. These funds ensure appropriate oversight, compliance, coordination, and financial stability necessary to maintain district operations and support the long-term sustainability of the Business Improvement District. Services may include, but are not limited to:

- Professional staff support and consultants to manage district operations.
- Office, legal, accounting, and insurance expenses.
- City administrative collection fees (not to exceed actual costs).
- Board development, training, and strategic planning support.
- Reserve funds for contingencies, uncollected assessments, or one-time district renewal costs.

This category ensures transparent, effective management and long-term sustainability of the district.



Story Road Business Association

The Story Road Business Association (SRBA) is a collective of business owners and stakeholders working together to enhance the economic vitality, safety, and identity of the Story Road commercial corridor.

OUR ACCOMPLISHMENTS

Night Markets (2 years running)

- Hosted and supported Night Markets with over 60,000 total attendees
- Increased foot traffic by 100%
- 70% of vendors expressed interest in returning

Tet Festival

- Collaborated with Vietnamese American Roundtable for the Tet Festival, creating increased foot traffic
- Featured and promoted local vendors, restaurants, and shops in event marketing

Boosted Community Visibility

- Continued partnerships with the San Jose Sharks to bring visibility through events and marketing
- Organized the first annual Business Mixer with strong turnout
- Connected with Local Color to bring public art to the corridor

OUR INITIATIVES AND EVENTS

- Partnership building with cultural organizations and city programs
- Supporting local businesses through networking events
- Advocating for corridor-wide improvements and services
- Collaborating to bring public art and cultural identity to Story Road



UPCOMING INITIATIVES AND WHAT'S NEXT

Advance the Business Improvement District (BID) Formation Process

- The board is working with a consultant team to define a proposed BID boundary and develop budget options that reflect different levels of service
- Outreach will be conducted to ensure property and business owners are fully informed and have the opportunity to shape the process
- The BID would allow for sustained funding from business owners in the district to support services like sidewalk cleaning, beautification, community events, security coordination, and corridor-wide marketing
- **The goal is to build a clean, safe, and attractive commercial corridor through shared investment and collective action**

More Beautification and Activation

- Launch the Corridor Banner Program to visually unify and promote the district's identity
- Business Mixer (August 25, 2025)
- Town Hall (September, 2025)
- Moon Festival event at Grand Century Mall (September 20, 2025)
- Halloween Night (October, 2025)

SRBA DISTRICT BOUNDARY MAP



CONTACTS

Project Contacts

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City Contacts

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Association Contacts

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