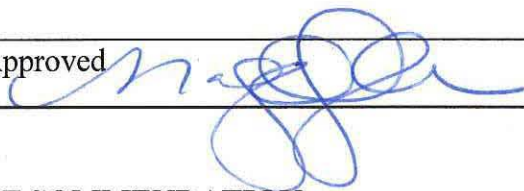


Memorandum

TO: MAYOR LICCARDO
SUBJECT: BUDGET DOCUMENT

FROM: Councilmember Carrasco
DATE: May 20, 2015

Approved  Date 5.20.15

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: **EAST SAN JOSE BUSINESS IMPROVEMENT DISTRICT EXPLORATION**

Amount of City Funding Required: \$35,000

Fund Type (i.e. General Fund, C&C funds, etc.): General Fund

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The Eastside of San Jose has had challenges for a long time. But it is also a community with its own personality, and the small business owners who have established their shops along the major arteries of King Road and Alum Rock Avenue help to color and characterize East San Jose. Each business owner has their list of the services they would like to see more in order to improve the experience of their customers and some have expressed willingness to pay to establish their services. With the new Bus Rapid Transit line going in and the future BART station, this area is on the cusp of a wave of new visitors who could be new customers for these businesses and there couldn't be a better time to explore whether owners would be willing to establish an official Business Improvement District of some kind.

San Jose has one great example of what a business improvement district can do. The change in downtown San Jose is obvious to anyone who compares their experience from several years ago to today. This turnaround did not happen without a great deal of work and early engagement of the business and residential community to see if the downtown property owners had any interest in helping to solve some of their communal problems through allocating additional investments.

Understanding that the successful establishment of either a Business Improvement District (BID) or a Property-Based Improvement District (PBID) requires a majority vote of all business license holders or property owners involved, Downtown San Jose and the City of San Jose's Office of Economic Development both recommend taking the temperature of businesses, engaging them in discourse to discover where businesses may or may not have common challenges, and broad community engagement to explain the differences and potential benefits of a BID or PBID before the decision and investment is made to formally begin the process.

The purpose of this money would be to hire a consultant to work with the local businesses and spend the next 12 months:

- Determining whether there are common needs for businesses along these arteries
- Educating the businesses on the process, costs, and benefits
- What geographic area along these arteries is most interested in establishment of a district
- Evaluate whether business license fees or property taxes is the better option to fund the district
- Help businesses decide which challenges they and their neighbors want to tackle

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund): General Fund

Department or Organization: Office of Economic Development

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

Name: N/A

Phone number: N/A

E-mail address: N/A