

**Business Improvement District Fund****Fund 351****PURPOSE OF THE FUND:**

The Business Improvement District Fund accounts for assessments involving Business Improvement District activities. State law allows the establishment of a parking and business improvement district. Within the district, a surcharge is imposed by the City for the general promotion of business activities in the district and improvement to the district. These surcharges are added on to and collected with the annual business tax.

Moneys collected in the Business Improvement District Fund may only be used for the following activities:

1. Acquisition, construction, or maintenance of parking facilities for the benefit in the area;
2. Decoration of any public place in the area;
3. Promotion of public events which are to take place on or in public places in the area;
4. Furnishing of music in any place in the area;
5. The general promotion of business activities in the area.

**AUTHORITY FOR THE FUND:**

San José Municipal Code Sections 4.80.2100 through 4.80.2120. Revenue and expenditure estimates are budgeted via City Council funding sources resolution and appropriation ordinance, respectively.

**SOURCE OF FUNDS:**

- Fees from businesses in the various Business Improvement Districts
- Interest earnings are distributed to each district based on the district cash balance

All moneys are received from businesses and individuals, as a result of surcharge billings pursuant to a business improvement district established by an act of the San José City Council pursuant to State law authorizing such districts. The Director of Finance shall establish and keep separate accounts for each district within the business improvement district fund, as may be necessary to account separately for the deposits and withdrawals of said surcharge amounts.

**FUND RESTRICTIONS:**

Moneys in the Business Improvement District Fund shall be disbursed in accordance with the provisions of the contract between the City of San José and each individual organization which has agreed to operate a business improvement district.

This is not an assessment as defined by Proposition 218 and should be distinguished from the Downtown Property and Business Improvement District, which are assessed under Proposition 218. The agreements with the Business Improvement Districts require that interest be transferred to the Business Improvement Districts on a quarterly basis.

**Business Improvement District Fund****Fund 351****LEAD RESPONSIBILITY:**

- Finance Department
- Office of Economic Development

**FINANCIAL INFORMATION AND LOCATION:****Comprehensive Annual Financial Report (CAFR) Designation:**

Governmental Fund-Special Revenue Fund

**Budget Location:**

Adopted Operating Budget

**Funding Sources Resolution and Appropriation Ordinance Location:**

Section 25.01

**NOTES:****Location of Districts:**

- Downtown Business Improvement District: numerous businesses along the boundary of Interstate 280, State Route 87, Julian and Fourth Streets, plus the area surrounding the Hewlett Packard Pavilion which is bounded by West San Fernando Street, the Caltrain tracks, Julian, Montgomery, West Saint John, and Autumn Streets.
- Japantown Business Improvement District: numerous businesses along Jackson and Taylor Streets between North First and Seventh Streets.
- Hotel Business Improvement District: Zone A – hotel businesses within a one-mile radius of the San José McEnery Convention Center, Zone B – hotel businesses located one to three miles from the San José McEnery Convention Center, and Zone C – hotels located outside the three-mile radius of the San José McEnery Convention Center.
- Willow Glen Business Improvement District: numerous businesses along Lincoln Avenue between Minnesota Avenue and Coe Street. City Council approved establishment of a new Willow Glen Community Business Improvement District (CBID), which will replace the Willow Glen Business Improvement District (BID) which will be disestablished once the new CBID is established.