



CITY OF MILPITAS

Economic Development and Trade Commission

DRAFT SPECIAL MEETING MINUTES

4:30 PM

Wednesday, April 17, 2024

First Floor Committee Conference Room

1. **CALL TO ORDER** Chairperson Norwood called the meeting to order at 4:31 PM.
2. **PLEDGE OF ALLEGIANCE** Commissioner Rice led the pledge of allegiance.
3. **ROLL CALL** Economic Development Coordinator Michael Thomas called the roll.

PRESENT: Chairperson Chris Norwood; Commissioners Casey McNeil, Lynne Rice and Cheri Romero; Alternates Conrad Schapira and Michael Nguyen; Student Commissioner Vasista Ramachandruni. City staff: Economic Development Director Alex Andrade, Economic Development Coordinator Michael Thomas and Sr. Special Projects Associate Margaret Tamisiea

ABSENT: Vice-Chairperson Parkash Daryani and Commissioner Victor San Vicente; City Council Liaison Carmen Montano
Alternate No. 1: Conrad Schapira seated in place of Commissioner San Vicente
Alternate No. 2: Michael Nguyen seated in place of Vice-Chair Daryani
4. **SEATING OF ALTERNATES**
5. **APPROVAL OF AGENDA**
Recommended Action: Approve April 17, 2024 special meeting agenda of the Economic Development & Trade Commission as submitted.
Mover/Second: Rice/McNeil
Motion carried by a vote of: AYES: 6 NOES: 0
Ayes: Norwood, McNeil, Rice, Romero, Schapira and Nguyen
Noes: None **Abstentions:** None
6. **APPROVAL OF MINUTES**
Recommended Action: Approve February 12, 2024 meeting minutes of the Economic Development & Trade Commission as submitted.
Mover/Second: Schapira/Norwood
Motion carried by a vote of: AYES: 4 NOES: 0
Ayes: Norwood, McNeil, Schapira and Nguyen
Noes: None **Abstentions:** Rice & Romero
7. **PUBLIC FORUM** No public comment was submitted.

8. ANNOUNCEMENTS Commissioner Rice stated that The Great Mall will hosts its annual Earth Day event on April 26 for students from Rose Elementary School. Ms. Rice informed the EDTC of a temporary evening light show attraction known as Imaginarium occurring in the Great Mall's south parking lot through Memorial Day.

Vice-Chair Daryani arrived at 4:34 PM.

Student Commissioner Ramachandrani reported that members of Milpitas High School's Student Technology Association finished in third place in a statewide competition in science and mathematics during its first time competing in this event.

Director Andrade noted the following:

- Assistant City Manager Matt Cano is attending the meeting
- Michael Thomas was promoted to economic development coordinator on April 1
- Candidate interviews are in progress for the vacant permit navigator position with the Office of Economic Development
- The Milpitas Small Business Expo hosted by Social Ground Foundation is scheduled for Saturday, April 20.
- City Council confirmed Mayor Montano's appointment of Bimalkumar Bhagvat as the commissioner representing the hospitality industry at it's regular meeting on April 16, 2024

Sr. Special Projects Associate Tamisiea noted that the application period for local businesses to host high school students during the Milpitas Youth Force summer employment program closes May 3.

Chair-person Norwood requested clarification on the information provided by City staff and its relevance to the Commission.

Commissioner Rice requested the status update on members' reappointment requests. Director Andrade stated updated information would be shared via email communication consistent with the Brown Act.

Commissioner McNeil requested to re-open the Public Form (Item 7) in light of a business owner wishing to address the Commission.

Mover/Second: McNeil/Schapira

Motion carried by a vote of: AYES: 6 NOES: 0

Ayes: Norwood, McNeil, Rice, Romero, Schapira and Nguyen

Noes: None **Abstentions:** None

Sean Meta, owner of a lodging facility in Milpitas requested information about prospective housing development projects on Valley Way. Chair-person Norwood asked city staff to follow up with Mr. Meta via email and phone communication.

Mayor Montano joined the meeting at 4:50 PM.

BUSINESS ITEMS

9a. Receive an update on Phase I of the property-based improvement district (P-BID) feasibility study results and next steps.

Recommended Action: Receive feasibility study and provide feedback to staff

Director Andrade introduced this item and Sr. Special Projects Associate Tamisiea presented a slide deck dated April 17, 2024.

Chairperson Norwood expressed support for a Main Street business association. Mayor Montano expressed support for a Main Street business association if Main Street business owners do not support establishing a business-based business improvement district.

Commissioner Rice supports a business association approach and that marketing is best served when promoting events and amenity improvements for example. Alternate Nguyen expressed support for attracting anchor businesses to Main Street

After discussion, Chairperson Norwood requested to continue this item to the Commission's regular meeting on May 13 to allow members to answer remaining questions and provide feedback.

Mover/Second: McNeil /Rice

Motion carried by a vote of: AYES: 6 NOES: 0

Ayes: Norwood, McNeil, Rice, Romero, Schapira and Nguyen

Noes: None **Abstentions:** None

9b. Milpitas High School Hack-a-Thon Event

Recommended Action: Receive report and determine the Commission's support of this event.

Chairperson Norwood introduced this event and Student Commissioner Ramachandrani presented a slide deck dated April 17, 2024. Mr. Ramachandrani requested financial and/or local business support to help cover costs for food, beverages and prizes for event participants. After discussion, the Commission requested staff to look into using Commission funds, City Council funds or other applicable City funds for this purpose based on one of the event sponsorship options provided. No motion was made on this item.

Motion to adjourn meeting at 5:35 PM

Mover/Second: Rice/McNeil

Motion carried by a vote of: AYES: 6 NOES: 0

Ayes: Norwood, McNeil, Rice, Romero, Schapira and Nguyen

Noes: None **Abstentions:** None

ADJOURNMENT

MEMORANDUM

Office of Economic Development



DATE: May 13, 2024

TO: Economic Development and Trade Commission

FROM: Alex Andrade, Economic Development Director
Margaret Tamisiea, Sr. Special Projects Associate

SUBJECT: **Milpitas Property and Business Improvement District Formation Feasibility Study**

BACKGROUND:

At the May 13 commission meeting, staff will continue the discussion on the feasibility study. Staff is requesting the commissioners to review the feasibility study and slides in advance of the meeting and be prepared to discuss the following questions:

1. Is extending the timeline for the PBID assessment for another 6 months in hopes of gaining more support a good idea?
2. Do you think businesses would be more likely to vote to assess themselves?
3. What can the City do to build trust?
4. Do you support the idea of funding a destination marketing program for Main Street?

The City of Milpitas has prioritized Main Street revitalization through several initiatives as illustrated in the Economic Development Strategy, General Plan Update 2040 through the Economic Development Element, the Gateway-Main Street Specific Plan, and American Rescue Act (ARPA) funding including:

- **Economic Development Strategy** – Strategy 31 focuses on positioning Midtown (approximately 1,000- acre area of land which is currently undergoing changes related to its growing role as a housing and employment center in Silicon Valley as a community destination) and through Action 31.1 to support Main Street property and business owners in assisting with the exploration and scoping of a property-based business improvement district (PBID).
- **2040 General Plan Update** – Economic Development Element Action ED-2c. Evaluate the feasibility of creating business improvement districts (BID) to fund improvements and maintenance that supports economic development.
- **Gateway-Main Street Specific Plan** – Vision to transform the area into a vibrant, mixed-use, and pedestrian-oriented community with planning efforts on revitalization of historic Main Street.
- **ARPA Funding** – Main Street Revitalization with funds allocated for the PBID and Storefront Improvement Grant Program.

MEMORANDUM

Office of Economic Development



On August 16, 2022, the City Council approved \$75,000 of ARPA funding for the PBID Feasibility Study and directed staff to proceed with a consultant through a public bid process. A Request for Proposals (RFP) was issued on October 5, 2022. The City received one proposal to the RFP. The proposal required additional funding of \$51,500 for Phase II centered around a management plan and petition process implementation, if the PBID feasibility assessment is successful under Phase 1. The City Council approved the additional funding as part of the ARPA update on February 21, 2023. The City signed a contract on April 18, 2023, with Civitas Advisors and subconsultant Community Strong Strategies.

The project kick-off meeting took place on May 3, 2023. In July 2023, the consultants held two public hearings. In August 2023, a Steering Committee was formed. The Steering Committee members served as ambassadors for the project contacting property owners and providing education on the benefits of forming a PBID. In addition, the Steering Committee approved the assessment rates, the district boundaries, and the service plan.

EDTC received a presentation on the PBID on August 14, 2023 and January 8, 2024.

ANALYSIS:

A PBID is a geographically defined area where property owners collaborate to enhance and promote economic vitality through a self-imposed annual assessment. PBIDs are typically formed through a partnership between local government and property owners or stakeholders in the area. The role of Civitas Advisors and Community Strong Strategies was to assess existing conditions, and to conduct outreach, interviews, and meetings with key stakeholders to draft a report detailing the feasibility of establishing a PBID, along with any challenges, and likely factors for success.

A PBID on Main Street has the potential to provide the resources to maintain and improve the physical environment, recruit new businesses, and increase property values beyond the services that the City of Milpitas provides. Formation of a PBID can provide funding to create economic vitality along Main Street.

The Steering Committee determined that the Milpitas PBID area would encompass the boundary of Weller Lane on the north side, West Curtis Avenue on the south, Railroad Avenue on the east, and Main Street on the west side. The Steering Committee also developed a Frequently Asked Questions (FAQ) document and a proposed service plan for the PBID.

With the assistance of the Steering Committee, Community Strong Strategies and City Staff, 55 (unique) property owners and stakeholders were contacted. Property owner engagement took place through direct emails, phone calls, and one-on-one meetings as well as mailings. As a result of continued one-on-one meetings with property owners and the Steering Committee, there was a clear desire to focus on Main Street. The Steering Committee decided to focus the PBID's budget on community benefit services related to Destination Development and Economic Enhancement, Clean and Safe, Advocacy and Administration, and Contingency/Reserve. The Steering Committee's proposed budget is estimated at \$166,107 annually for a period of five years.

California law for PBID district formation requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments. Petitions are then submitted to the City Council, and the City will mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to consider approval. Within the proposed downtown Main Street PBID, there are seventy-two unique property owners who own 212 parcels.

MEMORANDUM

Office of Economic Development



The City of Milpitas owns several properties throughout the PBID boundary including parks/open space located on South Main Street and a public parking lot located on North Main Street just south of the library. The City of Milpitas properties make up 7.64% of the overall PBID boundary, which makes the City the largest property owner in the proposed district boundary. The remaining private property ownership in support of the proposed PBID equals 3.78%. It has been difficult to get private property owners to show support for establishing a PBID. The current tally of support from property owners is 11.42%, which includes the City of Milpitas' properties. To reiterate, the establishment of a PBID requires support of 50% plus one of the property owners on a weighted scale.

Some downtown Main Street property owners shared that they are hesitant to support an assessment in the current economic climate. They have concerns about inflation, interest rates, and business instability. There appears to be a perceived lack of long-term commitment from the City in planning efforts and infrastructure improvements from various stakeholders. There appears to be mistrust of the City by some downtown property owners based on previous history with permit processes, staff turnover, and intermittent communication. Steering Committee representatives conveyed that it takes time to make contacts and build relationships with downtown property owners before obtaining formal commitments to support a PBID via an annual assessment. It was determined that over 50% of PBID property owners live outside of Milpitas and consist of investment firm(s), Limited Liability Corporations (LLCs), family trusts, absentee landlords, and property management companies according to the Santa Clara County Assessor's Office and CoStar Database.

After assessing the feasibility of forming a PBID on Main Street, it is the consultant's professional opinion that the City of Milpitas faces significant challenges in obtaining support for the current proposal. Since the tallied support is less than 12% of the required 50.1% of the assessed area boundary that will need to support the PBID formation.

The draft PBID Feasibility Study consists of potential City Council considerations outlined below:

- Continue building positive momentum and rapport with property and business owners for the next six months and attempt to form a PBID after trust and relationships have been established;
- Explore the establishment of a Business-based Improvement District focused on the business community instead of a property-based Business Improvement District;
- Explore a pathway for the City to offer the PBID extra funds to offset the assessment for the property owners through offering the district a donation to reduce the overall assessment to the property owners for the first year of existence
- Provide examples of completed City programs and projects, such as recent public infrastructure projects and the [Storefront Improvement Grant Program](#) initiative funded through ARPA as well demonstrate progress and implementation of [Gateway-Main Street Specific Plan](#) components;
- Advertise the new "Permit Navigator" program as a win for Main Street stakeholders and establish a "Main Street Monday Program" whereby downtown business and property owners receive preference and/or expedited permit reviews for the day;
- The highest need is for destination marketing and economic development for downtown Milpitas. City Council may consider redirecting ARPA funding for destination marketing action.

RECOMMENDATION

MEMORANDUM

Office of Economic Development



The Economic Development and Trade Commission accept the draft PBID Feasibility Study and provide feedback to the Office of Economic Development.

ATTACHMENTS

1. P-BID Slide Deck, April 17, 2024
2. Draft PBID Feasibility Report



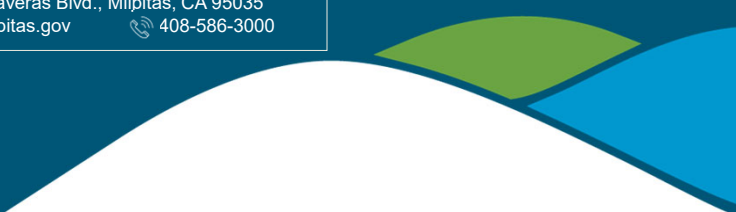
Economic Development and Trade Commission

PBID Feasibility Study Update Office of Economic Development

April 17, 2024

City of Milpitas

455 E. Calaveras Blvd., Milpitas, CA 95035
 www.milpitas.gov  408-586-3000



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Background

- City Council directed staff to proceed w/a Property-based BID via ARPA funding on Aug. 16, 2022
- RFP was issued as part of the public bid process
- On May 1, 2023, the City of Milpitas hired Civitas and Community Strong Strategies as its consultant, to assist in the PBID feasibility process
- Civitas is the premier consulting firm working nationally on the formation of PBIDS, BIDS, and tourism improvement districts
- Community Strong Strategies is the local partner with expertise in community engagement and outreach efforts



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Property-Business Improvement District Feasibility Study

- ED Strategy 31: Position Midtown as a community destination
- Action 31.3: Support Main Street property and business owners to assist exploration & scoping of a property-based BID
- 2040 General Plan Update - Econ Dev Element
- Action ED-2c: Evaluate feasibility of creating business improvement districts (BIDs) to fund improvements and maintenance that supports economic development

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Property-Business Improvement District Feasibility Study

- What is a P-BID?
- Benefits and formation of a P-BID
- \$126,500 in ARPA Funds
- Civitas Advisors
- Community Strong Strategies
- Phase I:
 - Stakeholder outreach, focus groups, study area establishment, and feasibility assessment report

Phase II: If Phase I if approved:

- Management Plan, Petition Process Implementation & Engineer's Report

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PBID Modified Boundary

Main Street Focus

*parcels on Abel Street from Weller Lane (on the North) to West Curtis Avenue (on the South) were removed



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Selected Assessment Amounts

Parcel type	Square footage assessment rate (sq. ft.)	Linear Front footage assessment rate (ln. ft.)
Commercial/Residential Condos	\$0.08	\$1.00
Vacant	\$0.05	\$1.00
Non-profit	\$0.02	\$1.00

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Proposed Budget Allocation

	PROPOSED BUDGET	Assessment
Services	%	\$
Marketing & Economic Development	58%	\$96,342
Clean and Safe	30%	\$49,832
Advocacy and Administration	7%	\$11,627
Contingency/Reserve	5%	\$8,305
Total	100%	\$166,107

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Outreach & Engagement



- Mailed outreach effort was conducted on July 5, 2023, and July 28, 2023, reaching 403 parcel owners to bring attention to the proposed PBID
- Two public meetings were hosted within the proposed boundaries:
 - *July 18, 2023 - Olinger's Real Estate Property*
 - *August 9, 2023 - Milpitas Library*
- Property and business owners attended, and Mayor Montano, City staff, and consultants presented on the proposed PBID and responded to questions
- Contacted 57 (unique) property owners, stakeholders via emails, calls, and 1:1 meetings
- City staff created a MPBID website to provide stakeholders additional information
- Presented to the Economic Development and Trade Commission on August 14, 2023, and January 8, 2024 and City staff has provided updates periodically

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Community Workshops



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Steering Committee Meetings



- Steering Committee was recruited and agreed to service as community champions. Committee met 11 times throughout the process
- Committee members included : Harpreet Chaudhary, Brian Estes, Victor Singh, Dr. Puneet Sandhu
- Outreach materials were developed including FAQs, assessment examples, and website updates
- Proposed service plan for the PBID was developed focusing on marketing and branding, economic development, clean and safe services, and advocacy
- Proposed boundary was analyzed and communicated to property owners
- After receiving feedback from property owners, Civitas, Community Strong Strategies, Mayor Montano and City staff, the Steering Committee approved a PBID boundary modification

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Additional Engagement



Mayor Montano directed staff to mail a letter to all property owners on her behalf outlining the PBID program on December 5, 2023

Main Street property owners meeting with the Planning and Economic Development Directors on December 13, 2023, regarding the Gateway-Main Street Specific Plan

The purpose of the Gateway-Main Street Specific Plan Vision meeting was to share the City's vision of making Main Street the center of the community, respond to Main Street property owner's inquiries and recommendations, and begin to build relationships and trust with major stakeholders on Main Street

- Height & density interest
- Open space and activation of public spaces
- Wayfinding signage and public infrastructure
- Traffic calming solutions and wider sidewalks for pedestrians

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PBID Feasibility Report Findings



- Over 50% of PBID property owners live outside of Milpitas: Investment firm(s), LLCs, family trusts, absentee landlords, property management companies, etc. SC County Assessor & CoStar Database
- 2 Public Workshops and 11 Steering Committee meetings from Q2-Q4
- Steering Committee had different levels of availability and limited time to work as champions
- Steering Committee representatives conveyed that it takes time to make contacts and build relationships before obtaining formal commitments to support a PBID via assessment
- Property owner hesitancy related to the current economy (inflation, int. rates, business instability, etc.)
- Perceived lack of long-term commitment from the City (planning efforts and infrastructure improvements)
- Mistrust of the City based on previous history with permit process, staff turnover, and communication
- Highly unlikely that the required 50%+1 property owner votes will be reached
- Less than 12% of property owners currently support a PBID

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Options to Consider



- Continue building positive momentum and rapport with property and business owners for the next 6 months and attempt to form a PBID after trust and relationships have been established
- Explore the establishment of a business-based improvement district focused on the business community instead of a property-based improvement district
- Explore a pathway for the City to offer the PBID extra funds to offset the assessment for the property owners through offering the district a donation to reduce the overall assessment to the property owners for the first year of existence
- Provide examples of completed City programs and projects, such as recent public infrastructure projects and the *Storefront Improvement Grant Program* initiative funded through ARPA

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Options to Consider cont.



- Demonstrate progress and implementation of *Gateway-Main Street Specific Plan*
- Advertise the new "Permit Navigator" program as a win for Main Street stakeholders and establish a "Main Street Monday Program" whereby downtown business and property owners receive preference and/or expedited permit reviews for the day
- The highest need is for destination marketing and economic development for downtown Milpitas. City Council may consider redirecting ARPA funding for destination marketing action.

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Questions to Discuss



- Is extending the timeline for the PBID assessment for another 6 months in hopes of gaining more support a good idea?
- Do you think businesses would be more likely to vote to assess themselves?
- What can the City do to build trust?
- Do you support the idea of funding a destination marketing program for Main Street?

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Original Proposed Assessment Scenarios

	Scenario 1		Scenario 2		Scenario 3	
Parcel type	Square Footage assessment rate (sq. ft.)	Linear Front Footage assessment rate (ln. ft.)	Square Footage assessment rate (sq. ft.)	Linear Front Footage assessment rate (ln. ft.)	Square Footage assessment rate (sq. ft.)	Linear Front Footage assessment rate (ln. ft.)
Commercial/Res. Condos	\$0.08	\$1.00	\$0.10	\$1.00	\$0.12	\$1.00
Vacant	\$0.05	\$1.00	\$0.06	\$1.00	\$0.07	\$1.00
Non-profit	\$0.02	\$1.00	\$0.03	\$1.00	\$0.04	\$1.00

Milpitas Property and Business Improvement District Formation

Feasibility Study

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Acknowledgements

In April 2023, the City of Milpitas contracted with Civitas and Community Strong Strategies to provide specialized professional services to evaluate the feasibility of a Property and Business Improvement District (PBID) under the City's Main Street Revitalization efforts to create economic growth and vitality in downtown Milpitas. The authors, Kelly Rankin, Nathan Ulsh, and Diana Zepeda would like to acknowledge the work of the PBID's Steering Committee including Harpreet Chaudry, Brian Estes, Puneet Shandhu, and Victor Singh for their respective efforts in championing the formation of the district along Main Street. The Milpitas City Council is also recognized as the decision-making body that continues to champion the revitalization of Main Street as a viable downtown that serves residents, businesses, and visitors. Special thanks to Mayor Carmen Montano who served as the City Council's main advocate for Main Street's economic growth and establishment of the PBID. Civitas and Community Strong Strategies also thanks Ned Thomas, Matt Cano, and Ashwini Kantak of the City Manager's Office and representative Jay Lee from the Planning Department. The City's Office of Economic Development ensured that engagement resulted in timely, accurate data and information, as well as extensive introductions to relevant stakeholders working to revitalize Main Street. Thank you to Alex Andrade, Margaret Tamisiea, Daniel Dagu, and Michael Thomas of the Office of Economic Development.

SECTION 1: EXECUTIVE SUMMARY

The purpose of this report is to determine the feasibility of establishing a PBID to provide needed services within a proposed boundary in downtown Milpitas. Formation of a PBID will provide funding for essential services necessary to meet Milpitas' needs and create economic vitality along Main Street. A PBID on Main Street has the potential to provide the resources to maintain and improve the physical environment, recruit businesses, and increase property values beyond the services that the City of Milpitas continues to provide. A PBID is a geographically defined area where property owners collaborate to enhance and promote economic vitality through a self-imposed annual assessment, which would be collected via the property tax bill by the Santa Clara County assessor. PBIDs are typically formed through a partnership between local government and property owners or stakeholders in the area. The role of Civitas and Community Strong Strategies was to assess existing conditions, and to conduct outreach, interviews, and meetings with key stakeholders to draft a report detailing the feasibility of establishing a PBID, along with any challenges, and likely factors for success.

Civitas and Community Strong Strategies, in conjunction with the City of Milpitas, has worked with property owners to determine what concerns they have regarding the long-term prosperity of downtown Milpitas and the services that are needed to improve the area. Aside from stakeholder outreach and defining needs, the consultants also led property owner workshops, participated in site orientation, study area establishment, database formation, and feasibility assessment resulting in this Feasibility Study. Outreach took place 2023 in the form of two public workshops for property owners, one-on-one meetings with property owners, a mailing campaign and staff visiting businesses located within the proposed PBID boundaries. In addition, the Steering Committee met eleven times in a period of just four months. Establishing a PBID generally takes ten months, but due to attempting to commence County Assessor assessments in January 2025 and utilizing American Rescue Plan Act (ARPA) funding, which has a deadline of encumbering federal funds by December 31, 2024, there was a sense of urgency and thus the PBID outreach schedule was expedited.

PBIDs are governed by a board of directors made up of representatives from owners paying the annual assessment. For Milpitas, a Steering Committee would oversee funding allocation, priority setting, and ensuring that the PBID's initiatives align with the needs and interests of owners paying the assessment, and the community. The consultant team and Office of Economic Development hosted two community meetings on July 18, 2023, and August 9, 2023. Property owners, business representatives, and stakeholders attended to obtain information about the proposed PBID and provide feedback. Community meeting attendees were interested in the cost and impact of an assessment on business owners, new development guidelines through the Gateway-Main Street Specific Plan, and Main Street beautification efforts. Soon thereafter, a Steering Committee was formed to champion establishing a PBID with their property owner peers in downtown Main Street. The Steering Committee determined that the Milpitas PBID area would encompass the boundary of Weller Lane on the north side, West Curtis Avenue on the south, Railroad Avenue on the east, and Main Street on the west side.

From August 16, 2023 to November 29, 2023, the Steering Committee met eleven times to ascertain budget and services, and act as community champions to educate property owner peers located within the proposed district. The Steering Committee also developed a Frequently Asked Questions (FAQ) document and a proposed service plan for the PBID. Significant outreach was performed to recruit more property owners and allow for further feedback, but some Steering Committee members were not able to attend all the weekly meetings. At the onset of the first meeting, expectations were set to help facilitate the roles and responsibilities of the Steering Committee.

With the assistance of the Steering Committee, Community Strong Strategies and City Staff, 57 (unique) property owners and stakeholders were contacted. Property owner engagement took place through direct emails, phone calls, and one-on-one meetings as well as mailings. As a result of continued one-on-one meetings with property owners and the Steering Committee, it was determined that the initial PBID boundary was too large and there was a desire to be intentional and keenly focus on Main Street. Therefore, a smaller PBID boundary was designated as described above and with a reduced budget from the original area. Although the PBID boundary was reduced, the Steering Committee elected to keep the originally presented assessment methodology rather than increasing the assessment rates per square foot for the remaining property owners located within the district. The Steering Committee decided to focus the PBID's budget on community benefit services related to Destination Development and Economic Enhancement, Clean and Safe, Advocacy and Administration, and Contingency/Reserve. If the PBID establishment is approved, the Steering Committee's budget is estimated at \$166,107 annually for a period of five years.

The Property and Business Improvement District Law of 1994 (PBID law) requires that property owners representing over 50% of the total assessments to be paid must submit petitions in favor of PBID formation to complete the petition drive. For example, if the total assessed boundary area is 1 million square feet, and a property owner owns 250,000 square feet of an assessed parcel, this respective property owner represents a weighted vote of 25%. Petitions are then submitted to the City Council, and the City will mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to consider approval. Within the proposed downtown Main Street PBID, there are 72 unique property owners who own 212 parcels. The City of Milpitas owns several properties throughout the PBID boundary including parks/open space located on South Main Street and a public parking lot located on North Main Street just south of the library. The City of Milpitas properties make up 7.64% of the overall PBID boundary, which makes the City the largest property owner. The remaining private property ownership in support of the proposed PBID equals 3.78%. It has been difficult to get private property owners to show support for establishing a PBID. The current tally of support from property owners is 11.42%, which includes the City of Milpitas' properties. To reiterate, the establishment of a PBID requires support of over 50% of the property owners based on how much they'll pay in the annual assessment.

Some downtown Main Street property owners shared that they are hesitant to support an assessment in the current economic climate. They have concerns about inflation, interest rates, and business instability. There appears to be a perceived lack of long-term commitment from the City in planning efforts and infrastructure improvements from various stakeholders. There is mistrust of the City based on previous history with permit processes, staff turnover, and intermittent communication. Steering Committee representatives conveyed that it takes time to make contacts and build relationships before obtaining formal commitments to support a PBID formation. It was determined that over 50% of the proposed PBID property owners live outside of Milpitas and consist of investment firm(s), Limited Liability Corporations (LLCs), family trusts, absentee landlords, and property management companies according to the Santa Clara County Assessor's Office and CoStar Database. Moreover, Steering Committee members had different levels of availability and limited time to work as champions to form a district.

After assessing the feasibility of forming a PBID on Main Street, it is the consultant's professional opinion that the City of Milpitas faces significant challenges in obtaining support for the current proposal of PBID formation. Since the tallied support is less than 12% of the required 50.1% of the assessed area boundary that will need

to support the PBID formation, more substantial outreach and education will be needed to proceed with district formation at this time.

Civitas and Community Strong Strategies recommend the following opportunities for the City Council to consider:

- 1) Continue building positive momentum and rapport with property and business owners for the next 6 months and attempt to form a PBID after trust and relationships have been established
- 2) Explore the establishment of a business-based improvement district focused on the business community instead of a property-based improvement district
- 3) Explore a pathway for the City to offer the PBID extra funds to offset the assessment for the property owners through offering the district a donation to reduce the overall assessment to the property owners for the first year of existence
- 4) Provide examples of completed City programs and projects, such as recent public infrastructure projects and the [Storefront Improvement Grant Program](#) initiative funded through ARPA
- 5) Demonstrate progress and implementation of [Gateway-Main Street Specific Plan](#) components
- 6) Advertise the new "Permit Navigator" program as a win for Main Street stakeholders and establish a "Main Street Monday Program" whereby downtown business and property owners receive preference and/or expedited permit reviews for the day
- 7) The highest need is for destination marketing and economic development for downtown Milpitas. City Council may consider redirecting ARPA funding for destination marketing action.

SECTION 2: BACKGROUND

The City of Milpitas has prioritized Main Street revitalization through several initiatives as illustrated in the Economic Development Strategy, General Plan Update 2040 through the Economic Development Element, the Gateway-Main Street Specific Plan, and American Rescue Plan Act (ARPA) funding, including:

- **Economic Development Strategy** - Strategy 31 focuses on positioning Midtown (approximately 1,000-acre area of land which is currently undergoing changes related to its growing role as a housing and employment center in Silicon Valley) as a community destination, and through Action 31.3 to support Main Street property and business owners in assisting with the exploration and scoping of a PBID.
- **2040 General Plan Update: Economic Development Element Action ED-2c** - Evaluate the feasibility of creating business improvement districts (BIDs) to fund improvements and maintenance that support economic development.
- **Gateway-Main Street Specific Plan** - Vision it to transform the area into a vibrant, mixed-use, and pedestrian-oriented community with planning efforts on revitalization of historic Main Street.
- **ARPA Funding** - Main Street Revitalization with funds allocated for the PBID and Storefront Improvement Grant Program.

Revitalization of Main Street into a thriving downtown has been prioritized by the Milpitas City Council. The City Council is keen on creating infill mixed-use development opportunities, streetscape improvements, business activation, and a destination for dining, learning and entertainment with a sense of community and urgency at the historic center of Milpitas.

On August 16, 2022, the City Council approved \$75,000 of ARPA funding for the PBID Feasibility Study and directed staff to proceed. A Request for Proposals (RFP) was issued as part of the public bid process on October 5, 2022. The City received one proposal to the RFP. The proposal required additional funding of \$51,500 for Phase II centered around a Management District Plan and petition process implementation, if the PBID feasibility assessment is successful under Phase I. Council approved the additional funding as part of the ARPA

update on February 21, 2023. The City signed a contract on April 18, 2023 with Civitas and subconsultant Community Strong Strategies. Civitas is the premier consulting firm working nationally on the formation of PBIDs, BIDs, and tourism improvement districts (TIDs). Civitas is partnering on this project with Community Strong Strategies, a local consulting firm with expertise in community engagement and outreach.

The primary goal of a PBID is to create a more attractive, welcoming, and economically vibrant district by investing in physical improvements, marketing efforts, and programs that stimulate business activity and enhance the overall experience for visitors, residents, and workers in the area. PBID's play a crucial role in driving economic development, fostering a sense of community, and improving the quality of life in the district they serve.

The formation of a PBID involves levying a special assessment on properties located within the defined boundary. These assessments are collected by the County assessor in tandem with property taxes, and passed to a managing non-profit to fund improvements and services that benefit the assessed property owners. Examples of services provided by PBIDs include street cleaning, landscaping, security, marketing and promotion, event organization, business development, and advocacy on behalf of the PBID.

Civitas and Community Strong Strategies examined the needs of the district and subsequently drafted this Feasibility Study gauging property owner support. This report is a summary of stakeholder meetings, actions, and findings to determine whether establishing a successful downtown Milpitas PBID is feasible. Below is an eight-step process required to establish a PBID in downtown Milpitas.

A proposed PBID would be formed pursuant to the PBID law, which authorizes local governmental entities to levy assessments on properties and businesses within a pre-determined boundary for the purpose of financing certain improvements and promoting activities that benefit the assessed owners in the district boundary. As such, the following steps must be taken to form a PBID in downtown Milpitas. Steps one through three have been completed during the feasibility phase (Phase I) and steps four through eight would take place under Phase II if it appears that the proposed PBID will garner the required 50%+ approval.

1. Creation of Formation Resources

The beginning of any successful formation process is the development of the project's infrastructure. The parameters of the project must be outlined to provide clear objectives and assignments to the appropriate parties. The Steering Committee led the project's education and outreach program to enhance the requisite support and data for the formation of the PBID.

2. Budget Confirmation

Civitas and Community Strong Strategies worked with the Steering Committee to ensure that the appropriate properties were identified and compiled into a database. The Steering Committee adjusted the assessment scenarios through PBID boundary modifications during the feasibility phase, which was then confirmed by City staff.

3. Owner Outreach and Education

Owner outreach and education are critical components of the PBID formation process. Civitas and Community Strong Strategies worked with the Steering Committee on an effective outreach and education program. The program included educating property owners within the boundaries of the PBID and City staff, as well as seeking their input on strategies for formation and PBID parameters. The Steering Committee served as champions for the development of the PBID.

4. District Plan and Engineer's Report Development

As parameters for the PBID are solidified during the outreach process and moving into Phase II appears favorable in obtaining over 50% approval, Civitas and Community Strong Strategies will draft the required documents for PBID formation starting under step four. The Service Plan drafted by Civitas and Community Strong Strategies in collaboration with the Steering Committee will eventually become the basis for the Management District Plan (Plan). Once district parameters have been finalized, the Plan and a sample petition will be drafted. The Plan and sample petition will undergo a review process by the Steering Committee and City staff. The Plan will also include an Engineer's Report. The California Constitution provides that only special benefits are assessable and requires that an Engineer separate the general benefits from the special benefits conferred on a parcel in an assessment district. The Engineer must ensure special benefits are truly particular and distinct, and fairly appointed among the assessed parcels, therefore the Engineer must quantify special and general benefits conferred on parcels and the public-at-large due to activities and improvements provided by an assessment district.

5. Petition Drive

Before the hearing process can begin, a successful petition drive must be completed. Property owners representing over fifty percent (50%) of the total assessments to be paid must submit petitions in favor of PBID formation to complete the petition drive. This step includes identifying key property owners and collecting signed petitions. This process is led by the Steering Committee, whose outreach efforts prior to the petition process have primed the support needed to complete the petition drive. The consultants will assist the Steering Committee and City staff to act as a monitor of the petition support threshold.

6. Initial Hearing

The initial hearing, referred to as the Resolution of Intention (ROI), will be the first hearing held by the Milpitas City Council regarding the PBID formation. Civitas and Community Strong Strategies will work with City staff to prepare for the ROI and may provide the necessary documents to complete this step.

7. Notice of Proposition 218 Ballot and Protest Period

Following the adoption of the ROI, a mailed notice and assessment ballot must be sent to all property owners proposed to be assessed. Civitas and Community Strong Strategies will draft the notice and assessment ballot and work with City staff to mail the notice to property owners. Mailing of the notice starts the mandatory forty-five (45) day period which must occur before the public hearing may be held. During the time between the mailed notice and assessment ballot and the close of the public hearing, property owners in opposition to the PBID may submit protests against the formation of the PBID. If property owners representing over fifty percent (50%) of the total assessments to be paid protest formation of the PBID, the PBID shall not be formed.

8. Final Public Hearing and Ballot Count

The public hearing, or Resolution of Formation (ROF), is the final step in the PBID formation process. The Milpitas City Council must hold a public hearing and allow for public comment and shall direct tabulation of assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment. If there is no majority protest by property owners, the City Council may adopt the ROF levying the PBID assessments and forming the PBID.

If formed, the assessment will be collected by the County of Santa Clara in conjunction with property taxes. *It is important to note that for the assessment to be on the property tax bill per Santa Clara County's billing system, the formation process must be completed no later than July 31st for the PBID to begin January of the upcoming calendar year.* This is the main reason the consultants, Steering Committee, and City staff expedited the

community engagement process with downtown property owners. See typical PBID formation timeline in Section 7.

SECTION 3: METHODOLOGY

Section 3 illustrates the methodology used to collect and analyze information pertaining to the PBID formation process and likelihood that a district will succeed if there is property owner interest. The consultants were tasked with development of Phase I: BID Feasibility Assessment, and if the required 50%+ appears attainable, proceed with Phase II: Management Plan and Petition Process Implementation.

Phase I: BID Feasibility Assessment methodology consisted of the following:

1. Stakeholder Outreach and Defining of Need: Consultant conducted outreach, which included one-on-one meetings with key District stakeholders, business owners and representatives, property owners, key community members (i.e., EDTC), and City staff. Outreach allowed for documenting existing conditions in the PBID boundary, garnering PBID interest and support, and identifying opportunities and challenges to forming the district. Stakeholder outreach took the form of in-person meetings, virtual meetings, and public workshops.

2. Workshops: Consultant presented a comparative evaluation of the kinds of BIDs permitted under the PBID law, assessment methods and rationales, and preparatory steps to forming a BID or PBID, and renewal process.

3. Site Orientation and Establishment of Study Area: Consultant conducted project orientation site visits to become acquainted with the PBID and develop a local database.

4. Database Formation: Consultant developed a comprehensive real property database of potential PBID property owners and contact information through Santa Clara County Assessor data, business license list, and parcel records. The database was designed for a variety of uses, including but not limited to periodic mailings to property owners, and assessment scenarios by tracking property ownership, parcel square footage, building square footage, and parcel front linear footage.

5. Feasibility Assessment/Report: Consultant wrote this draft Feasibility Study to summarize work, analysis, and findings on whether the property owners will support a petition to create a PBID or a recommendation to discontinue the formation feasibility assessment.

Phase II: Management Plan and Petition Process Implementation (if applicable):

Phase II methodology will consist of the following if it is determined that the assessment of Phase I is favorable. Phase II would include developing a Management District Plan and Petition Process Implementation consisting of the budget, schedule, stakeholder education and consensus building, preparing a property owner petition drive and public hearing package, lead the Proposition 218 ballot process, and develop an Engineer's Report for the City Council's approval.

SECTION 4: KEY ACTIVITIES AND COMMUNITY ENGAGEMENT

Business Improvement Districts act as a tool in the economic development toolbox for economic growth and vitality in designated areas. Property and business owners are critical stakeholders to the success of those districts. As the subconsultant to Civitas, Community Strong Strategies builds strong connections through

stakeholder engagement, outreach with the goal of aligning strategies, and delivering effective district formation plans. The following represents PBID key activities, community engagement, and Steering Committee update.

On May 4, 2023, Office of Economic Development staff met Civitas and Community Strong Strategies to kick off the PBID feasibility process. Community Strong Strategies was tasked with community outreach required to determine property owners' interest and support of the proposed downtown Milpitas PBID. Using data from the Santa Clara County Assessor's Office, the consultants contacted 403 parcel owners through direct mail initially. The 1st mailing included a flyer inviting property owners to a public meeting on July 18, 2023. The 2nd mailing was sent via envelope with the City's logo inviting property owners to a public meeting on August 9, 2023.

The two public meetings were held within the proposed PBID boundaries, on July 18, 2023 at 5:00 pm at Olinger's Real Estate Property ([slides](#)) and Attachment 1 and August 9, 2023 at 5:00 pm at the Milpitas Library ([slides](#)) and Attachment 2. Property owners, stakeholders, Mayor Montano, and City staff attended the public meeting ([attendee lists here](#)) and Attachment 3. The purpose of the two public meetings was to introduce the concept of business improvement districts, differences between property-based and business-based districts, community benefits, how business improvements districts are funded, district boundaries, examples of successful BIDs and PBIDs, legal formation process, and to obtain feedback from stakeholders. The consultants were both introduced at the public meetings and provided expertise on establishing BIDs and PBIDs in California.

Following the two public meetings, the Office of Economic Development developed a dedicated PBID [webpage](#) with additional information and resources for property owners and stakeholders. The webpage describes what the benefits of a Main Street PBID are, process for the formation of a PBID, and documentation that supports a PBID such as an [FAQ document](#). Attachment 4

On August 14, 2023, Civitas, Community Strong Strategies, and City staff presented to the Economic Development and Trade Commission (EDTC) on behalf of the proposed PBID. EDTC is an advisory body to the Milpitas City Council on matters related to economic, community, and workforce development. The presentation included an overview of the steps and process required to implement a PBID. EDTC commission members expressed interest in the assessment rate and desired to ensure property owners were informed about what services could be provided based on the amount of money collected. EDTC also discussed the challenges of creating a cohesive business district with the variety of existing land uses.

Several modes of communication from City staff and consultants were exercised during this process in which emails, texts, and phone calls were consistently performed to ensure attendance and consistency throughout the process, followed by in-person or Zoom Steering Committee meetings to discuss the parameters of the district. City staff also walked portions of Abel Street and North and South Main Street to share PBID information with business representatives. Insightful discussions transpired around assessment rates, service delivery, outreach techniques, and assignment of outreach tasks to Steering Committee members. During the weekly check-in Steering Committee meetings, the property owner contacts and outreach methods were frequently discussed and reviewed and potential votes to support a PBID were tallied. If there was no contact information available, there was further outreach to the business owners to identify the property owner and/or Community Strong Strategies pulled data from CoStar. Often, if there was no rapport with the property owner it was extremely difficult to connect with the property owner as some were located outside of the city or state.

With the assistance of the Steering Committee, Community Strong Strategies and City Staff, 55 (unique) property owners and stakeholders were contacted. Engagement of the property owners happened through emails, calls and one-one meetings ([contact list](#)) and Attachment 5.

Analysis of the initial proposed boundaries were discussed by Civitas and Community Strong Strategies, Mayor Montano, City staff, Steering Committee, and the property owners likely to be assessed if the PBID formation is successful.

In addition, Mayor Montano requested that City staff mail letters to all property owners outlining the PBID program benefits and process on December 5, 2023 (Attachment 6). Letters to seventy-two unique Main Street property owners who own 212 parcels were mailed. Mayor Montano's message emphasized that the City of Milpitas was proposing the formation of a PBID along Main Street and shared that the related benefits of creating an assessment district would strengthen economic growth in the downtown. The letter affirmed Mayor Montano's commitment to economic growth and prosperity for the Main Street business community. Based on misconceptions from some stakeholders, it was important to note that the revenues generated by the proposed PBID return to the district which would be controlled by the property owners. The letter also reminded property owners that if the PBID formation is successful, the downtown Milpitas PBID would continue to supplement the essential services provided by the City of Milpitas, not supplant City services, such as additional public safety and maintenance of streets and sidewalks, and utilities.

The Office of Economic Development and Planning Director hosted a select group of Main Street property owners to provide the vision and purpose of the Gateway-Main Street Specific Plan on December 13, 2023. Eight Main Street property owners (and associates totaling eleven attendees) participated in the Gateway-Main Street Specific Plan Vision meeting along with Mayor Carmen Montano, and City representatives Jay Lee, Margaret Tamisiea, and Alex Andrade. During the PBID meetings, staff noticed that an understanding of the long-range vision of the Gateway-Main Street Specific Plan was lacking. Therefore, the purpose of the Gateway-Main Street Specific Plan Vision meeting was to share the City's vision of making Main Street the center of the community, respond to Main Street property owner's inquiries and recommendations, and begin to build relationships and trust with major stakeholders on Main Street.

The successful meeting included a thoughtful dialogue around the vision of the Gateway-Main Street Specific Plan presented by Planning Director Lee. Inquiries and recommendations included, but were not limited to, the following: while the visioning process is important, there was interest in moving into implementation of the plan swiftly, should property owners submit plans for development now or wait for adoption of the Gateway-Main Street Specific Plan, improve vehicular/pedestrian connections between Calaveras Boulevard and Main Street, previous plan included restriction of automotive related uses on Main Street, support for more density and height along Main Street, activation of public spaces, will the City eliminate open space requirements for residential development and allow payment of an in-lieu fees instead, encouraged parking reductions, will a public parking structure be developed, will the plan include traffic calming solutions or a one-way street, are wider sidewalks part of the plan, and wayfinding signage and branding opportunities.

The mission of the Steering Committee was to develop consensus around key PBID issues, guide the development of the service plan, guide the direction of the PBID, and develop support for the services, concentrating on policy decisions and program outcomes. The term of this commitment was estimated to be 1-2 months during this feasibility phase (Phase I). The Steering Committee plays a critical and specific role:

- Evolve into a "sales team" that assists consultants and City staff in seeking support from property owners

- Monitor, guide, and provide a stakeholder perspective for the process to form the PBID
- Meet with City staff and the consultant team, plus review and critique draft reports and plans
- Ensure stakeholders (i.e., property owners) attend focus groups, plan review workshops, and any participatory forums
- Become a community resource for the various elements of the PBID

A Steering Committee consisted of four Main Street property owners. The Steering Committee members are Harpreet Chaudry, Brian Estes, Puneet Shandhu, and Victor Singh who led efforts in championing the formation of the district along Main Street.

The Steering Committee met eleven times from August through November 2023 to develop a PBID budget and services, act as community champions and peers to educate property owners located within the proposed district. The Steering Committee developed an [outreach FAQ](#) (Attachment X) and proposed a service plan (Attachment X) for the PBID. Significant outreach was performed to recruit more property owners and allow for further feedback. At the onset of the first meeting, expectations were set to help facilitate the roles and responsibilities of the Steering Committee comprised of PBID parameters, boundaries, assessment scenarios, process and timeline, review advanced total by owner (ATBO), term, service plan and budget, assessment, and governance, etc.

SECTION 5: Main Street PBID Framework

The following section illustrates the Main Street PBID's framework that was determined by the Steering Committee. The Main Street PBID Framework is comprised of assessment rates, boundaries, potential budget, services, and terms.

Assessment Rate

The assessment for each parcel is determined based on its unique characteristics, which can include lot square footage, linear frontage on high-traffic streets, use codes or zoning, and/or building square footage. To determine a parcel's assessment, the applicable square footage and linear front footage is applied to the parcels within the PBID. Several assessment scenarios were initially considered for the PBID, as illustrated below. The varying scenarios were presented to affected property owners to achieve varying annual budgets.

Original Proposed Scenarios:

	Scenario 1		Scenario 2		Scenario 3	
Parcel type	Square Footage assessment rate	Linear Front Footage assessment rate	Square Footage assessment rate	Linear Front Footage assessment rate	Square Footage assessment rate	Linear Front Footage assessment rate
Commercial/Res. Condos	\$0.08	\$1.00	\$0.10	\$1.00	\$0.12	\$1.00
Vacant	\$0.05	\$1.00	\$0.06	\$1.00	\$0.07	\$1.00
Non-profit	\$0.02	\$1.00	\$0.03	\$1.00	\$0.04	\$1.00

As a result of continued one-on-one meetings with property owners and the Steering Committee, Scenario 1 was selected as the best assessment methodology for considering obtaining support from property owners and a reasonable annual budget to provide for PBID services. Various different assessment methodologies were explored and used for discussion to determine the best path forward: varying parameters included annual budgets, assessment rates, and parcel zones.

Scenario 1 Selected:

Parcel type	Square footage assessment rate	Linear Front footage assessment rate
Commercial/Residential Condos	\$0.08	\$1.00
Vacant	\$0.05	\$1.00
Non-profit	\$0.02	\$1.00

A motivating factor for the Steering Committee selecting Scenario 1 was the ability for an annual assessment increase, which may be authorized in the Management District Plan forming, to enable the governing body of the PBID to increase the assessment rate, within certain parameters, over the term of the PBID. This would have allowed for the PBID to garner initial support and a successful formation, and throughout the term begin to show the benefits of the PBID services. Through a vote for the PBID's governing body, known as the Owners' Association, the assessment may be increased, as allowed in the Management District Plan, and must be ultimately approved by the City Council via the PBID's required Annual Report. Any assessment increase must obtain these qualifications to be implemented.

Potential Budget

The budgets below are examples of how funds could be allocated in the initial year of the PBID, with examples of services and budget allocations. Budget categories may require adjustments (increases or decreases) to continue the intended level of services. Continued engagement from the Steering Committee and significant input from property owners and stakeholders within the proposed PBID is necessary to create more accurate and customized projections specific to the needs of Milpitas properties.

Using the above assessment methodologies, the following annual budgets were presented to property owners during aforementioned outreach meetings and community engagement.

Proposed Annual Budgets

PROPOSED BUDGET		SCENERIOS		
Services	%	1	2	3
Destination Development & Economic Enhancement	50%	\$115,920	\$144,867	\$173,814
Clean and Safe	38%	\$88,099	\$110,099	\$132,098
Advocacy and Administration	7%	\$16,229	\$20,281	\$24,334
Contingency/Reserve	5%	\$11,592	\$14,487	\$17,381
TOTAL	100%	\$231,839	\$289,733	\$347,627

As a result of continued one-on-one meetings with property owners and the Steering Committee, the following budget was determined based on Scenario 1's assessment methodology. Property owner feedback also resulted in a condensed PBID boundary, which created a reduced budget from what was previously presented. Parcels located on Abel Street from Weller Lane (on the north) and West Curtis Avenue (on the south), were removed, providing for a focus on Main Street parcels (see PBID boundary maps below). The option of increasing the overall assessment rate to obtain Scenario 1's original budget with a reduced boundary was presented to the

Steering Committee. The original boundary was comprised of 542 parcels owned by 398 property owners, and with the reduced boundary, now was comprised of 212 parcels owned by 72 property. The Steering Committee elected to keep the originally presented assessment rates of Scenario 1, rather than increasing the rates per square foot for the new proposed boundary (i.e., Commercial/Residential Condos \$0.08, Vacant \$0.05, Non-profit, \$0.02, and linear front footage \$1.00). Moreover, the percentage decrease in the proposed budget column below within Clean and Safe and increase Marketing and Economic Development services was determined by the need to promote Main Street and events by the Steering Committee.

Final Proposed Budget with Services and Assessments:

	PROPOSED BUDGET	Assessment
Services	%	\$
Marketing & Economic Development	58%	\$96,342
Clean and Safe	30%	\$49,832
Advocacy and Administration	7%	\$11,627
Contingency/Reserve	5%	\$8,305
Total	100%	\$166,107

Example Scenarios:

Commercial

5,000 sq. ft. commercial lot * \$0.08 = \$400

50 ln. ft. along Main Street * \$1.00 = \$50

Yearly assessment of \$450

Vacant

5,000 sq. ft. vacant lot * \$0.05 = \$250

50 ln. ft. along Main Street * \$1.00 = \$50

Yearly assessment of \$300

Non-profit

5,000 sq. ft. non-profit lot * \$0.02 = \$100

50 ln. ft. along Main Street * \$1.00 = \$50

Yearly assessment of \$150

Potential Services

Continued engagement and outreach with the Steering Committee is vital to determining and finalizing the parameters of the PBID. The following is a list of services and parameters that Civitas and Community Strong Strategies has seen in similar PBIDs as an example of the possible services that the PBID can provide:

Marketing and Economic Development

District funds will be leveraged to create a unique sense of place, which may include wayfinding signage, seasonal banners and lighting, and other public space improvements. Capital improvements will be funded to make the PBID more accessible, inviting, and usable. Small scale improvements may include bus benches, landscaping features, trash receptacles, and art installations and/or removal of concrete benches and raised planters; these funds may also be leveraged to seek additional money for large-scale projects. To pay for large-scale improvements, this portion of the budget may be held in reserve until such time as the balance is sufficient to pay for the improvement.

Clean & Safe

Safety and security services may include dedicated patrols by off-duty officers of the City of Milpitas Police Department or supplemental private security patrols. The patrol will seek to serve as both a deterrent by creating a visible presence, and a respondent to incidences that occur. The goal of the program is to increase

usability of assessed parcels and address issues which discourage property owners, tenants, and customers from visiting assessed parcels, ultimately constituting, and providing unique, special benefits to assessed parcels. These services may include, but are not limited to:

- Partnerships with local law enforcement to provide property and business owners direct communication with local law enforcement
- A safety and patrol program to deter and report illegal street vending, illegal dumping, and street code violations. This program will address a myriad of quality-of-life problems including public intoxication, panhandling, loitering, trespassing, and scavenging
- A safety program may be implemented to improve day and evening safety in the PBID by controlling vagrancy, property damage, encampment, and petty crimes
- Support crime prevention on assessed parcels by working closely with local law enforcement
- Respond and work to reduce nuisance behaviors which can deter tenants and customers on assessed parcels

The Clean program will make the PBID cleaner, more accessible, more attractive to potential tenants and customers, and a safer place to do business. A regular schedule will be established for most of the maintenance services. Some maintenance services will be provided on an as-needed basis, while others will be provided on a regular basis. Maintenance services may include, but are not limited to:

- Installation of decorative lights
- Regular litter removal services, including garbage, debris, and leaves
- Removal of bulky items and street sweeping services
- On-demand graffiti removal services
- Pressure washing sidewalks adjacent to assessed properties on an as needed basis
- Maintenance of landscaping, including the trimming and planting of trees and flowers

Advocacy and Administration

Advocacy could include communication between partners, such as the Chamber, Economic Development & Trade Commission, City departments, and local clubs and non-profits to build unified relationships throughout the business community. The administration portion of the budget will be utilized for administrative costs associated with providing the activities and improvements for the PBID. These costs may include rent, telephone charges, legal fees, accounting fees, postage, administrative staff, insurance, and other general office expenses for the MPBID.

Contingency/Reserve

The budget also includes a prudent fiscal reserve. Changes in data, lower than anticipated collections, higher than expected program costs, and other issues may change the revenue and expenses. In order to buffer the organization for unexpected changes in revenue, and/or allow the Owners' Association to fund other overhead or renewal costs, the reserve is included as a budget item. Should contingency funds remain at the expiration of the PBID, and property owners wish to renew the PBID, the remaining funds may be used for the costs of renewal.

Management

There are a few options for the governing body, known as the Owners' Association, of the PBID: a new nonprofit corporation 501(c)6 may be formed or an existing entity may be used to serve as the Owners' Association to provide improvements and activities for the PBID. Once an Owners' Association is determined, the City of

Milpitas will enter into a contract with the non-profit corporation regarding the provision of improvements and services for the PBID. Property owners paying the assessment may sit on the Owners' Association's Board of Directors and can determine how funds are spent within the designated programs. That non-profit corporation must provide an annual report on activities and expenditures to the City, which is also available to property owners.

PROPOSED BOUNDARIES

The PBID boundary below was originally presented (Exhibit A) during the public meetings and initial property owner meetings. Following continued discussion resulting from Steering Committee outreach, the boundary was reduced to remove parcels fronting Abel Street from Weller Lane (on the north) and West Curtis Avenue (on the south) reducing the proposed boundary (Exhibit B) allowing for a focus on Main Street parcels and a focus on education and consensus building for property owners on Main Street.

Exhibit A



Exhibit B



Term

A PBID may initially be formed for up to five years. After the five-year term, the PBID may be renewed again for up to ten years if property owners support continuing the programs. Any variations or delays to the formation timeline could affect the start date of the PBID. The PBID formation must be complete prior to August 1 for the PBID term to begin on January 1 of the following calendar year.

Phase 1 Timeline

Establishing a PBID through Phase I takes approximately 10 months, but due to attempting to commence County Assessor assessments in January 2025 and utilizing American Rescue Plan Act (ARPA) funding which has a deadline of encumbering federal funds by December 31, 2024, there was a sense of urgency and thus the PBID outreach and community engagement schedule was expedited. To reiterate, the PBID formation must be completed prior to August 1 for the PBID term to begin on January 1 of the following calendar year.

Phase 1: Improvement District Feasibility	Dates
Project Initiation	May 1, 2023
Stakeholder Outreach and Defining of Need - Meetings with the City of Milpitas, the Economic Development & Trade Commission ("EDTC"), business owners, and property owners - Project/Site Orientation (meetings with key business/property owners) - BID Workshop	May – July 2023
Compile District Data with City: Mapping, Ownership Landscape Analysis, Data Acquisition	May 2023
Property and Business Owner Outreach - Focus Groups with stakeholders - One-on-One Meetings with key property and business owners - Public Sector Meetings - Engage Steering Committee	July – November 2023
Develop Initial Draft Service Plan & Budget - Steering Committee and Stakeholder Review of Draft Service Plan & Budget - Overview of Business District Work	August – September 2023
Draft Feasibility Report	October-November 2023
Submit Feasibility Report to City	November 2023

SECTION 6: Key Findings

The key findings section of this PBID Feasibility Study presents the results and outcomes of the analysis, data gathering, and community engagement with property owners and stakeholders. The consultants will use the key findings information to draw conclusions on Phase I and whether to proceed with Phase II of the PBID Feasibility Study. This section begins with limitations and constraints of the study.

Limitations and Constraints of the PBID Feasibility Study

After reviewing the ownership data, Civitas and Community Strong Strategies learned that over 50% of PBID property owners live outside of Milpitas. In addition, many downtown Milpitas properties are owned by Investment firm(s), Limited Liability Corporations (LLCs), family trusts, absentee landlords, and property management companies. This outcome made it difficult to contact local property owners, and thus affected the necessary community engagement process.

While consultants used the current ownership data from the Santa Clara County Assessor and the CoStar Database, some of the data was inaccurate and/or not available. Therefore, the consultants were not able to reach all the property owners.

Key Findings

In some instances, Steering Committee members are both property and business owners in Milpitas. The Steering Committee, made of four members, had different levels of availability and limited time allotted to the PBID. Despite their busy schedules, the Steering Committee met eleven times from August 16 to November 29, 2023, to determine the PBID's budget and services, and act as community champions to educate property owner peers located within the proposed district. Steering Committee representatives spent valuable time trying to contact property owners to educate them on the benefits of the PBID. The Steering Committee conveyed that it takes significant time to build relationships before obtaining formal commitments to support a PBID via property owner assessment.

Within the proposed downtown Milpitas PBID, there are 72 unique property owners who own 212 parcels. The City of Milpitas owns several properties throughout the PBID boundary including parks/open space located on South Main Street and a public parking lot located on North Main Street just south of the library. The City of Milpitas properties make up 7.64% of the overall PBID boundary, which makes the City the largest property owner. The remaining private property ownership in support of the proposed PBID equals 3.78%. It has been difficult to get private property owners to show support for establishing a PBID. The current tally of support from property owners is 11.42%, which includes the City of Milpitas' properties does not meet the threshold of 50%+ to continue to the hearing and balloting process.

Aside from the community engagement by Civitas and Community Strong Strategies, Mayor Montano's personal letter, City staff also visited small businesses located along Abel Street and North and South Main Street. Property owners shared with staff that they are hesitant to support an assessment in the current economic climate. They have concerns about inflation, interest rates, and business instability.

The representatives that attended the public meetings, participated in one-on-one meetings, and who joined the Steering Committee meetings, also shared their concerns of establishing a PBID. Some of these representatives believe there is a perceived lack of long-term commitment from the City regarding planning efforts and infrastructure improvements along Main Street. Moreover, property owners mentioned the difficulty of getting clear direction from City staff on potential development proposals and the lack of implementation from the Midtown Specific Plan as a long-term investment opportunity. Some property owners and stakeholder conveyed their frustration with the City based on previous history with the permit process, staff turnover, and lack of communication. The frustration has led to mistrust in some cases.

Currently, there appears to be a misunderstanding by some property owners who are of the belief that if a PBID is established and paid for by the property owners, the City will conclude essential public services. In fact, the downtown Milpitas PBID, if formed, would supplement the essential services provided by the City of Milpitas, such as public safety and maintenance of streets and sidewalks, and utilities.

SECTION 7: Conclusion

Consultants Civitas and Community Strong Strategies collaborated with the Office of Economic Development on the PBID Feasibility Study. The consultants have made feasibility study conclusions based on stakeholder outreach including one-on-one meetings, community workshops to educate the stakeholders of the benefits of a PBID, Steering Committee collaboration, site visits to establish the PBID study area, database formation, budget analysis, and tracking of property owner support to develop the assessment report.

After assessing the feasibility of forming a PBID on Main Street, it is Civitas and Community Strong Strategies' opinion that the City of Milpitas faces significant challenges obtaining support for the current proposal. Since the tallied support is less than 12% of the required 50.1% of the assessed area boundary that will need to support the PBID formation, more outreach and education will be needed to proceed with district formation at this time.

The Steering Committee, Community Strong Strategies, and City staff were provided with specific property owner outreach assignments and contact information to allow for one-on-one meetings. Civitas, Community Strong Strategies, City, and stakeholders pulled data and contact information from a variety of sources, such as the Santa Clara County Assessor's Office, CoStar, and through the peer network of business and property owners. While support of the PBID was not always received, relationships have been developed and initial trust is being rebuilt to provide a foundation for a future PBID formation effort.

If a BID or PBID is desired in the future, Civitas and Community Strong Strategies project the feasibility of success may increase in the next year to achieve the required minimum support 50.1% if City staff continues building on current and future property and business owner relationships and programming. If ample support to pursue a PBID is received, the eight steps outlined in Section 2 must be adhered to in order to form a district. As mentioned, substantially more outreach and education efforts are necessary to garner optimal support for a successful PBID formation. The focus will be in assessing the level of engagement and interest from PBID stakeholders, whether a successful PBID can be established along Main Street, and the likelihood that stakeholders, property and businesses owners will support a petition to create a district, or a recommendation to discontinue the process. A PBID formation requires diligent and concerted outreach and education efforts to stakeholders.

Civitas and Community Strong Strategies recommend the following opportunities for the City Council to consider:

- 8) Continue building positive momentum and rapport with property and business owners for the next six months and attempt to form a PBID after trust and relationships have been established
- 9) Explore the establishment of a Business-based Improvement District focused on the business community instead of a Property-based Business Improvement District
- 10) Explore a pathway for the City to offer the PBID extra funds to offset the assessment for the property owners through offering the district a donation to reduce the overall assessment to the property owners for the first year of existence
- 11) Provide examples of completed City programs and projects, such as recent public infrastructure projects and the [Storefront Improvement Grant Program](#) initiative funded through ARPA
- 12) Demonstrate progress and implementation of [Gateway-Main Street Specific Plan](#) components
- 13) Advertise the new "Permit Navigator" program as a win for Main Street stakeholders and establish a "Main Street Monday Program" whereby downtown business and property owners receive preference and/or expedited permit reviews for the day
- 14) The highest need is for destination marketing and economic development for downtown Milpitas. City Council may consider redirecting ARPA funding for destination marketing action.

Exhibit C

Formation Process Timeline

The following is an example timeline of a PBID formation based on similar projects.

Action	Date
Continue Outreach to Stakeholders and property owners to finalize district parameters	Month 1
Finalize District Parameters	Month 2
Develop initial draft Management District Plan (MDP)	Month 3
Steering Committee review of MDP; ongoing	Month 3
Submit draft MDP and Petition to City staff; ongoing review	Month 4
Final MDP approved by City staff	Month 5
Submit Final MDP to Engineer; draft Engineer's Report	Month 5
Submit Final MDP + Engineer's Report to City staff; ongoing review	Month 5
Final MDP + Engineer's Report and Petition approved by City staff	Month 6
Property owner meetings: Petition drive	Month 6 - 9
Submit resolution to City for Authorization to sign Petition/Ballot	Month 7
City Council – Authorize City Manager to sign Petition and Ballot for City-owned parcels	Month 7
Board of Supervisors – Authorize CAO to sign Petition and Ballot for County-owned parcels	Month 7
Submit draft resolutions and Ballot package to City staff	Month 8
Final resolutions and Ballot package approved by City staff	Month 8
Submit Petitions totaling over 50% of assessment to City staff	Month 9
City Council – Initial Hearing	Month 9
Resolution of Intention to Form	
Notice	Month 9
Mail Ballot / Notice of Public Hearing	
City Council – Public Hearing	Month 10
Adopt Resolution of Formation & Tabulate Ballots	
Deadline to complete District Formation	July 31 st
District begins collecting assessment	January 1 of the following calendar year

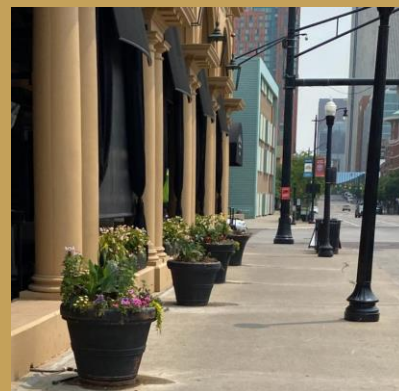
Attachment 1

Milpitas BID/PBID Workshop July 18, 2023



A photograph of a street scene with a large text overlay. The street is paved and has a white line marking. There are trees and buildings in the background. The text "Mayor Montano Welcome" is written in a large, brown, sans-serif font across the center of the image. The background image is slightly faded to make the text stand out. The overall tone is warm and welcoming.

Mayor Montano Welcome





Main Street Revitalization

- **Improving the vibrancy of Main Street as part of the City Council's commitment.**
- **Through the following initiatives**
 - Main Street-Gateway Specific Plan
 - Storefront Improvement Grant Program
 - Property and Business Owner Improvement District





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Carson Lambeth

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California BIDs versus PBIDs

There are two types of assessment districts which can be created under: the “Property and Business Improvement District Law of 1994.” To help determine which is appropriate for you, following is a comparison of the major differences between the two laws.

SUBJECT	Business Improvement District	Property and Business Improvement District
Typical Services	Increased traffic to businesses through marketing, special events, and decorations	Increased beauty and safety within the district through Clean & Safe, security patrol, and graffiti removal programs
Assessment Basis	• Type of business • Annual revenue • Occupancy / Capacity • Number of employees	• Lot size • Built square footage • Frontage linear footage • Use code/zoning

BID/PBID Benefits

- Clean & Safe
 - Graffiti Abatement
 - Pressure Washing
 - Trash & Debris Cleaning
- Security Patrol
 - Private Security, Off-Duty Police Officers
- Business Support Services
 - Local Business Association
 - Permit Assistance



BID/PBID Benefits

- Special Events
 - Annual Events
 - Attract Investment
- Marketing & Branding
 - Banners
 - Decorations
 - Newsletters



BID/PBID Benefits

Increase:

- Property value
- Foot traffic
- Safety
- Exposure of district
- Additional funding sources for special events, sponsorships, and grants

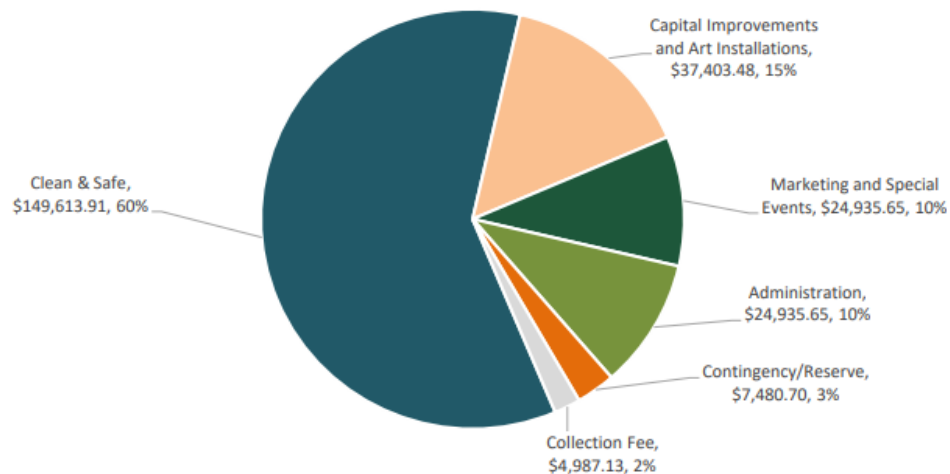
Reduce:

- Blight
- Vacancies
- Crime



Example: Morgan Hill assessment budget breakdown

Total Assessment Budget: \$249,356.52



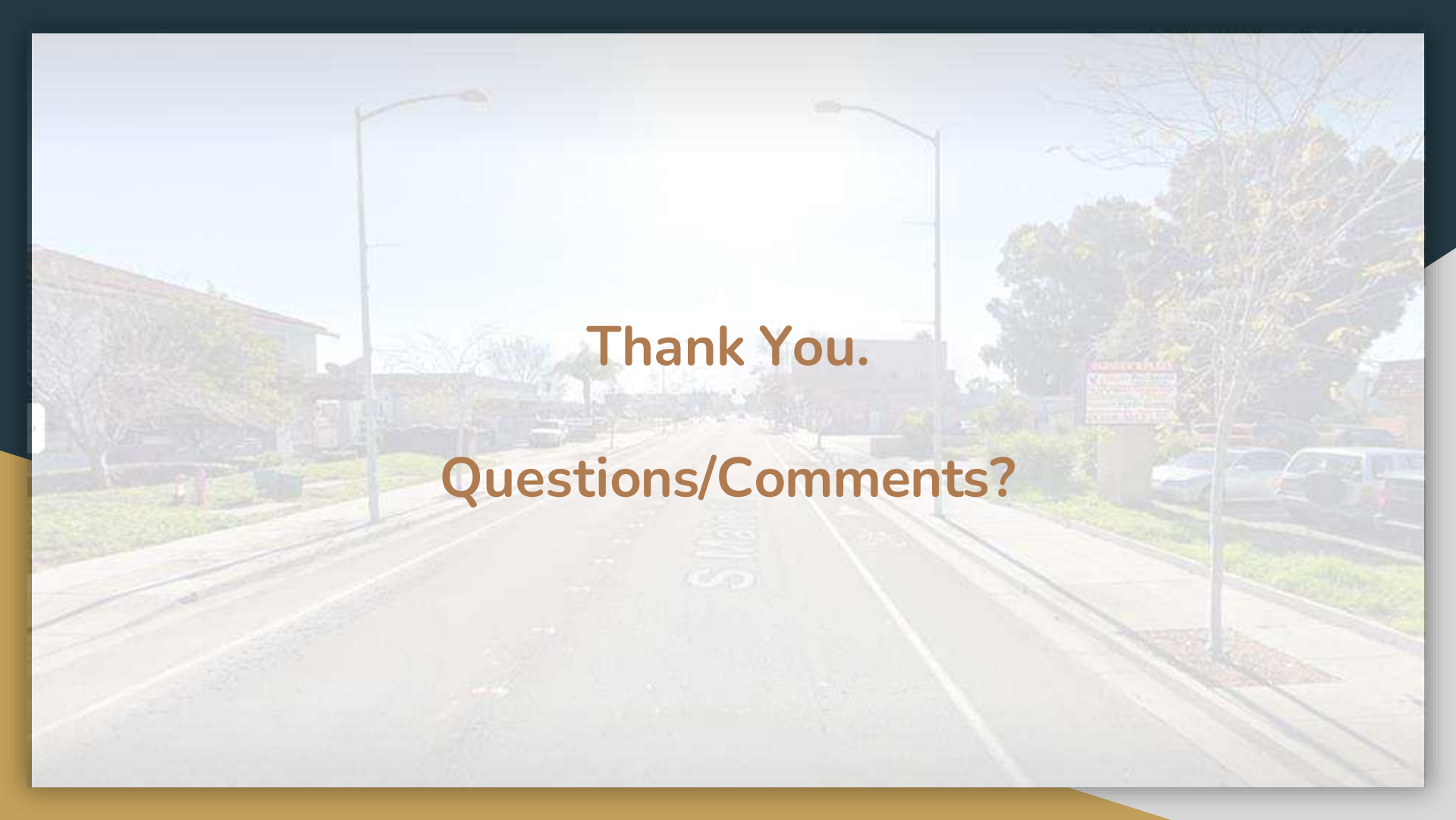
Phase 1: Improvement District Feasibility	Dates
Property and Business Owner Outreach • Focus Groups with stakeholders • One-on-One Meetings with key property and business owners • Public Sector Meetings • Engage Steering Committee – Set Meeting Schedule	July 2023
Develop initial draft Service Plan & Budget • Steering Committee and Stakeholder Review of Draft Service Plan & Budget • Overview of Business District Work	August 2023
Draft Feasibility Report	September/October 2023
Submit Feasibility Report to City	September/October 2023

Phase 2: Improvement Management District Plan & Petition Process	Dates
Draft and Review Management District Plan • Review draft MDP with CM, ECTC, key stakeholders and Steering Committee • Database Refinement and Creation of Baseline Services • City Attorney Review	October 2023/ November 2023
Final Management District Plan and Engineer's Report	November 2023
Final City Attorney Review	November 2023
Petition Preparation and Distribution • Draft Petition packet for District and City Review • Assist CM, EDTC, key stakeholders and Steering Committee with strategies for distribution of Petition Packets • Ensure all necessary materials are included in Petition • Packet Create Petition Tracker for Petition Drive	December 2023 through end of January 2024
• City Council Hearings/Ballot Process	February through April 2024
• New District begins collecting assessment	January 2025

Next Steps (July-August)

- Continue Property and Business Owner Outreach
- Identify Steering Committee
- BID Workshop #2, August 9 at 5pm

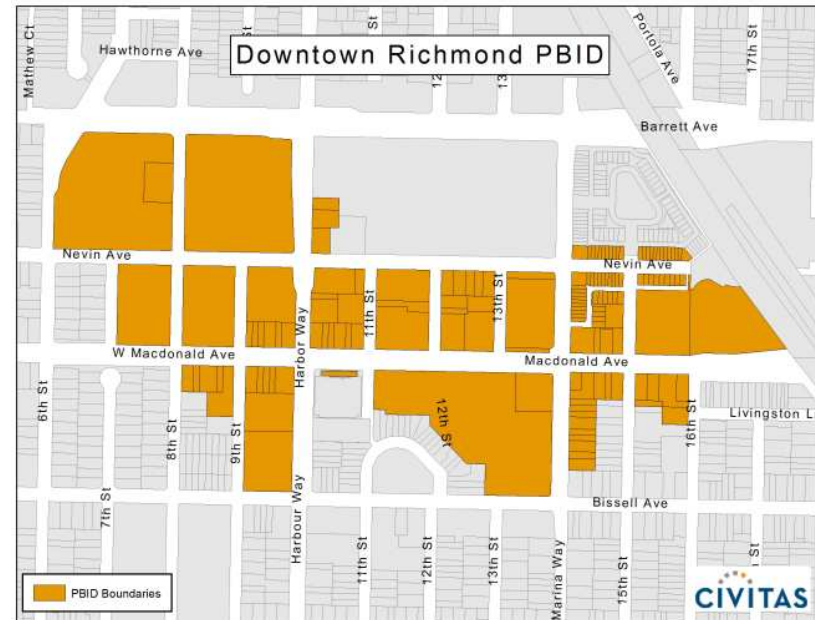
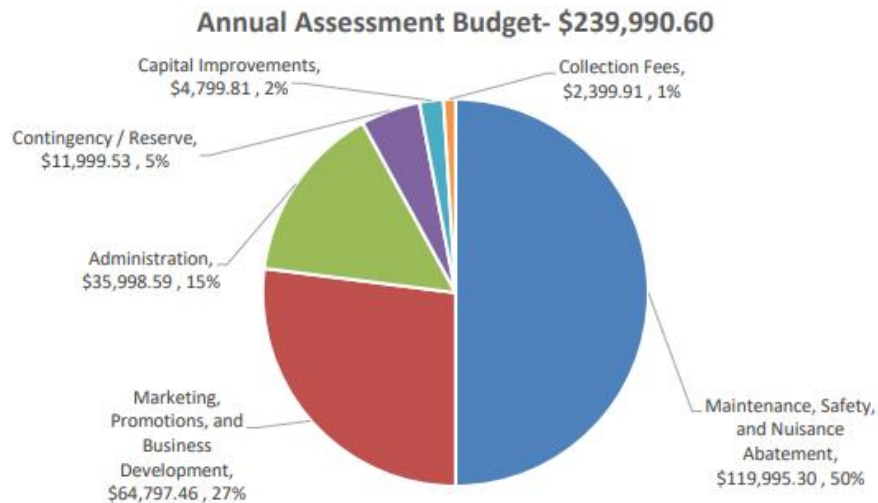


A photograph of a residential street. The road is paved and has a white line down the center. On the left side of the road, there are trees and a building. On the right side, there are more trees and a sign. The sky is bright and clear. The text "Thank You." is overlaid in the center of the image.

Thank You.

Questions/Comments?

Example: Downtown Richmond assessment budget breakdown



Attachment 2

Milpitas PBID
Workshop #2
August 9, 2023





Mayor Montano Welcome





Main Street Revitalization

- **Improving the vibrancy of Main Street as part of the City Council's commitment.**
- **Through the following initiatives**
 - Gateway/Main Street Specific Plan
 - Storefront Improvement Grant Program
 - Property-Business Improvement District



Artwalk 2023 Opportunities

- Saturday, October 7 – 4-7 p.m., Main Street & Serra Way, potentially extending north to Library, south to Sinnott Lane
- Host an ArtWalk “point of interest”
 - Craft vendor, art activity, street performer, art display
- Advertise ArtWalk deals, open restrooms
- Sponsor the event
 - Cash or in-kind (if closed, permission to use your parking lot is very valuable)
- Contact Tegan McLane, tmclane@milpitas.gov, 408-586-3212





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Workshop #1 Recap

- Held on July 18 at Olinger's Real Estate (89 S. Main St.)
- 21 attendees participated in-person and virtually.
- A need to activate main street with events, such as farmer's market, would help revitalize the area.
- Marketing for the district is needed.
- May need to increase the funding.





California BIDs versus PBIDs

There are two types of assessment districts which can be created under: the “Property and Business Improvement District Law of 1994.” To help determine which is appropriate for you, following is a comparison of the major differences between the two laws.

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Assessment Basis	• Type of business • Annual revenue • Occupancy / Capacity • Number of employees	• Lot size • Built square footage • Frontage linear footage • Use code/zoning

PBID Benefits

- Clean & Safe
 - Graffiti Abatement
 - Pressure Washing
 - Trash & Debris Cleaning
- Security Patrol
 - Private Security, Off-Duty Police Officers
- Business Support Services
 - Local Business Association
 - Permit Assistance

Add banner image

PBID Benefits

- Special Events
 - Annual Events
 - Attract Investment
- Marketing & Branding
 - Banners
 - Decorations
 - Newsletters



PBID Benefits

Increase:

- Sales revenue & Property values
- Foot traffic
- Safety
- Exposure of district
- Additional funding sources for special events, sponsorships, and grants

Reduce:

- Blight
- Vacancies
- Crime

Milpitas PBID

Parcel Types

- Commercial
- Vacant
- Non-Profits
- Residential Condos
- Unassessed

- North – Weller Ln
- South – Curtis Ave
- West & East – Main St (*Incl. Abel St*)

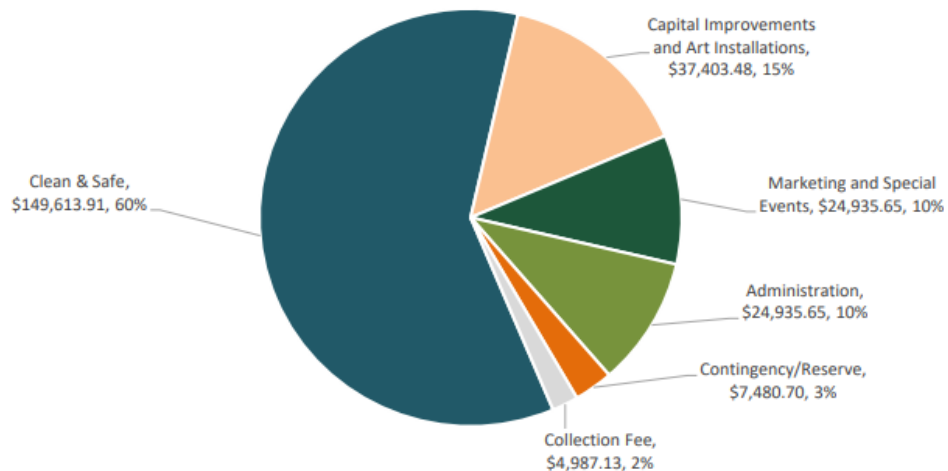
- \$0.08 for Commercial & Residential Condos
- \$0.05 for Vacant Sites
- \$0.02 for Non-Profits
- Additional \$1.00 for Main Street Fronting Properties

542 Parcels Within Boundary

☐ **Approximately \$232K in Revenue Projected**

Example: Morgan Hill Assessment Budget Breakdown

Total Assessment Budget: \$249,356.52



Phase 1: Improvement District Feasibility	Dates
Property and Business Owner Outreach • Focus Groups with stakeholders • One-on-One Meetings with key property and business owners • Public Sector Meetings • Engage Steering Committee – Set Meeting Schedule	July 2023
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• City Council Hearings/Ballot Process	February through April 2024
• New District begins collecting assessment	January 2025

Next Steps (August-September)

- Continue Property and Business Owner Outreach through the end of August.
- Kick-Off Steering Committee the Week of August 14.
- Presentation to the Economic Development & Trade Commission on August 14.
- Determine boundary, assessment rates, services by September 29.

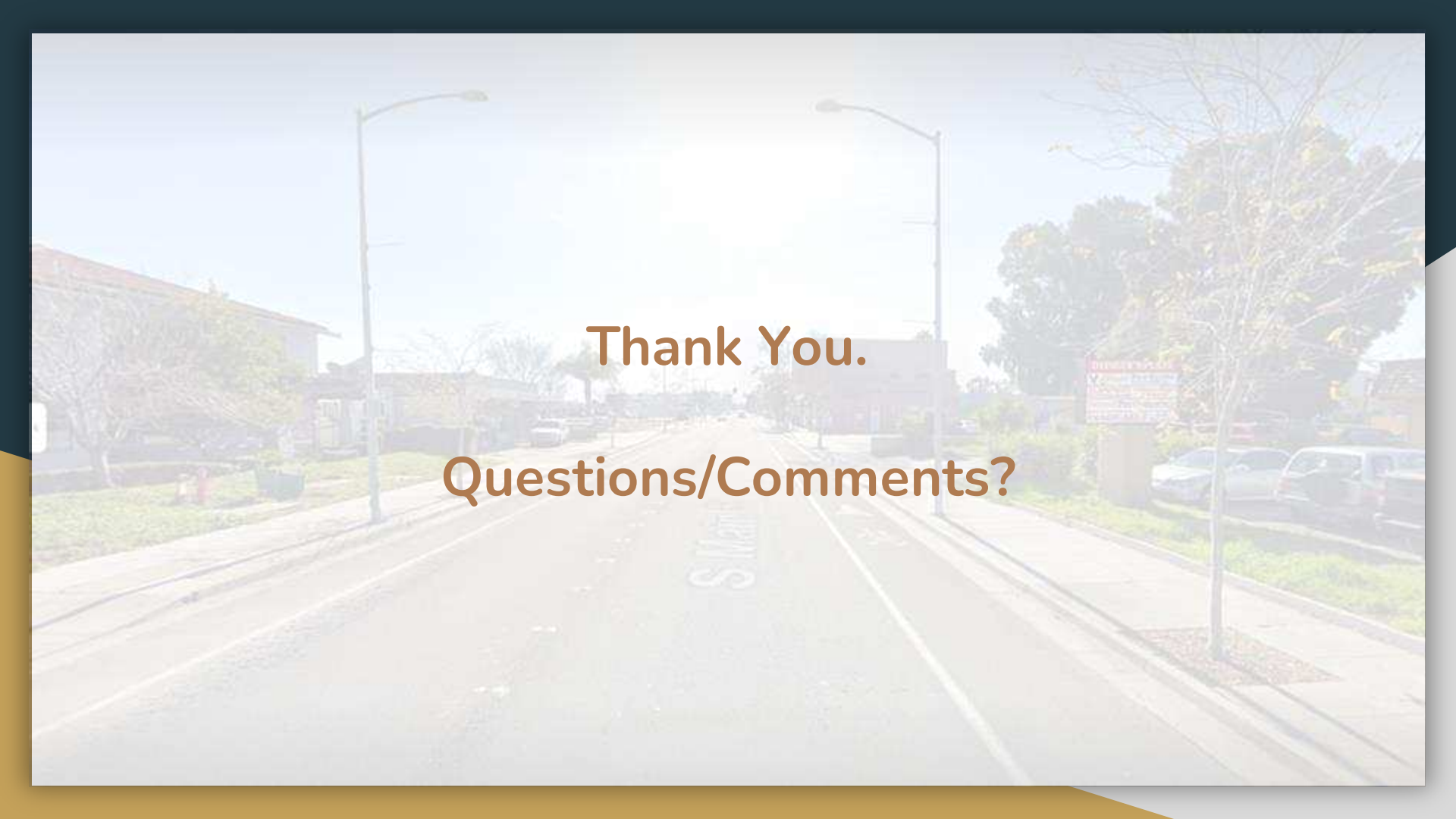
Steering Committee

Steering Committee Mission

Develop consensus around key issues, guide the development of the PBID service plan, guide the direction of the PBID, and develop support for the services, concentrating on policy decisions and program outcomes.

Roles of the Steering Committee

- Monitor, guide and provide a stakeholder perspective for the process to form the PBID.
- Periodically meet with staff and the consultant team, plus review and critique draft reports and plans.
- Ensure stakeholders (i.e., property owners) to attend focus groups, plan review workshops and any other participatory forums.
- Become a community resource for the various elements of the PBID.
- Evolve into a “sales team” that will assist the consultants and City staff in seeking support from the property owners.
- The term of this commitment is estimated to be about 1 month during this feasibility phase.

A photograph of a residential street. The road is paved and has a white line down the center. On the left side of the road, there are houses and trees. On the right side, there are more trees and a sign. The sky is bright and clear. The text "Thank You." is overlaid in the center of the image.

Thank You.

Questions/Comments?

Attachment 3

Milpitas Attendance List PBID

	First Name	Last Name	How did you hear about this wor	Are you a property or business owner?	Business or Property Address	Will you join us on Wednesday, August 9th, 5:30pm?
August 9th 2023	Msgr. Wilfredo	Manrique		Neither;	St.John the Baptist Catholic Church	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
	Xiaoyan	Wang		Property Owner;	700 S Abel St, Unit. 322, Milpitas CA 95035	Online via Zoom (link will be sent upon registration)
	Sridhar	Obilisetty		Neither;	None	Online via Zoom (link will be sent upon registration)
	Lorette	Balster		Property Owner;	380 S. Main St	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
	Sanket	Naik		Property Owner;	800 S Abel st Unit 207, Milpitas, CA 95035	Online via Zoom (link will be sent upon registration)
	Paulette	Lopéz		Property Owner;	39111 Paseo Padre Parkway, Fremont CA 95035	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
	Nita	Itchhaporia	Notice via mail	Property Owner;	526 S Main Street	Online via Zoom (link will be sent upon registration)
	Ashish	Gandhi	Invitation letter to JCNC at 722 S Main St	Property Owner;Business Owner;	722 S Main St	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
	Sanjeet	Hegde Desai	Through the mailer	Property Owner;	600 S Abel St, Unit 522, Milpitas, CA 95035	Online via Zoom (link will be sent upon registration)
	Brian	Estes	Alex Androde	Property Owner;Business Owner;	89 S Main St Milpitas Ca	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
	Arun	Shah			JCNC	Yes - In-Person
	Lawrence	Pacheco			Song S Realty/16 Corning	Yes - In-Person
	Vince	Songcayawoa			United Center (corner of S main and Corning	Yes - In-Person
	Juan	Meza		Business Owner	Tequila Shots	Yes - In-Person
	Walter	Huddlestow			Tequila Shots	Yes - In-Person
	Victor	Singh				Yes - In-Person
	Sarah	Wang				Yes - Zoom Log in
	Terry	Pries				Yes - Zoom Log in
	Nikita	Doshi				Yes - Zoom Log in
	Ashwini	Kantak				Yes - Zoom Log in
	Kathy	Nguyen			JCNC	Yes - In-Person
	SG					Yes - Zoom Log in
	Bud	Lomonta				Yes - In-Person
	Juliette	Gomez				Yes - In-Person
July 18th, 2023	Matt	Lee		Property Owner;	134-166 S. Main Street	Online via Zoom (link will be sent upon registration)
	S	Goswami		Property Owner;	800 s. Abel st	Online via Zoom (link will be sent upon registration)
	Victor	Singh		Business Owner;	89 S Main St., Milpitas	In-person at Olinger's Real Estate
	Gaurav	Gandhi		Property Owner;	600 s abel st	Online via Zoom (link will be sent upon registration)
	ERIC	ZHENG		Business Owner;	312 S. MAIN ST, SUITE 5, MILPITAS	Online via Zoom (link will be sent upon registration)
	Robert	Mize		Neither;	196 S. Main St	In-person at Olinger's Real Estate
	Hong	Vo		Property Owner;Business Owner;	50 Serra way Milpitas ca	Online via Zoom (link will be sent upon registration)
	Marsha	Grilli		Property Owner;	1182 Pescadero	Online via Zoom (link will be sent upon registration)
	Vicky	Pasalo		Property Owner;	191 Manferd St. Milpitas	Online via Zoom (link will be sent upon registration)
	Lorette	Balster		Property Owner;	380 S Main St	In-person at Olinger's Real Estate
	Don	Peoples		Property Owner;	612 South Main Street	Online via Zoom (link will be sent upon registration)
	Ashwini	Kantak		Neither;	N/A	Online via Zoom (link will be sent upon registration)
	Yolie	Garcia		Neither;	Residential Owner: 864 Founders Lane	In-person at Olinger's Real Estate

Attachment 4



Milpitas BID | PBID

FAQ

Introduction

An improvement district is a geographically defined area where businesses or properties collaborate to enhance and promote the economic vitality of the district. Districts are typically formed through a partnership between local government and business owners or stakeholders in the area.

The formation of a District involves levying a special assessment or fee on businesses or properties located within the defined boundary. These assessments are collected by the local government and pooled together to fund improvements and services that benefit the businesses or properties, and the overall community. Examples of services provided by Districts include street cleaning, landscaping, security, marketing and promotion, event organization, business development, and advocacy on behalf of the District.

Improvement districts are governed by a board of directors made up of representatives from owners paying the assessment. This board oversees the allocation of funds, sets priorities, and ensures that the District's initiatives align with the needs and interests of owners paying the assessment, and the community.

The primary goal of an improvement district is to create a more attractive, welcoming, and economically vibrant district by investing in physical improvements, marketing efforts, and programs that stimulate business activity and enhance the overall experience for visitors, residents, and workers in the area. Improvement districts play a crucial role in driving economic development, fostering a sense of community, and improving the quality of life in the district they serve.

What is a Business Improvement District (BID)?

BIDs are a stable funding source for organizations of business owners working to improve their business district. Owners within the district work together to make significant improvements, attract consumers and develop the area. BIDs can have many functions, all of which are aimed at increasing business activity. The operations of a BID are determined by the businesses funding the BID. BID activities can include print and internet advertising, special event sponsorship, capital improvements, beautification efforts, and many other programs that benefit the businesses within the district.

What is a Property Business Improvement District (PBID)?

Similar to a BID, a PBID is an assessment district which would provide additional services within a defined area. The services would be funded by an assessment on real property, which appears on property tax bills. PBIDs are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volumes. PBIDs provide funding for programs which work efficiently to maintain the area as a safe and inviting environment. The services are chosen by property owners and customized to fit the needs of the district. All services are designed to provide direct benefits to those who pay into the PBID.

What is the difference between a BID and PBID?

A BID is typically formed to improve a specific commercial area. It encompasses businesses within the district and is funded through assessments levied on the businesses located within its boundaries. The



funds collected from these assessments are typically used for various purposes such as marketing, beautification, and promotion of the district. BIDs are governed by a board of directors that includes representatives from the businesses within the district.

On the other hand, a PBID is a specific type of BID where assessments are levied based on the property ownership rather than the businesses within the district. PBIDs assess property owners within the district based on factors such as property value, square footage, or other predetermined criteria. The funds collected from these assessments are used for similar purposes as in a BID, but typically have a larger focus on maintenance and security, and the assessment is placed on the property owners rather than the businesses.

If formed, how long would the District last?

The District may be formed for five years. After five years it will automatically expire, unless it is renewed by owners, in which it can be renewed for up to ten years.

Can I opt-out of the District?

No. Once the District is created, all parcels or businesses (depending on if a PBID or BID is formed) within the boundaries will be assessed and receive services. There are no “free riders,” but the cost of providing services will be relatively low as they are provided on a large scale. However, once per year there is an opportunity for property or business owners to petition the City to disestablish the District if they are not satisfied with the services.

Who will manage the PBID money?

The funds will be collected from property or business owners via property taxes or business license fees. The City will then forward the funds to the Owners’ Association. The Owners’ Association is comprised of the property or business owners in the District and will be responsible for implementing PBID or BID programs. The City cannot keep the funds for its own purposes – the funds must be allocated to the PBID or BID and used on the PBID or BID programs.

What types of parcels are assessed in a PBID?

In a PBID, certain parcels are exempt from assessment, such as those zoned for single-family residential and agriculture. However, parcels owned by the state, or any government entity are subject to assessment. Additionally, tax-exempt, or non-profit and vacant parcels may be assessed, but only if it's determined they will benefit from PBID services. Typically, these types of parcels are assessed at a lower rate than commercial parcels, as they receive a lesser level of benefit.

How is the assessment placed on a parcel of land?

The assessment for each parcel is determined based on its unique characteristics, which can include lot square footage, linear frontage on high-traffic streets, use codes or zoning, and/or building square footage. Simpler methodologies typically result in fewer issues or complications. However, the assessment methodology is reliant on the data available from the County assessor, so including building square footage data is not recommended if it's inadequate. When using parcel zones in the methodology, it's best to limit the number of zones to mitigate issues for property owners who fall under multiple zone definitions.



Must the PBID or BID be formed under the Property and Business Improvement District Law of 1994 (PBID Law)?

Yes, in most cases, the PBID (State) Law is the only legally available mechanism to establish a PBID or BID. This is because unless the City is a Charter city with its own specific laws and regulations for forming business improvement districts, it must follow the guidelines set out in the PBID Law. It's important to note that these guidelines include specific requirements related to the establishment, governance, and operation of the PBID or BID, such as conducting public meetings, providing notice to property owners, developing and adopting a management plan and budget, and holding public hearings.

Why should I support forming a District?

Local and state governments are often unable to provide specialized services to meet an area's unique needs. Government programs are also subject to political and economic circumstances which can cause cuts to services. Establishing an improvement district remedies this inconsistency by providing a secure, stable funding source for crucial services. District spending priorities and limits are established by property or business owners with intimate knowledge of and a vested interest in the particular needs of the district.

Improvement districts have been used by property and business owners throughout California since 1994, and throughout the United States since the 1970s. They are a popular and successful way to provide funds for supplemental services. Many studies have been conducted on the benefits of improvement districts. The goals of the District are to maintain the area as a safe and inviting environment, to bring more tenants and shoppers, ultimately increasing property values and stabilizing occupancy.

Studies have found that:

- More activity attracts more people which increases rents and property values creating more business opportunity which means more activity and people on the street, and so on.
- Customers and residents may feel more comfortable and safer within improvement districts that have less obvious signs blight such as litter, graffiti, and abandoned cars.
- Areas that have successfully implemented an improvement district are attracting a larger number of visitors to that area than the residential population.
- Improvement districts have been important tools in halting a long slide toward economic decline in specific districts and transforming older areas into new opportunities for investment.
- A stronger sense of place that accompanies cleaner streets encourages patronage and has increasingly positive results in improvement district areas such as increased revenue.
- Businesses consider quality-of-life issues to be more important factors in choosing a location than they do tax rates and real-estate prices.
- Improvement districts areas experienced greater, on average, yearly reductions in the number of robbery, violent, and total crimes that non- improvement district areas do (Improvement districts in the City of Los Angeles were associated with 6 to 10-percent reductions in official crime.)

To learn more about PBIDs and BIDs, please visit <https://civitasadvisors.com/>.

Attachment 5

Arun	Shah	JCNC	Yes - In-Person
Ashish	Gandhi	722 S Main St	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
Brian	Estes	89 S Main St Milpitas Ca	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
Bud	Lomonta		Yes - In-Person
Don	Peoples	612 South Main Street	Online via Zoom (link will be sent upon registration)
Eric	Zheng	312 S. MAIN ST, SUITE 5, MILPITAS	Online via Zoom (link will be sent upon registration)
Gaurav	Gandhi	600 s abel st	Online via Zoom (link will be sent upon registration)
Hong	Vo	50 Serra way Milpitas ca	Online via Zoom (link will be sent upon registration)
Juan	Meza	Tequila Shots	Yes - In-Person
Juliette	Gomez		Yes - In-Person
Kathy	Nguyen	JCNC	Yes - In-Person
Lawrence	Pacheco	Song S Realty/16 Corning	Yes - In-Person
Lorette	Balster	380 S. Main St	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
Marsha	Grilli	1182 Pescadero	Online via Zoom (link will be sent upon registration)
Matt	Lee	134-166 S. Main Street	Online via Zoom (link will be sent upon registration)
Msgr. Wilfredo	Manrique	St.John the Baptist Catholic Church	In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
Nikita	Doshi		Yes - Zoom Log in
Nita	Itchhaporia	526 S Main Street	Online via Zoom (link will be sent upon registration)
Paulette	Lopéz		In-person at Milpitas Library (160 N Main St, Milpitas, CA 95035)
Robert	Mize	196 S. Main St	In-person at Olinger's Real Estate
S	Goswami	800 s. Abel st	Online via Zoom (link will be sent upon registration)
Sanjeet	Hegde Desai	600 S Abel St, Unit 522, Milpitas, CA 95035	Online via Zoom (link will be sent upon registration)
Sanket	Naik	800 S Abel st Unit 207, Milpitas, CA 95035	Online via Zoom (link will be sent upon registration)
Sarah	Wang		Yes - Zoom Log in
SG			Yes - Zoom Log in
Sridhar	Obilisetty	None	Online via Zoom (link will be sent upon registration)
Terry	Pries	70 N Main Street	Yes - Zoom Log in
Vicky	Pasalo	191 Manferd St. Milpitas	Online via Zoom (link will be sent upon registration)
Victor	Singh	89 S Main St., Milpitas	In-person at Olinger's Real Estate
Vince	Songcayawoa	United Center (corner of S main and Corning)	Yes - In-Person
Walter	Huddlestow	Tequila Shots	Yes - In-Person
Xiaoyan	Wang	700 S Abel St, Unit. 322, Milpitas CA 95035	Online via Zoom (link will be sent upon registration)
Yolie	Garcia	Residential Owner: 864 Founders Lane	In-person at Olinger's Real Estate
Andy	Sweat	Pacific Tire Outlet (100 S Main St, Milpitas, CA 95035)	Did not attend, invite sent for both workshops via phone, mail, and email
Harpreet	Chaudary	82 N. Main Street 95035	Did not attend, invite sent for both workshops via phone, mail, and email
Puneet	Sandhu	414 S Main St, Milpitas, CA 95035	Did not attend, invite sent for both workshops via phone, mail, and email

Francie	Soito	176 S Main St, Milpitas, CA 95035	Did not attend, invite sent for both workshops via phone, mail, and email
Seema	Kapoor	450 S Main St, Milpitas, CA 95035	Did not attend, invite sent for both workshops via phone, mail, and email
Farisha	Ali	1 N MAIN ST	
Luke	Kociuba	1 N MAIN ST	Did not attend, invite sent for 8.9.23 workshop via phone, mail, and email
Anil	Patel	485 S Main St, Milpitas, CA 95035	No
Ashish	Gandhi	722 S Main St	No
PG CACTUS MILPITAS I LLC		324 S MAIN ST	No
Shweta	Garg	420 S MAIN ST	No
CHOW SETON SHOW TUNG AND ANITA P TRUSTEE		579 S MAIN ST	
Dhaval	Panchal	66 S MAIN ST	
Gary	Laabs	774 S MAIN ST	
Vince	Vince Songcayawon	16 CORNING AVE	
Gurbir	Mehroke	554 South Main Street	
Jerry	Glass	149 S Main St.	
Bob	Grubb	400 S MAIN ST	
Shweta	Garg	420 S MAIN ST	
		542 S MAIN ST	
Sanjay	Patel	418 S Main St	

Attachment 6



OFFICE OF MAYOR CARMEN MONTANO

City of Milpitas

408.586.3000

455 E. Calaveras Blvd.

Milpitas, CA 95035

www.milpitas.gov

December 5, 2023

D TOWN LLC
MILPITAS CA

RE: Property-based Business Improvement District (PBID)

Dear D TOWN LLC,

Through American Rescue Plan Act (ARPA) funding, the City of Milpitas is investing in our historic downtown through Main Street revitalization efforts. A critical economic development tool known as a Property-based Business Improvement District (PBID) is currently being explored to revive the Main Street commercial corridor. As a property owner within the proposed PBID boundary, you are a major stakeholder in maintaining a healthy, safe, and viable business environment. As the Mayor of the City of Milpitas, I too am committed to economic growth and prosperity for our Main Street businesses. Together we can realize the vision and purpose of the PBID, which is outlined below.

PBIDs are geographically designated areas along commercial corridors designed to provide services and programs to property owners and merchants for the purpose of local investment and economic development. PBIDs typically undertake services and programs that may include marketing and promotions, special events, street beautification, wayfinding, art, and enhanced public safety and maintenance, geared toward improving the overall viability of the business district. Services and programs are funded through special assessments charged to all members of the PBID to distribute benefits in an equitable manner. All revenues generated by the PBID return to the specific area and are controlled by the member property owners and businesses. If the PBID formation is successful, the Milpitas PBID will still supplement the essential services already provided by the City of Milpitas, such as public safety and maintenance of streets and sidewalks, and utilities.

Successful PBIDs are usually measured by higher occupancies, business attraction, and increased sales and property values! Examples of successful PBIDs include the [San Jose Downtown PBID](#) and [Fresno PBID](#), and an example of a successful Community Benefit District is the [Downtown Willow Glen's Community Benefit Improvement District](#).



A PBID Steering Committee, made up of local property owners, has been meeting for a couple of months with the City and consultants Community Strong Strategies and Civitas Advisors to seek input regarding the formation of a PBID for Milpitas Main Street. Information about the proposed PBID is available on the City's website: <https://www.milpitas.gov/1109/Business-Improvement-District>.

I am interested in sharing more about this opportunity and how you may play a special role in the formation of the Milpitas Main Street PBID. Together we can instill pride and create economic vitality within our historic downtown. Feel free to contact me at 669-263-3067 and/or email at cmontano@milpitas.gov. In addition, please contact City Manager Ned Thomas at 408-586-3059 or via email at nthomas@milpitas.gov for additional information.

Sincerely,



Carmen Montano
Mayor, City of Milpitas

C: Milpitas City Council
Ned Thomas, City Manager
Matt Cano, Deputy City Manager
Alex Andrade, Economic Development Director