



Memorandum

TO: RULES & OPEN GOVERNMENT
COMMITTEE

FROM: Councilmember Raul Peralez

SUBJECT: SEE BELOW

DATE: August 26, 2020

Approved by:

Date: 08/26/20

SUBJECT: REVIEW OF SEPTEMBER 1, 2020 COUNCIL AGENDA

RECOMMENDATION

Upon adding to the September 1 City Council agenda the item titled “*Amendment to Declarations Suspending Enforcement of Certain Provisions in Land Use Permits and Approvals and the San Jose Municipal Code*”, direct the City Manager to bring back by September 1 the following changes for Council’s Consideration:

1. Modify the resolution to include Permitted Cardrooms as a permissible use, and,
2. That staff work with cardroom operators to determine the parameters of the use such as tent size, generators usage and hours of operations that is conducive to operations while abiding public health regulations

DISCUSSION

With an estimated \$100 million deficit looming over our city for the next two years, the City should leave no stone unturned when it comes to creating desperately needed tax dollars for our community. Currently, our city’s emergency order allows for a diverse array of business sectors to operate outdoors including now personal care businesses and retailers. However, permitted cardrooms, which in 2018-2019 generated \$18.9 million in tax revenue, are not included in this list and that is a missed opportunity. Currently, the State’s Bureau of Gaming Control and County’s July 2 health order does not prohibit cardrooms from operating outdoors. With access to spacious surface parking lots ideal for social distancing, cardrooms can operate safely if allowed with parameters collaboratively crafted between staff and operators.

For context, cardroom tax revenues for this year before the Shelter in Place order were on track to generate the expected \$18.9 million, but took a hit to \$13.5 million after being forced to close due to Shelter in Place. The budget City Council adopted for this fiscal year included a projected \$17.1 million from cardrooms. However, projection will dwindle unless like other business sectors, we afford them the same opportunity to transition their operations successfully outdoors.