



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Alexa Jeffress  
Director, Economic &  
Workforce Development  
Department

**SUBJECT:** Chinatown Business Improvement  
District 2021

**DATE:** July 20, 2021

City Administrator Approval

Date: Jul 8, 2021

## RECOMMENDATION

**Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution Making A Determination Regarding Any Protests Received For The Chinatown Community Benefit Business Improvement District 2021 (“Chinatown BID 2021”), Approving The Chinatown BID 2021 Management Plan, Approving The Assessments For Chinatown BID 2021, Directing Recording Of The Proposed Assessment District Boundary Description, Establishing The Chinatown Community Benefit Business Improvement District 2021, And Appointing The Advisory Board For The Chinatown BID 2021.**

## EXECUTIVE SUMMARY

Adoption of the proposed resolution will enable formation of the Chinatown Community Benefit Business Improvement District 2021 (“Chinatown BID 2021”). The proposed Chinatown BID 2021 would generate special assessment revenues of approximately \$1,309,837 per year for a period of 10 years, or up to approximately \$16 million over the life of the BID. Effective dates of the assessment will be July 1, 2021 through June 30, 2031, and related special benefit services will be provided January 1, 2022 through December 31, 2031.

Services to be provided are outlined in the recommended Chinatown BID 2021 Management Plan & Engineer’s Report (“Management Plan”) (**Attachment A**). The use of these funds would be consistent with the Management Plan drafted by district representatives and could include, but is not limited to civil sidewalks security services by the Chinatown ambassadors program, special benefit cleaning, marketing, hospitality, public right of way beautification and other economic development services within the BID.

The City Council may approve formation of the Chinatown BID 2021 and the assessment if, at the close of the July 20, 2021 Public Hearing, a majority protest is not established. A majority protest exists if, upon the conclusion of the Public Hearing, ballots submitted in opposition to the establishment of the Chinatown BID 2021 and corresponding property assessment exceed the ballots submitted in favor. In tabulating the ballots, the votes must be weighted according to the proportional financial obligation upon the affected property. If, however, a majority protest does

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not exist, then the City Council may consider adopting the proposed resolution to establish the proposed BID.

## **BACKGROUND / LEGISLATIVE HISTORY**

In 1999, the City Council adopted the City of Oakland Business Improvement Management District Ordinance (Ordinance No. 12190 C.M.S., codified as Chapter 4.48 of the Oakland Municipal Code), which allows for the formation of property-based special assessment districts, or Business Improvement Districts (BIDs), to undertake a range of special benefit services within the assessment area, independent from government, to support the economic viability of affected commercial neighborhoods. The City Council also authorized initiation of the Neighborhood Business Improvement District (NBID) Program in 1999 (Resolution No. 75323 C.M.S.) to assist neighborhood representatives in their efforts to form such districts.

In 2020, the Oakland Chinatown Chamber of Commerce hired AnewAmerica Community Corporation, a private BID consultant firm, to assist with a BID feasibility study, pursuant to funding authorized under Resolution No. 88291 C.M.S., and the formation of a proposed Chinatown Community Benefit Business Improvement District 2021.

Pursuant to those efforts, on June 1, 2021, the City Council adopted a Resolution No. 88666 C.M.S., a Resolution Of Intention to 1) Form the Chinatown BID 2021; 2) Grant preliminary approval of the Chinatown BID 2021 Management Plan; 3) Direct filing of the proposed Chinatown BID 2021 assessment district boundary description; 4) Direct distribution of a ballot to all affected property owners whereby they could vote "In Favor Of" or "Against" the proposed Chinatown BID 2021 and assessment to determine whether a majority protest exists; and 5) schedule a Public Hearing for July 20, 2021, and provide affected property owners with notice thereof (**Attachment B**).

Section 4.48.190 of the Oakland Municipal Code requires the City Council to appoint an Advisory Board which shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of properties applicable, and on the method and basis of levying the assessments. The Oakland Municipal Code allows the City Council to designate existing advisory boards or to create a new advisory board for this purpose. The proposed Advisory Board for the Chinatown BID 2021 will be the Board of Directors of the Oakland Chinatown Chamber of Commerce, a Chinatown-based commerce organization. The Oakland Chinatown Chamber of Commerce also managed the BID feasibility study of the Chinatown BID 2021 and the recommended Management Plan was prepared at its direction.

The proposed boundaries of the Chinatown BID 2021 include approximately 52 square blocks consisting of 1,293 parcels (1,277 assessed) owned by 1,033 property owners, including parcels owned by the City of Oakland, with projected first year revenues of \$1,309,837. The proposed Chinatown BID 2021 is generally bounded by:

- On the south: the Interstate-880 freeway from Fallon Street on the east to Franklin Street on the west.

- On the north: the parcels on both sides of 13th Street from Webster Street on the west to Lakeside Drive on the east.
- On the west: due to the inclusion of Chinatown properties in the 2018 renewal of the Downtown Community Benefit District, the western boundary continues east to the intersection of Franklin Street and 8th Street, then runs up Franklin to include all of the parcels on the east side of Franklin up to the intersection of 11th and Franklin Streets, excluding all of the parcels on the east and west side of the street, facing on to Franklin Street.
- On the east: the parcels on the west side of Fallon Street from the Interstate-880 freeway to 10th Street, including both the Oakland Museum and Kaiser Convention Center sites, continuing on the west side of 14th Street up to both sides of 14th Street and Lakeside Drive.

A map of the proposed Chinatown BID 2021 boundaries appears on page 16 and 17 of the attached Management Plan (**Attachment A**).

## **ANALYSIS AND POLICY ALTERNATIVES**

Collectively, BIDs contribute significantly to Oakland's economic development progress, generating millions of dollars each year. As more mixed-use development occurs in Oakland commercial zones, residential property owners have also begun to benefit from special benefit services provided by BID special assessment districts. As such, the cumulative impact of BIDs continues to grow, making them an increasingly useful tool for supporting broader revitalization efforts in Oakland's commercial neighborhoods.

If approved by affected property owners under the procedure set forth primarily in Oakland Municipal Code section 4.48.070, the proposed Chinatown BID 2021 will generate approximately \$1,309,837 in year one and up to approximately \$16 million over the 10-year term of the district.

Of this total, the City will owe approximately \$104,781.38 in fiscal year (FY) 2021-22 and an estimated maximum \$1,317,928.94 over the 10-year life of the district for assessments on 16 City-owned properties located within the Chinatown BID 2021 boundaries: 163 9<sup>th</sup> Street APN 001-0177-001-00; 822 Alice Street APN 001-0179-001-01; Alice Street APN 001-0179-001-02; 640 Harrison Street APN 001-0183-001-00; Franklin Street APN 002-0060-004-00; Franklin Street APN 002-0060-005-00; Franklin Street APN 002-0060-006-00; 250 10<sup>th</sup> Street APN 002-0071-001-00; 125 14<sup>th</sup> Street APN 002-0089-001-00; Oak Street APN 002-0091-001-00; 52 9<sup>th</sup> Street APN 002-0093-006-01; 1220 Harrison Street APN 002-0100-002-00; 1220 Harrison Street APN 002-0100-003-00; 1220 Harrison Street APN 002-0100-005-00; 1220 Harrison Street APN 002-0100-011-00; 1000 Oak Street APN 018-0450-004-00.

If the City acquires additional affected properties during the BID'S proposed 10-year term, then funding sources for related assessments owed will be identified as part of the City's ongoing budget development processes.

Given current tightening of municipal funding sources and a growing need to identify alternate economic development revenue sources, the proposed BID special assessment district and corresponding nominal City assessment could be considered a reasonable leveraging of public funds. Special benefit services to be provided by the proposed BID are intended to improve the conditions and image of the affected commercial corridor(s) and to stimulate ongoing economic revitalization within the surrounding commercial neighborhood consistent with City Council goals and objectives.

Because BIDs are self-initiated, self-funded, and self-administered entities, there is limited fiscal impact to the City associated with the proposed district formation beyond the above-referenced assessment on City-owned property, and the cost of City staff to provide technical assistance to the formation effort and ongoing administration of the citywide BID program. The initiative taken by district stakeholders to form the proposed BID special assessment district also represents a productive step towards community self-empowerment as well as a viable opportunity to cultivate additional public-private investment partnerships.

**FISCAL IMPACT**

If the proposed Chinatown BID is formed, a cumulative and approximate annual assessment of \$104,781.38 would be levied on 16 City-owned properties, as shown in **Table 1**.

**Table 1: List of City properties subject to FY 2021-22 Chinatown BID 2021 Assessment**

| <b>Fund Source No.</b> | <b>APN</b>       | <b>Site Description</b> | <b>FY 2021-22 Assessment</b> | <b>Owner</b> |
|------------------------|------------------|-------------------------|------------------------------|--------------|
|                        | 001-0177-001-00  | 163 9TH ST              | \$7,809.04                   | CITY         |
|                        | 001-0179-001-01  | 822 ALICE ST            | \$1,069.92                   | CITY         |
|                        | 001-0179-001-02  | ALICE ST                | \$329.92                     | CITY         |
|                        | 001 -0183-001-00 | 640 HARRISON ST         | \$13,528.80                  | CITY         |
|                        | 002 -0060-004-00 | FRANKLIN ST             | \$0.00                       | CITY         |
|                        | 002 -0060-005-00 | FRANKLIN ST             | \$0.00                       | CITY         |
|                        | 002 -0060-006-00 | FRANKLIN ST             | \$0.00                       | CITY         |
|                        | 002 -0071-001-00 | 250 10TH ST             | \$14,053.85                  | CITY         |
|                        | 002 -0089-001-00 | 125 14TH ST             | \$12,465.50                  | CITY         |
|                        | 002 -0091-001-00 | OAK ST                  | \$6,829.65                   | CITY         |
|                        | 002 -0093-006-01 | 52 9TH ST               | \$1,428.60                   | CITY         |
|                        | 002 -0100-002-00 | 1220 HARRISON ST        | \$0.00                       | CITY         |
|                        | 002 -0100-003-00 | 1220 HARRISON ST        | \$0.00                       | CITY         |
|                        | 002 -0100-005-00 | 1220 HARRISON ST        | \$0.00                       | CITY         |
|                        | 002 -0100-011-00 | 1220 HARRISON ST        | \$4,041.10                   | CITY         |
|                        | 018 -0450-004-00 | 1000 OAK ST             | \$43,225.00                  | CITY         |
|                        |                  | <b>Grand Total</b>      | <b>\$104,781.38</b>          |              |

Per the proposed Management Plan, assessment rates may increase by up to five percent per year beginning in year two of the BID's 10-year term, contingent upon a recommendation by the Advisory Board and City Council approval.

If the City acquires additional affected properties during the BID'S proposed 10-year term, funding sources for related assessments owed will be identified as part of the City's ongoing budget development processes.

The cost of City staff time to provide technical assistance to the BID formation effort and ongoing administration of the citywide BID Program is accounted for in the City's FY 2021-23 Budget and will also be included in future budget development processes. If the Chinatown BID 2021 and corresponding special property assessment are approved, the Treasury Division of the City's Finance Department will provide invoices to tax exempt entities that are not on the County of Alameda's property tax roll. For taxable entities, the County of Alameda will add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected to the City, less the County's collection fee of approximately 1.7 percent of total assessment. The City, in turn, will disburse the funds to the BID, pursuant to a written agreement between the City and the BID's designated non-profit management corporation.

The written agreement to be signed between the City and the designated non-profit BID management corporation also provides for a one percent administrative fee to be charged to the Chinatown BID 2021 to partially recover the City's costs of administering the BID, including costs incurred by the Treasury Division for providing the services described above.

Lastly, if the Chinatown BID 2021 is formed, program guidelines state that the City is expected to maintain a baseline level of service within the BID equivalent to the level prior to formation of the assessment district. Maintaining baseline services, however, commits no additional City funds beyond what already exists. Proportional reductions to baseline services may occur resulting from changes in the City's overall financial condition.

### **PUBLIC OUTREACH / INTEREST**

For the City Council to adopt the proposed resolution establishing the Chinatown BID 2021, enabling legislation requires completion of a public hearing, including related legal noticing, and a majority protest procedure as described above. District stakeholders also performed the outreach needed to secure property owner petitions sufficient to trigger the above-referenced majority protest procedure, i.e., supportive petitions signed by property owners representing more than 30 percent of total Chinatown BID 2021 proposed assessments were submitted to the City in June 2021. City and district stakeholder outreach is ongoing, to answer any questions from affected property owners regarding the BID formation process and to encourage the highest level of participation possible for the related special election (i.e. the majority protest procedure).

## **COORDINATION**

The Budget Bureau and the Office of the City Attorney were consulted in the preparation of this report, legislation and attachments.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The proposed assessment will fund activities which are intended to support the eventual increase of property, sales, and business tax revenues, as well as increased job opportunities and on-going economic development in the historic Chinatown commercial district. Chinatown continues to be a core cultural district for the city of Oakland and enhancements are vital for economic sustainability and preservation of cultural assets.

***Environmental:*** The proposed levy will enable the district to provide a safe walkable district in the affected commercial neighborhood by providing special benefit services such as enhanced sidewalk cleaning, graffiti removal, and trash removal along the affected commercial corridor.

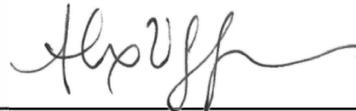
***Race & Equity:*** The proposed BID special assessment district will incorporate members of the Chinatown district commercial neighborhood into a productive and proactive entity representing the interests of that community. Stakeholders themselves will be responsible for administering BID revenues which contributes to community self-empowerment which may, in turn, advance racial equity goals. In addition, BID funding supports neighborhood revitalization through safety and cleaning programs and community identity through marketing and special event programs.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Conduct A Public Hearing And Upon Conclusion Adopt A Resolution Making A Determination Regarding Any Protests Received For The Chinatown Community Benefit Business Improvement District 2021 (“Chinatown BID 2021”), Approving The Chinatown BID 2021 Management Plan, Approving The Assessments For Chinatown BID 2021, Directing Recording Of The Proposed Assessment District Boundary Description, Establishing The Chinatown Community Benefit Business Improvement District 2021, And Appointing The Advisory Board For The Chinatown BID 2021.

For questions regarding this report, please contact Jonathan Spencer, Urban Economic Analyst II, at 510-238-3322.

Respectfully submitted,



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ALEXA JEFFRESS

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Attachments (2):

- A. Chinatown BID 2021 Management Plan & Engineer’s Report
- B. Chinatown BID 2021 Resolution of Intention (No. 88666 CMS)