

2003 DEC -4 PM 6:12

**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: December 16, 2003
RE: RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT FOR FISCAL YEAR 2003/04

SUMMARY

Pursuant to the City of Oakland's Business Improvement Management District Ordinance (Ordinance# 12190 C.M.S., 1999) and the Neighborhood Business Improvement District Program (Resolution# 75323 C.M.S., 1999) a resolution approving and confirming the annual report of the Lakeshore/Lake Park Business Improvement Management District advisory board and the continuing annual assessment for the Lakeshore/Lake Park Business Improvement Management District for fiscal year 2003/04 has been prepared.

The City Council must adopt the above resolution to approve on-going services within the district.

FISCAL IMPACTS

No new fiscal impact is anticipated for the City.

Although the Lakeshore/Lake Park BID proposes to take an allowable two percent (2%) increase in the FY2003/04 assessments, all costs for assessment collections and disbursements will continue to be paid for by the district.

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 less the County's collection fee (approximately 1.7% of total assessment) to the City. The City, in turn, disburses the funds to the district, pursuant to a written agreement between the City and the district's non-profit management corporation, less the City's costs of processing the disbursement.

The 2% adjustment does not constitute a new assessment and has already been authorized by City Council pursuant to Resolution#77280 C.M.S. (July 16, 2002) which states: *"The District shall be in existence for a period of ten (10) years during which a maximum 5% increase per year in the amount of the assessment on each property shall be allowable upon the determination and recommendation of the District Advisory Board for increased costs of operating the district as provided for in the [district management] Plan."*

The only other cost associated with the proposed resolution is for the City staff position required to assist BID districts with their annual approval process. This staff position is already fully-funded within the current approved budget of the City's Neighborhood Commercial Revitalization division.

BACKGROUND

The Lakeshore/Lake Park BIMD was established on July, 16, 2002, (Resolution #77280 C.M.S) for a period of ten years.

The district encompasses approximately 47 parcels along 5 blocks of Lakeshore and Lake Park Avenues as well as portions of nearby Rand Avenue and Wesley Way.

Collections for the district are projected at approximately \$140,231 for the upcoming fiscal year. This added to a surplus of \$7,000 carried over from the previous fiscal year comprises a total projected budget of \$147,231 for the 2003/04 fiscal year.

Revenues generated by BIMDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples include enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, capital improvements, and human services.

The BIMD model for economic development has been successfully used in other commercial neighborhoods throughout the country and throughout Oakland, including in the Fruitvale district (established 2001), the Montclair district (established 2001), and the Rockridge district (established 2000).

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the approval of the proposed resolution.

In terms of positive impacts, adoption of the resolution will enable the Lakeshore/Lake Park BIMD to continue providing enhanced district services which lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

PROGRAM DESCRIPTION

Planned services for FY 2003/04 are outlined in the annual report filed by the Lakeshore/Lake Park BIMD advisory board and include a security program to reduce street disorder and prevent crime and a street maintenance program including trash removal, landscaping, and sidewalk cleaning. Also planned is promotion of special events and new district banners. These program activities build on the efforts and successes of the previous Lakeshore BIMD which worked to revitalize the area from 1997 to 2002.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed levy 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 economic development of the Lakeshore/Lake Park commercial district.

Environmental: The proposed levy will enable the Lakeshore/Lake Park BIMD to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the use of enhanced sidewalk, street cleaning and maintenance. Attractive new banners, directional signage and holiday decorations will also uplift and unify the district's appearance.

Social Equity: BIMDs incorporate all members of a business community into a productive and proactive entity representing the interests of that community. Administration of the cash flow generated by the district itself contributes to local merchant self-empowerment and provides enhanced services for the overall physical and economic betterment of the district.

DISABILITY AND SENIOR ACCESS

Passage of the proposed resolution has no direct implications for disability and senior access. However, the BIMD's efforts toward revitalization may encourage businesses to continue to abide by applicable state, federal and local codes and legislation regarding disability and senior access. Improved public safety and security provided by the BIMD could also serve to make the area safer and more accessible to all visitors, including senior citizens and persons with disabilities.

RECOMMENDATION(S) AND RATIONALE

Adoption of the attached resolution will support the continuance of the Lakeshore/Lake Park BIMD and its planned activities.

Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the conditions and image of their area and to

assist in the economic revitalization and physical maintenance of their respective commercial corridors.

Additionally, because BIMDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Lakeshore/Lake Park BIMD, other than those already provided for in previous legislation. Consequently, the Lakeshore/Lake Park BIMD should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution confirming the annual report of the Lakeshore/Lake Park BIMD advisory board and levying the annual assessment for the Lakeshore/Lake Park BIMD for fiscal year 2003/04.

ACTION REQUESTED OF THE CITY COUNCIL

The action requested of the City Council is to adopt the resolution confirming the annual report of the Lakeshore/Lake Park BIMD advisory board and the continuing annual assessment for the Lakeshore/Lake Park BIMD for fiscal year 2003/04.

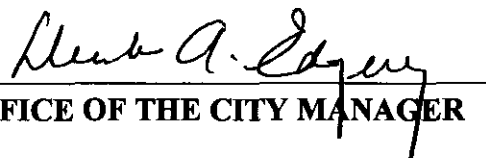
Respectfully submitted,



Daniel Vanderprieem
Director of Redevelopment,
Economic Development, and Housing

Prepared by:
Maria Rocha, Urban Economic Analyst III
Neighborhood Commercial Revitalization

APPROVED AND FORWARDED TO THE
CITY COUNCIL



OFFICE OF THE CITY MANAGER

OAKLAND CITY COUNCIL

B. Kebo

RESOLUTION No. _____ C.M.S.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2003 DEC -6 PM 6:12

RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT FOR FISCAL YEAR 2003/04

WHEREAS, the City of Oakland Business Improvement Management District Ordinance allows for the formation of business improvement management districts (Chapter 4.48, Ordinance 12190. 1999); and

WHEREAS, the City Council approved a Neighborhood Business Improvement District ("NBID") Program pursuant to Oakland City Council Resolution No. 75323, dated November 9, 1999, to provide technical and financial assistance to stakeholder groups of business owners in the City to assist in the formation of such districts; and

WHEREAS, the property owners in the Lakeshore/Lake Park business district petitioned to form the Lakeshore/Lake Park Business Improvement Management District ("District") under said legislation to undertake the Management Plan for the District ("Plan") which is on file with the City Clerk; and

WHEREAS, the Plan provides for new security, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, and marketing activities with the intent of creating a positive atmosphere in the District area (as more specifically identified in the Plan); and

WHEREAS, the Plan was prepared in accord with the provisions of the law overseeing the formation of the District as referenced above, and has been filed with the City; and

WHEREAS, pursuant to the requirements of the law the Lakeshore/Lake Park Business Improvement Management District was established by the City Council on July 16, 2002 pursuant to Resolution Number 77280; and

WHEREAS, the Annual Report has been prepared by the Lakeshore/Lake Park Business Improvement Management District Advisory Board and filed with the City Clerk, and the Annual Report includes a determination and recommendation by the District Advisory Board for a permitted 2% increase in the amount of the annual assessment which is authorized by Resolution 77280 C.M.S. (July 16, 2002) for increased operating costs and does not

15
ORA/COUNCIL
DEC 16 2003

constitute a new or increased assessment over the amount previously authorized by Resolution 77280, and

WHEREAS, the City Council desires to approve and confirm the Report, and the continuing annual assessment for the Lakeshore/Lake Park Business Improvement Management District for fiscal year 2003/04 including the 2% increase in the amount of the annual assessment recommended by the District Advisory Board;

NOW, THEREFORE, the Council of the City of Oakland does hereby find and resolve as follows:

1. The Lakeshore/Lake Park Business Improvement Management District was established in the Lakeshore/Lake Park area of the City of Oakland, California as a Business Improvement Management District pursuant to the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190. 1999) with the boundaries as specified in the Plan on file with the City Clerk.
2. The Advisory Board for the District was duly appointed by Resolution of the City Council and has filed its Annual Report for the 2003/04 fiscal year as required by law.
3. The Annual Assessment Report and the continuing annual assessment for the District for the 2003/04 fiscal year is hereby approved, adopted, and confirmed including the 2% increase in the amount of the annual assessment recommended by the District Advisory Board.
4. The City Council confirms, adopts, and approves the continuing annual assessments as provided for in the Plan and the Annual Report of the Advisory Board and does hereby levy and direct the collection of the assessments for the 2003/04 fiscal year as provided for in the Annual Report and the Plan in accordance with the assessment formula as provided for in the Plan and Annual Report including the 2% increase in the amount of the annual assessment recommended by the District Advisory Board.
5. The proposed method and basis of levying the assessments to be levied against each property in the District have not been changed, increased, or modified and are those specified in the Plan and Annual Report on file with the City Clerk which were previously adopted after holding a public meeting and a public hearing and protest procedure as provided for by law.
6. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases, as specified in the Plan, through a special municipal billing.
7. The boundaries of the District shall remain the same as specified in the Plan on file with the City Clerk and there are no changes to the boundaries or benefit zones.

8. The types of the improvements and activities proposed to be funded by the levy of assessments on property in the area are those described in the Plan and the Annual Report on file with the City Clerk. There are no substantial changes in the improvements or activities for the District.
9. The assessments for the entire District total \$140,231.37 for the 2003/04 fiscal year of the District, and the amount chargeable to each parcel shall be as determined by the Plan and Annual Report on file in the office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, , BROOKS, NADEL, REID, QUAN, WAN and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

15
ORA/COUNCIL
DEC 16 2003

EXHIBIT A

(to resolution approving and confirming the Lakeshore/Lake Park BMD annual report and continuing assessment for FY 03/04)

Annual Report to City Council Fiscal Year 2003-04

1. Proposed Changes in the Boundaries of the BMD.

None.

2. Improvements and Activities Provided During Fiscal Year 2002-2003

The sidewalk and the gutters are swept/picked up seven days a week on both sides of Lakeshore Avenue. Once a month the sidewalks are steam cleaned. The daily sweeping and monthly steamcleaning have made a big improvement on Lakeshore. Private security is provided seven hours a day, seven days a week. Lakeshore has numerous gardens in the treewells, which were planted and maintained in most of the larger treewells. They have grown into small jungles. The gardeners also plant fresh flowers about three times a year before any major event.

The BID also maintains the Necklace of Lights along Lakeshore. Lightbulbs are purchased and changed once or twice a year by professional electricians. This is an extremely expensive project due to the cost of renting a truck with a cherry picker. As a result, it is necessary to wait until a sufficient number of bulbs are out before contracting out for the job.

The BID also provides promotional funds to the Lakeshore Business Association in the following amounts: \$5000 a year for a fine art festival and \$1000 four times a year for discounted advertising spread among the various newspapers during holiday periods. Last year we purchased a new banner for the Christmas holiday shopping period. In the coming year we expect to purchase new banners for the light poles on Lakeshore and Lake Park to replace very weathered banners. The BID director works with the merchant director to produce a monthly merchant newsletter and attends the monthly merchant meetings in order to keep abreast of merchant concerns. The BID director also attends local community meetings and recruits community members to the board. The BID Board and Director regularly meet with the City Council Member and city staff, taking part in the Oakland Merchant Leadership Forum and Shop Oakland.

3. Improvements to be Provided During Fiscal Year 2003-2004

All of the above activities will continue plus:

The property owners voted to annex Lake Park Avenue from Lakeshore Avenue to the corner of Walker last year. Services similar to those performed on Lakeshore were instituted starting in January of 2003. Only one side of Lake Park Avenue is in the expanded BID, that is, the side with shops on it. There is noticeable improvement from the daily sidewalk cleaning, gutter cleaning, and monthly steam cleaning on Lake Park but due to the fast food establishments, the adjacent freeway, and bus stop; it is turning out to be more difficult and expensive than first estimated by the board. A private security patrol is provided on both avenues for 7 days a week, seven hours a day.

After Lake Park Avenue was added to the BID, The Grand Lake Neighborhood Crime Prevention Council volunteered to plant the treewells on Lake Park and to install the decorative, concrete planters that adorn the front window spaces of the stores. The NCPC also obtained donated plants. The BID funded the purchase and the Director helped with the planting. The merchants were provided with watering cans and the BID Director, whose office is on Lake Park, waters the treewells and monitors the planters.

4. Estimate of the Cost of Providing the Improvements and Activities for 2003-04

Please see attached budget.

5. Method and Basis of Levying the Assessment

The assessments will be collected by Alameda County through property tax collection and turned over to the City Treasury office which forwards them to the Lakeshore/Lake Park Advisory Board. The basis for assessment will increase by 2% as per Resolution 77280, Section 10, passed by the City Council in July of 2002, which states that "The District shall be in existence for a period of 10 years during which a maximum 5% increase per year shall be allowable upon the determination and recommendation of the District Advisory Board for increased costs of operating the District as provided in the Plan". Incorporating the 2% as provided, this figures out to frontage charges of \$22.297 per linear foot per year and lot size charges per square foot of \$.255 per year factored together.

The Advisory Board deems the increase necessary to cover rising insurance costs, office rental, and a greater reserve.

6. Surplus or Deficit to be carried forward from a previous fiscal year into FY2003-04

It is anticipated that approximately \$7,000 will carry forward from the previous fiscal year into the FY2003/04 budget.

7. Contributions from Other Sources

None.

Lakeshore/Lake Park BID
Projected Budget FY2003-04

INCOME:

FY2002/03 surplus carryforward	\$ 7,000.00
Estimated FY03/04 BID collections	<u>\$140,231.00</u>
Total Income	\$147,231.00

EXPENSES

Administration	\$35,800.00
Annual Meeting	\$ 450.00
Beautification:	
Banners	\$ 1,500.00
Gardeners	\$11,000.00
Lights	\$ 1,000.00
Contingency & Reserve	\$ 7,997.00
Dues/Fees	\$ 200.00
Insurance	\$ 2,000.00
Maintenance:	
Sweepers & Steam Cleaning	\$25,800.00
Office Expenses	\$ 2,000.00
Professional Services	\$ 1,200.00
City/County Collection Costs	\$ 2,384.00
Promotions	\$11,500.00
Security	\$43,500.00
Utilities	<u>\$ 900.00</u>
Total Expenses	\$147,231.00

15
ORACOUNCIL
DEC 16 2003