

Exhibit D

MANAGEMENT DISTRICT PLAN
for the
DOWNTOWN OAKLAND
COMMUNITY BENEFIT DISTRICT 2018 (CBD)

FINAL PLAN
April 23, 2018

CONTENTS

| | | |
|------|---|----|
| I. | Management Plan Summary | 1 |
| II. | Why Renew the Downtown Oakland CBD? | 6 |
| III. | Process to Develop the CBD Management Plan | 7 |
| IV. | Improvement & Activity Plan for CBD Renewal | 9 |
| | A. CBD Boundaries | |
| | B. Work Program | |
| | C. Plan Budgets | |
| V. | Assessments | 19 |
| | A. Assessment Methodology | |
| | B. Calculation of Assessments | |
| | C. Assessment Adjustments | |
| VI. | Governance | 22 |

Exhibits

- i. Engineer's Report with list of properties to be benefited

Exhibits are available upon request to the Downtown Oakland Association.

Prepared for the Downtown Oakland Association by
Progressive Urban Management Associates, Inc.
and Kristin Lowell, Inc.

MANAGEMENT DISTRICT PLAN for the DOWNTOWN OAKLAND COMMUNITY BENEFIT DISTRICT 2018 (CBD)

FINAL – April 23, 2018

INTRODUCTION

Formed in 2008 by property owners, the Downtown Oakland CBD is a special district that collects a self-governed assessment on property to provide safe and clean enhancements through hospitality, maintenance and beautification services, and marketing and economic enhancements to improve the downtown Oakland’s livability and business climate.

The CBD was formed with a ten-year term and is set to expire, unless renewed by Downtown property owners and the City of Oakland, at the end of July 2018 with related services ending in December 2018. To prepare for the renewal of the CBD, the Downtown Oakland Association (DOA) retained the services of Progressive Urban Management Associates, Inc. to update the organization’s strategic plan. With priorities gained from the DOA Board of Directors and through an extensive strategic planning process that included an evaluation of market conditions, stakeholder focus groups and responses to an online community improvement survey, the proposed new CBD Management Plan will offer support for the following services:

- Increased deployment of “Ambassador” teams to provide enhanced hospitality, cleaning and landscaping throughout the district;
- Increased energy and resources to reduce disruptive street behaviors and work with civic and social service partners to address homelessness;
- New resources to provide an expanded communications function and a special projects fund to help respond to new district challenges and opportunities on a year-to-year basis.
- Continued economic enhancements supporting local businesses to retain and extend tenancy in buildings and attracting new investment.

MANAGEMENT PLAN SUMMARY

Pursuant to the City of Oakland Business Improvement Management District Ordinance 12190, Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015 (“Oakland BIMD Ordinance”), the existing Downtown Oakland CBD is being renewed for a ten-year term. Upon receipt of petitions signed by property owners representing greater than 30% of the assessments proposed to be levied for the District, the City of Oakland will initiate a ballot procedure to officially form and renew the CBD.

Governed by the Downtown Oakland Association board of directors, the District’s work program will deliver activities and improvements to improve and convey special benefits to properties located within the Downtown Oakland CBD area. The District will continue to provide both clean and safe and marketing and economic enhancements. Each of the activities is designed to meet District goals:

1. Producing a consistently clean, welcoming, and attractive Downtown experience,
2. Improving safety and the overall quality of life on downtown streets,
3. Attracting and retaining new businesses and residents,
4. Cultivating a fun and vibrant Downtown “living room”,
5. Enhancing property values, sales, and occupancies, and

6. Helping Downtown businesses compete locally and regionally, thereby retaining and extending tenancy in buildings.

As described in the Management District Plan, it is proposed that the CBD will provide funding for enhanced clean and safe, marketing and communications and special projects, above and beyond those provided by the City of Oakland.

Significant changes proposed for the 2018 CBD that differ from the existing CBD include the following:

- The size of the district is increasing by about 10 blocks, or roughly a 40% expansion of the service area.
- The pre-existing two-zone service and assessment structure is being consolidated into one.
- Assessments for clean and safe services are being increased to enhance service frequencies and keep up with program costs, including labor.
- New funding is proposed to support enhanced communications services and special projects to improve the district.

| | |
|--------------------------------------|--|
| Name of the District | The proposed special assessment district is a business improvement district that shall be named the "Downtown Oakland Community Benefit District 2018" . |
| Location | The district boundary encompasses the core of the downtown area focused along the Broadway corridor in Downtown Oakland from 8 th and 17 th Streets. Areas to be added to the 2018 district include the following: <ul style="list-style-type: none"> • The Webster Street corridor from 12th to 17th Streets; • An extension of the downtown core west to Martin Luther King Jr. Way between 9th and 14th Streets; • An extension of the Broadway corridor from 8th to 6th Streets. Detailed descriptions and maps of the district are provided beginning on Page 9. |
| Improvements & Activities | <p>A Welcoming, Attractive and Economically Vital Downtown: The CBD will finance improvements and activities that will improve Downtown Oakland’s environment for property owners, residents, workers and visitors, including:</p> <p>Safe and Clean Enhancements:</p> <ul style="list-style-type: none"> • Maintenance Teams that sweep, scrub and pressure wash sidewalks, remove litter and graffiti, increase the frequency of trash removal and maintain landscaping throughout the District. • Ambassadors that provide visitor information, safety escorts, merchant outreach, city services liaison, event support, homeless services outreach and referrals, and work with local police and business and property owners to prevent crime and address quality of life issues. <p>Marketing and Economic Enhancements:</p> <ul style="list-style-type: none"> • Marketing and communications to support CBD activities and improvements and promote a positive image for Downtown Oakland. • Leadership and collaboration through research and community education to represent the downtown community with one clear voice. • Promote and support local business through marketing programs and city liaison role and attract new businesses and investment that further the strategic goals of the Downtown. |

| | |
|----------------------------|--|
| | <ul style="list-style-type: none"> Promote Downtown Oakland’s evolution as a regional destination for arts, culture and entertainment. Place-making and activation improvements that make Downtown Oakland more visually attractive, which may might include: enhanced landscaping, holiday décor, way-finding signage, trash receptacles, streetscape, planters, urban design plans, bike racks, programming of public spaces, etc. |
| Method of Financing | Levy of assessments upon real property that benefit from improvements and activities. |

| | | | | | |
|---|--|-------------------|------------------------------|-------------------------|-------------------|
| Budget | Total district CBD budget for its first year of operations \$2,044,550 as follows: | | | | |
| | Budget Assumptions | CBD Budget | Less: General Benefit | Assessment TOTAL | % of Total |
| | Clean & Safe Enhancements | 1,385,000 | \$ 46,911 | \$ 1,338,089 | 67.7% |
| | Marketing & Economic Enhancements | | | | |
| | Economic Enhancements | 247,400 | | | |
| | Special Project Fund | 50,000 | | | |
| | Management & Admin | 247,400 | | | |
| | City/County Fees 2.7% | 55,200 | | | |
| Sub-Total | 600,000 | | 600,000 | 29.3% | |
| Reserve (3%) | 59,550 | | 59,550 | 3.0% | |
| TOTAL | 2,044,550 | | 1,997,639 | 100.0% | |
| <p>General Benefit Allowance: An allowance is made for general benefits that the district may provide to either the parcels outside the district boundary or to the public at large. Any CBD services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from services accounts for \$46,911 (or 2.29%) of the estimated budget, resulting in a total assessment budget of \$1,997,639.</p> | | | | | |

| <p>Cost</p> | <p>Annual assessments are based upon an allocation of program costs and a calculation of land and building square footage and linear frontage. Two-thirds of program costs are allocated to land and building square footage, and one-third of program costs are allocated to linear frontage. Owner-occupied residential condominiums and properties owned by government will receive full benefit from Safe and Clean Services and will be assessed fully for them; however, owner-occupied residential condominiums and government parcels will not receive the same benefit as commercial parcels from Marketing and Economic Enhancements because those uses are not engaged in commercial or customer attraction activities, thus their assessment will not include that portion of the assessment. All commercial and mixed-use parcels with residential condominium uses will be subject to an adjusted assessment rate for the owner-occupied residential square footage of that parcel. The commercial square footage for that type of parcel will be assessed the assessment rate applied to all commercial parcels. Rental residential units (i.e. apartments) are considered income-producing commercial property and will be assessed at commercial rates, receiving full benefit from all PBID services.</p> <p>Estimated annual assessments for Year 1 of the Downtown Oakland CBD follow.</p> <table border="1" data-bbox="410 867 1446 1194"> <thead> <tr> <th></th> <th>Commercial Rates (including Rental Residential)</th> <th>Government Rates</th> <th>Owner-Occupied Residential Condo</th> </tr> </thead> <tbody> <tr> <td>Lot Square Foot</td> <td>\$ 0.1741</td> <td>\$ 0.1373</td> <td>n/a</td> </tr> <tr> <td>Building Sq. Ft.</td> <td>\$ 0.0871</td> <td>\$ 0.0686</td> <td>n/a</td> </tr> <tr> <td>Linear Sq. Ft.</td> <td>\$ 17.623</td> <td>\$ 13.891</td> <td>n/a</td> </tr> <tr> <td>Per Livable Sq. Ft.</td> <td>n/a</td> <td>n/a</td> <td>\$0.315</td> </tr> </tbody> </table> <p>Rate Adjustment: Over the first ten years of the CBD, rates will have increased a total of about 10%, or an average of 1% per year. Meanwhile, all costs of delivering services have increased substantially, including Bay Area wage rates. The rates above project an approximate 15% rate adjustment over fiscal year 2017-2018 Zone 1 assessment rates, and an approximate 25% one-time adjustment over fiscal year 2017-2018 Zone 2 assessment rates. The adjustments are needed to catch up with increasing labor costs associated with the Ambassador program, bring Oakland to be more consistent with service investments in peer cities, and to launch new initiatives related to communications and special projects within the district.</p> | | Commercial Rates (including Rental Residential) | Government Rates | Owner-Occupied Residential Condo | Lot Square Foot | \$ 0.1741 | \$ 0.1373 | n/a | Building Sq. Ft. | \$ 0.0871 | \$ 0.0686 | n/a | Linear Sq. Ft. | \$ 17.623 | \$ 13.891 | n/a | Per Livable Sq. Ft. | n/a | n/a | \$0.315 |
|-----------------------------|---|------------------|--|------------------|----------------------------------|-----------------|-----------|-----------|-----|------------------|-----------|-----------|-----|----------------|-----------|-----------|-----|---------------------|-----|-----|---------|
| | Commercial Rates (including Rental Residential) | Government Rates | Owner-Occupied Residential Condo | | | | | | | | | | | | | | | | | | |
| Lot Square Foot | \$ 0.1741 | \$ 0.1373 | n/a | | | | | | | | | | | | | | | | | | |
| Building Sq. Ft. | \$ 0.0871 | \$ 0.0686 | n/a | | | | | | | | | | | | | | | | | | |
| Linear Sq. Ft. | \$ 17.623 | \$ 13.891 | n/a | | | | | | | | | | | | | | | | | | |
| Per Livable Sq. Ft. | n/a | n/a | \$0.315 | | | | | | | | | | | | | | | | | | |
| <p>Cap</p> | <p>Following renewal of the District, annual assessments may increase or decrease no more than 5% per year. Annual adjustments in assessment rates will be determined by the Downtown Oakland Association (DOA) CBD Advisory Board which shall then make a recommendation to the City for review and approval by the Oakland City Council.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>City Services</p> | <p>The City of Oakland will provide an accounting of baseline services that are currently provided within the District and will continue through the duration of the planned renewal. 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.</p> | | | | | | | | | | | | | | | | | | | | |

| | |
|----------------------------|---|
| Collection | For taxable properties, CBD assessments appear as a separate line item on the annual Alameda County property tax bills. Any assessment on a property that does not receive a property tax bill from the County may be billed directly by the City. The CBD shall be responsible for pursuing delinquent assessments and for costs associated with collecting unpaid assessments. |
| District Governance | The CBD will continue to be managed by the Downtown Oakland Association (DOA) board of directors. A majority of the DOA board is composed of property owners and/or their representatives within the CBD. |
| District Formation | Local enabling legislation, (Oakland Municipal Code Chapter 4.48), for CBD district formation requires the submission of petitions signed by property owners in the proposed district who will pay more than 30% of the total assessments (i.e. petitions must represent more than 30% of the \$1,997,639 to be assessed). Petitions are submitted to the Oakland’s 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 CBD in order for the City Council to consider approval. |
| Duration | Collection of the first year’s assessments will be included in Alameda County’s 2018-2019 property tax bills, and in certain cases may be collected through a special municipal billing. Services will begin January 1, 2019 and continue through December 31, 2028. A five-year review of the district will evaluate market conditions and the need for any adjustments to the Management Plan. Any amendments to the Management Plan will require a new petition and mail ballot process and any subsequent renewal of the district will require a new Management Plan, petition and mail ballot process. |

II. WHY RENEW THE DOWNTOWN OAKLAND CBD?

What is a CBD?

The International Downtown Association estimates that more than 1,000 property-based business improvement districts (or “community benefit districts” (CBD)) currently operate throughout the United States and Canada. **A CBD provides enhanced improvements and activities, such as public safety, maintenance and image enhancement, in addition to those provided by local government.** CBDs provide services that improve the overall viability of business districts, resulting in higher property values, sales and tax revenues. Since the creation of California’s Property and Business Improvement District Law in 1994 more than 100 new CBDs have been established in California downtowns and other commercial districts, including Sacramento, Berkeley, San Francisco, Santa Monica and San Jose. In Oakland, there are currently eleven (11) CBDs.

Why Renew the Downtown Oakland CBD?

- **Creating a Consistently Clean, Welcoming and Attractive Downtown Remains a Challenge:** The impetus for creating the CBD in 2008 was to address an inconsistent experience in Downtown’s public realm – dirty sidewalks, graffiti and occasionally intimidating street behaviors that detracted from visitors’ overall experiences. While the CBD has made progress to stabilize the Downtown environment, challenges remain. Continued permissive attitudes, a lack of financial resources at the City of Oakland, statewide growth in street populations, and increasingly brazen behavior have resulted in a decline in perceptions of comfort and safety in the Downtown. Recent stakeholder surveys find reducing homelessness and disruptive street behaviors as one of downtown’s top priorities.
- **Cultivate Fun & Vibrant Downtown “Living Room”:** Downtown Oakland is the civic heart of the City. The CBD aims to attract residents and visitors of all ages to come and enjoy Downtown, by creating a vibrant and comfortable community gathering place with arts, culture, entertainment, education, recreation, open space, food, shopping, commerce, services, etc.
- **Enhance Property Values, Sales, and Occupancies:** CBDs are a critical mechanism in strengthening the economic foundation of downtowns. The Downtown Oakland CBD aims to fund improvements and services that enhance the overall economic vitality of the Downtown business district. Success is measured by higher property values, sales and occupancies.
- **Help Downtown Oakland Compete:** As a business location and a retail/entertainment destination, Oakland competes with growing business districts throughout the Bay Area and beyond. The CBD provides resources to help Downtown Oakland strengthen its unique position in this increasingly competitive market.
- **Maintain Ratepayer Control and Accountability:** The Downtown Oakland Association Board of Directors ensures that decisions affecting assessments are made by a board with a majority of affected property owners and at least one business owner who is not a property owner. CBD-financed programs are subject to an annual audit and other private sector performance standards and controls.

III. THE PROCESS TO DEVELOP THE CBD MANAGEMENT PLAN

The CBD Management Plan is the result of a six month process to update the Downtown Oakland Association’s (DOA) Strategic Plan. The 2017 Strategic Plan aligns the organization’s priorities and structure with the opportunities anticipated over the next five to ten years. The 2017 Strategic Plan process was led by the DOA Board of Directors and staff and included input from a DOA board strategic planning workshop, stakeholder roundtables and a community survey. More than 300 stakeholders participated in the strategic planning process.

Priorities from various groups for the future of Downtown were concentrated around the following major themes:

1. Make Downtown **safer and more welcoming** with an emphasis on reducing homelessness and disruptive street behaviors;
2. Continue supplemental **cleaning** in Downtown, particularly ongoing graffiti removal.
3. Fill vacant storefronts and **support local businesses**.
4. **Invest in placemaking**, defined as both capital improvements and programming, to create better public amenities and more walkable, bikeable streets;
5. **Increased collaboration** with City and other agencies and stakeholders

Strategic Plan Vision, Framework & Construct: To achieve the preceding improvement priorities for Downtown the following construct was developed to guide the next five to ten-year strategic direction for the DOA and Downtown Oakland.

| | |
|---|--|
| BRILLIANT AT THE BASICS | Initiatives that aim to enhance the clean and safe programs. These actions focus on strengthening the basic principles of clean and safe, with a pronounced effort to address graffiti abatement, and establishing collaborative partnerships to counter issues related to safety and nuisance behavior. |
| BUSINESS DEVELOPMENT & STOREFRONT ACTIVATION | Initiatives that aim to enhance the organization’s role in helping existing and prospective retail and other businesses thrive, particularly with the end goal of activating vacant ground floor commercial space. Events should be developed that are specifically oriented to support retail. DOA should develop the capacity to match prospective merchants with city and nonprofit resources, business planning services, and brokers. Eventually, the organization can play a more prominent role in business recruitment by spearheading new innovative programs or reviving pop-up retail concepts. |
| COMMUNICATIONS & COLLABORATION | Initiatives that involve a collaborative approach and effective relationships with city departments and other partners. An activated residential population has the potential to work on behalf of the CBD for affordability and cultural preservation, and to better meet the needs of residents and visitors. |

Implications for CBD Renewal: The Strategic Plan outlines additional resources and organizational restructuring that may be needed to implement the plan framework, including:

- **Dedication of more resources to clean & safe services**, particularly on the Broadway corridor. Enhancements should be considered to ensure that constant vigilance is maintained to abate graffiti and reduce disruptive behaviors from street populations.
- **Creation of a new staff Communications position** to promote the organization's brand through marketing materials, website and social media, and business support services, and to allow executive leadership to focus more time on big-picture initiatives.
- **Consideration of a Special Projects Fund** to capitalize innovative projects such as pop-up retail.
- **Diversification of revenue sources beyond assessments**, through the legal structure that enables the CBDs to fundraise.

IV. IMPROVEMENT & ACTIVITY PLAN FOR CBD RENEWAL

A. CBD Boundaries

The district boundary encompasses the core of the downtown area focused along the Broadway corridor in Downtown Oakland from 8th and 17th Streets. Areas to be added to the district include the following:

- The Webster Street corridor from 12th to 17th Streets;
- An extension of the downtown core west to Martin Luther King Jr. Way between 9th and 14th Streets;
- An extension of the Broadway corridor from 8th to 6th Streets.

A detailed description follows and detailed maps of the Downtown Oakland CBD are provided on the following pages.

Detailed District Description

The northern and southern boundaries of the PBID roughly extend from 18th Street on the west side of San Pablo Avenue in the northwest, to one parcel south of the corner of 17th Street and Alice Street to the northeast, to the southwest corner of 7th and Washington Street to the southwest corner of 6th Street and Broadway in the southeast.

The western and eastern boundaries extend roughly from the southwest corner of 6th Street and Washington Street to the northeast corner of 18th and San Pablo to the west, and from the southeast corner of 6th and Broadway to one parcel south of the northwest corner of 17th Street and Webster Street.

The parcels selected to be included in the PBID form a unique retail, entertainment, commercial and residential core that is a major portion of the greater City center area of downtown Oakland. Keeping the District clean, safe and attractive will increase pedestrian traffic and consumer activity and help create a strong symbiotic relationship between the PBID and the customers it serves.

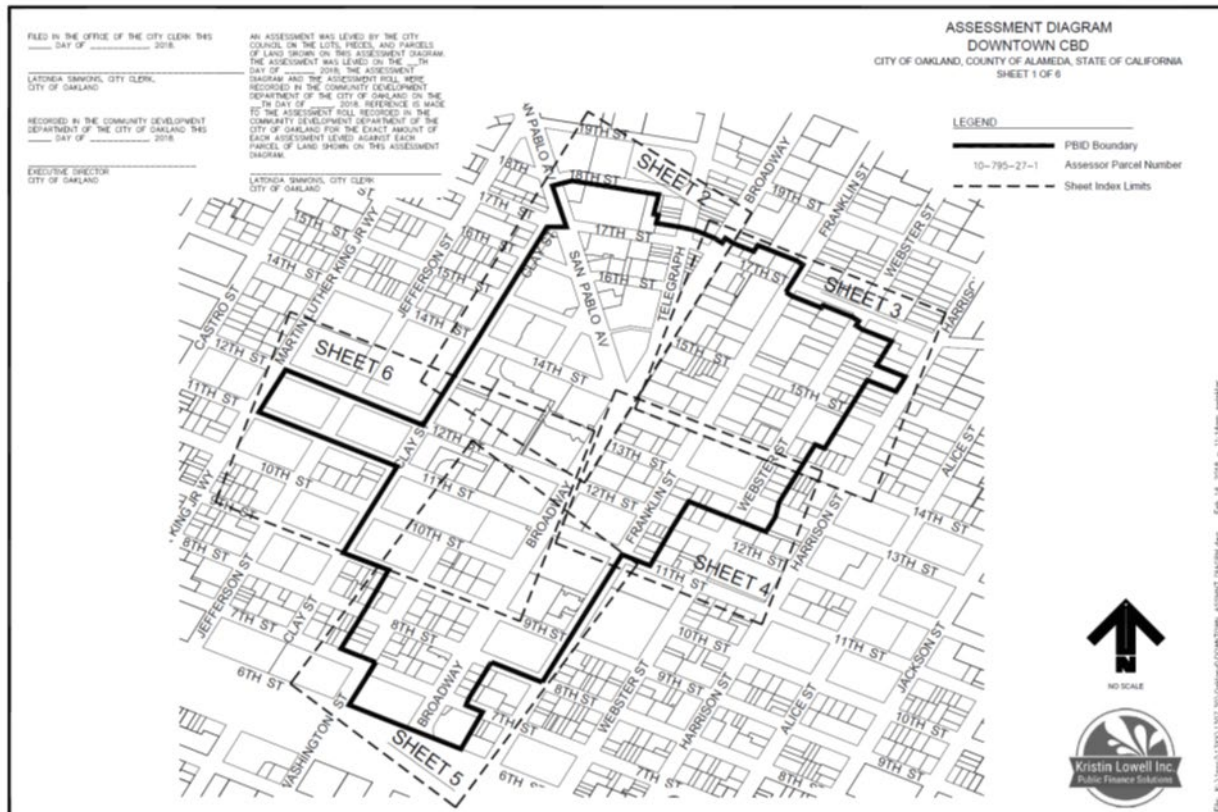
PBID Boundary

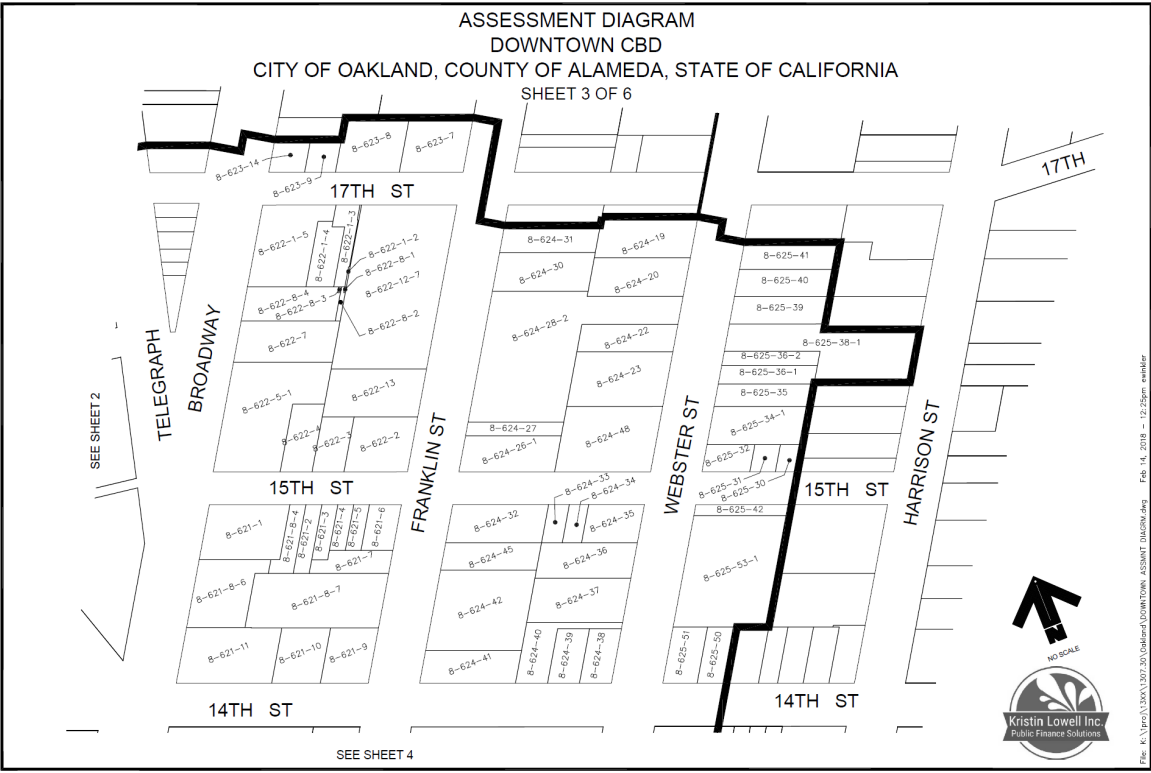
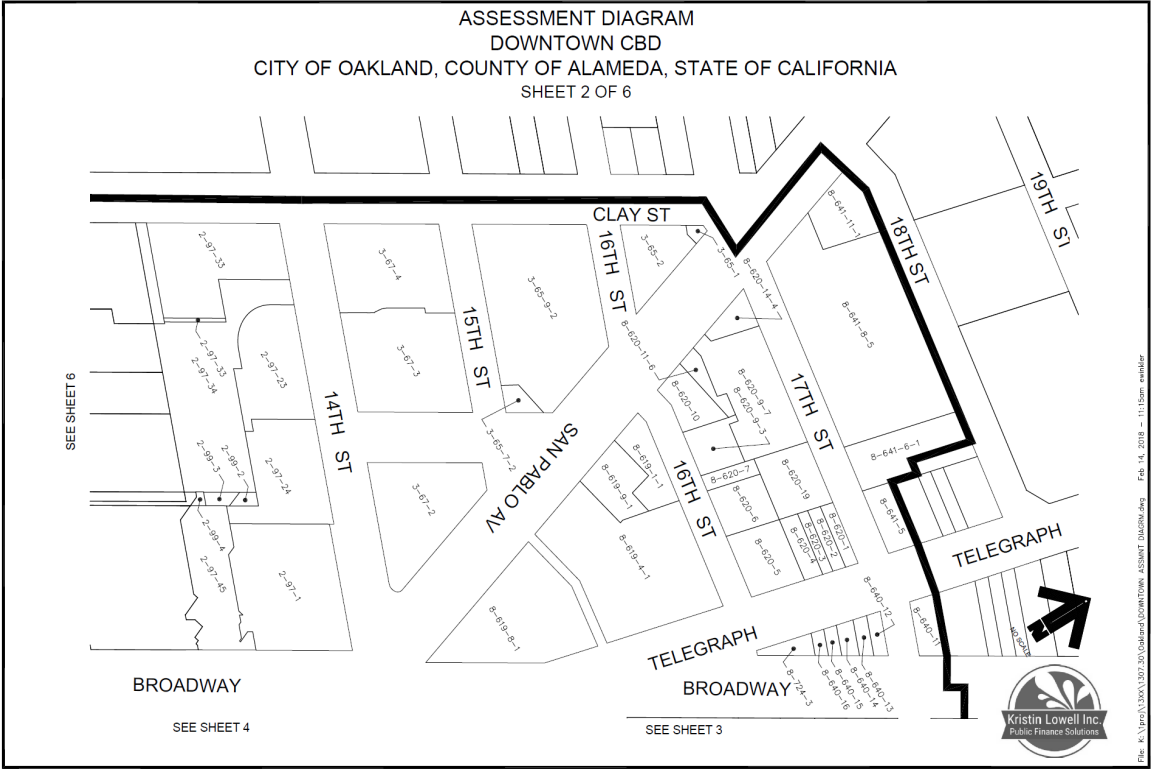
The boundaries of the Downtown Oakland Association in 2019 are described as follows:

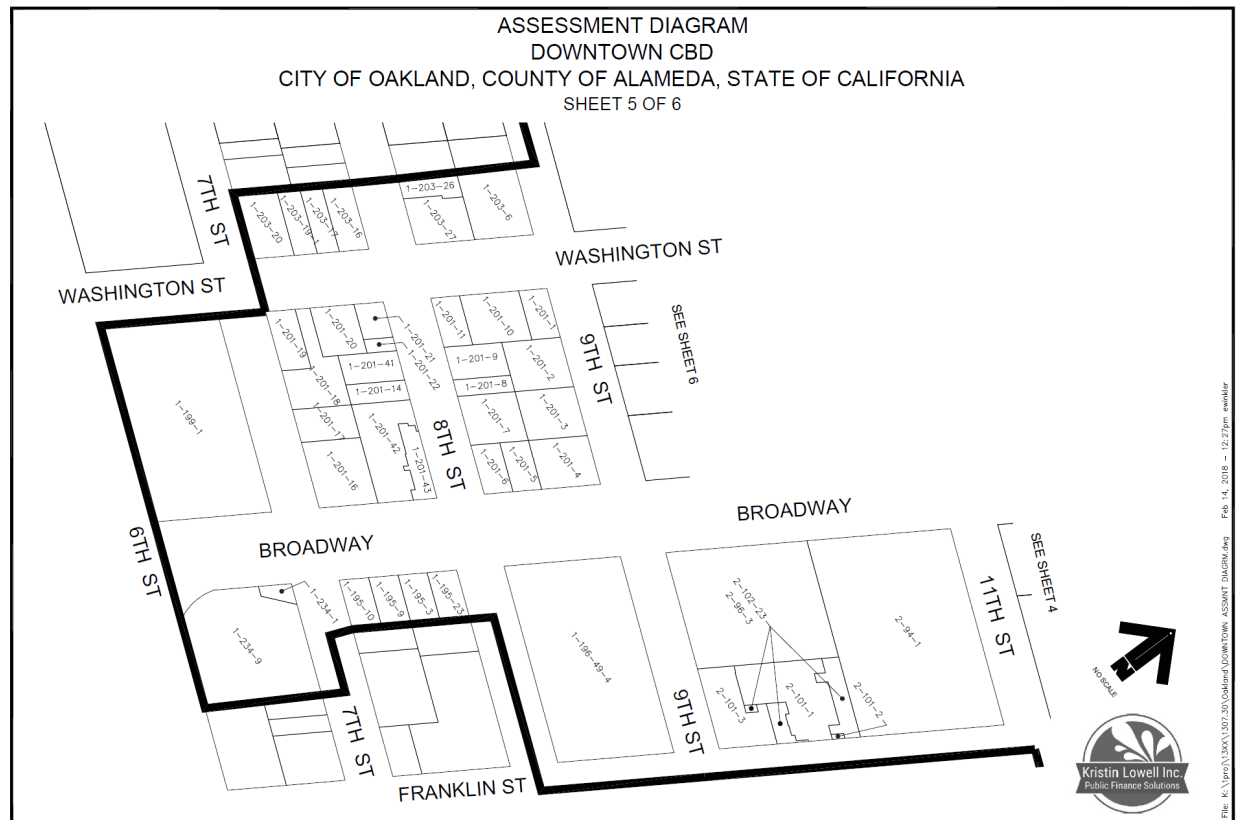
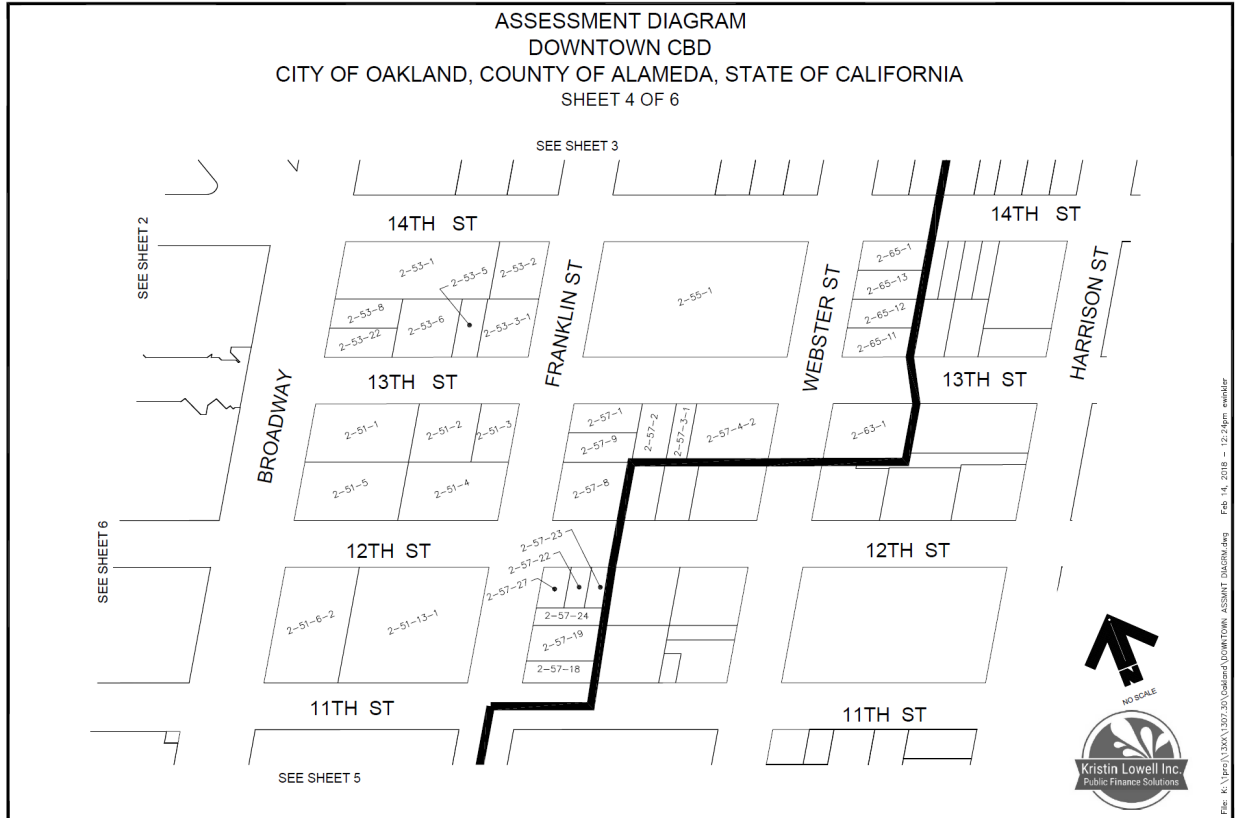
- **Northern Boundary:** Starting at northwest corner of San Pablo Avenue and 18th Street, parcel number 8-641-11-1, and running up 18th Street to one parcel west of the corner of 18th Street and Telegraph Avenue, parcel number 8-641-6-1, to one parcel north of the corner of 17th Street and Telegraph Avenue, parcel number 8-641-5, to the southeast corner of 17th and Broadway, parcel number 8-640-11, to the southeast corner of 17th Street and Franklin Street, parcel number 8-623-7, to one parcel south of the northeast corner of Webster Street to the northeast, parcel number 8-642-31, to one parcel south of the northeast corner of 17th and Webster, parcel number 8-625-41.
- **Southern Boundary:** Starting at the southwest corner of 7th and Washington Street, parcel number, 1-203-20, to the corner of 6th Street and Washington Street, parcel number 1-199-1, to the southwest corner of 6th Street and Broadway in the southeast, parcel number 1-234-9.

- Eastern Boundary:** Starting at the southeast corner of 6th and Broadway, parcel number 1-234-9, to one parcel south of the northeast corner of 8th Street and Broadway, parcel number 1-195-23, to the southeast corner of 8th Street and Franklin Street, parcel number 1-196-49-4, to the southwest corner of Franklin Street and 11th Street, parcel number 2-57-18, to the southwest corner of 12th Street and Franklin Street, parcel number 2-57-8, to the northwest corner of 13th Street and Webster Street, parcel number 2-63-1, to two parcels to the southeast of 14th Street and Webster Street, parcel number 8-625-50, to one parcel south of the northeast corner of 17th and Webster, parcel number 8-625-41.
- Western Boundary:** Starting at the corner of 6th Street and Washington Street, parcel number 1-199-1, to the southwest corner of 7th and Washington Street, parcel number, 1-203-20, to the southeast corner of 9th Street and Clay Street, parcel number 2-37-46, to the southeast corner of 11th Street and Clay Street, parcel number 2-33-15-1, continuing west on 11th Street to the southwest corner of 11th Street and Martin Luther King, Jr. Way, Parcel number 2-27-7, continuing north on Martin Luther King Jr. Way to the northwest corner of Martin Luther King, Jr. Way and 12th Street. Moving east along 12th Street to the southwest corner of 12th Street and Clay Street, parcel number 2-97-31. Heading north along Clay Street to the corner of 17th Street and Clay Street, parcel number 3-65-2, to the northeast corner of 18th and San Pablo to the west, parcel number 8-641-11-1.

Complete District Map







ASSESSMENT DIAGRAM
 DOWNTOWN CBD
 CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA
 SHEET 6 OF 6



B. Work Program

The work program aims to deliver on the core purpose of the CBD is to create and sustain a vibrant and prosperous Downtown by:

1. Producing a consistently clean, welcoming, and attractive Downtown experience,
2. Attracting and retaining new businesses,
3. Cultivating a fun and vibrant Downtown “living room”,
4. Enhancing property values, sales, and occupancies, and
5. Helping Downtown businesses compete locally and regionally, thereby retaining and extending tenancies in buildings.

Services are bundled into two primary activity centers: “Safe and Clean” and “Marketing and Economic” enhancements. The Safe and Clean services include efforts to make Downtown clean and welcoming. Marketing and economic enhancements include a variety of initiatives aimed to improve the Downtown business climate, including support for local businesses, attracting new investment, strengthening Downtown’s arts and culture niche, and marketing and communications to promote all CBD services and improve Downtown’s overall image.

SAFE & CLEAN ENHANCEMENTS

Cleaning & Hospitality Ambassadors:

To respond to stakeholder priorities and guiding principles to make Downtown both more welcoming, clean and beautiful, the CBD funded Ambassador program will be strengthened moving forward.

In Downtown Oakland, the Ambassador program has been a critical element to stabilize streets. Key accomplishments delivered in the Downtown Oakland CBD over the past year include:

- 11 ambassadors provide an average deployment of 450 hours per week
- Each ambassador walks more than seven miles each day
- More than 57,150 pounds of trash were collected in 2017
- 6,300 pieces of graffiti were abated

Despite the progress to-date from the Ambassador program, challenges remain. California’s prolonged drought conditions are requiring new approaches and equipment to replace less expensive practices that relied on the unrestricted use of water. Plus, permissive civic attitudes that tolerate street populations and disruptive behaviors coupled with a statewide increase in homelessness have led to more intimidation and less comfort on streets. On behalf of Downtown business and property owners, the CBD and DOA continue to search for compassionate solutions and partnerships that will restore more orderly conduct, and create a welcoming environment for everyone.

The Management Plan provides for an increase in funding for Cleaning and Hospitality Ambassadors to allow for increases in program labor costs. Estimated deployment of Ambassadors is anticipated as follows:

| Maintenance Services | Frequency |
|--|------------------------------|
| Average Weekly Coverage | 7 days/week |
| Litter removal/pan & broom | Daily as needed |
| Detail cleaning of public amenities | Daily as needed |
| Graffiti removal | Daily as needed |
| Weed removal | Daily as needed |
| Pressure washing/spot cleaning/strategic hot spots | Daily as needed |
| Safety Services | Frequency |
| Coverage in All Areas | 7 days/week 8 to 16 hours |
| Primary method of coverage | Foot and bike patrols |
| Business contacts | Daily |
| Visitor contacts | Daily |
| Outreach with street populations | Daily |
| Reporting | Daily |

Clean and safe enhancements account for 67.7% of the annual CBD budget.

MARKETING & ECONOMIC ENHANCEMENTS

A comprehensive economic vitality program has been included as a key component of the Downtown CBD. The prior management plan was designed during a period of economic recession; hence activities were highly focused on clean and safe services to stabilize the downtown environment. Given a more favorable economic climate, and acknowledging demographic and lifestyle trends that are supportive of continued investment in downtowns, the areas of for economic enhancements have expanded as outlined in the Strategic Plan to include:

- **Business Support and Innovation:** Downtown is first and foremost a center for commerce providing both primary jobs and retail. For retail, downtown will aim to strengthen its existing offerings and position for local unique dining and shopping. The CBD will fund efforts aimed at attracting new tenants and investment and promote continued mixed use development that includes retail, office, housing and cultural uses.
- **Arts, Culture, Entertainment:** Advance Downtown Oakland’s evolution as a regional destination for arts, culture and entertainment. Downtown has a rich and varied collection of arts and cultural venues. Arts, culture and entertainment creates a differential advantage for Downtown and adds to the quality of life for Oakland residents. The CBD will provide leadership and programs to enhance Downtown’s image as a unique arts and cultural destination.
- **Marketing and Communications:** Marketing and communications efforts will be strengthened to support all components of the CBD Management Plan. Marketing related to clean and safe services will create awareness of cleaning, hospitality, beautification and placemaking changes being made to improve the Downtown, and promote the vision designed by the Downtown community and inspire stakeholder engagement. Marketing related to the economic development portion of the work program will: advance the image and branding of the Downtown; highlight the unique startup innovation and arts, culture and entertainment character of the Downtown; attract new and

returning visitors to Downtown to live, work, eat, drink, play, engage, and be inspired; support new investment opportunities for retail, office and housing; and promote easy and affordable access via transit and parking to the Downtown.

- **Collaboration:** The CBD will support research and community education efforts that help to evaluate the impacts of policies and issues on the Downtown business and investment climate. The CBD will support efforts to advance policies that improve Downtown’s overall quality of life and economic and cultural vitality.

Special Projects

The CBD will include funds to invest in highly visible improvements that will add to the attractiveness of public spaces throughout downtown. Beautification and placemaking improvements may include:

- Landscaping, planters, hanging flower baskets and other green elements.
- Seasonal holiday decorations and banners.
- Cosmetic capital improvements, including street furniture, information kiosks, pedestrian lighting and other amenities.
- Wayfinding and directional signage to help visitors navigate through downtown.
- Temporary and permanent public art installations.
- Installation of bicycle racks and other amenities to encourage bicycle use.
- Promote the installation and use of bike-share, car-share and other innovative mobility options.
- Programming and events within public spaces.
- Planning and design processes to improve public spaces throughout the Downtown.
- Other improvements as determined year-to-year by the DOA board of directors.

Management, Administration and Reserve

Like any business, the CBD requires a professional staff to properly manage programs, communicate with stakeholders and provide leadership. To reduce administrative costs, increase leveraging of funds and avoid duplication of enhanced services, this plan anticipates that the day-to-day services financed by the CBD will continue to be managed by the Downtown Oakland Association. CBD funds can be further leveraged by sponsorships from special events, contracts, grants, parking meter revenues and earned income. Administrative costs include:

- Accounting and annual financial review and/or audit
- Insurance
- Program support costs including supplies, equipment and rent
- Assessment collection cost from the City and County
- Other administration costs associated with the overhead and administrative support of programs.

A reserve is also budgeted to provide a contingency for unforeseen program needs and to provide a cushion for assessment delinquencies. Reserve funds can also be utilized to pay for costs associated with CBD renewal.

32.3% of the CBD budget is allocated to support economic and marketing initiatives, including program management, administration and reserve.

C. Plan Budgets

The total improvement and activity plan budget for the first year of the district is projected at \$2,044,550 with the following components:

| Budget Assumptions | CBD Budget | Less: General Benefit | Assessment TOTAL | % of Total |
|--|------------------|-----------------------|---------------------|---------------|
| Clean & Safe Enhancements | 1,385,000 | \$ 46,911 | \$ 1,338,089 | 67.7% |
| Marketing & Economic Enhancements | | | | |
| Economic Enhancements | 247,400 | | | |
| Special Project Fund | 50,000 | | | |
| Management & Admin | 247,400 | | | |
| City/County Fees 2.7% | 55,200 | | | |
| Sub-Total | 600,000 | | 600,000 | 29.3% |
| Reserve (3%) | 59,550 | | 59,550 | 3.0% |
| TOTAL | 2,044,550 | | 1,997,639 | 100.0% |

Non-assessment funding, such as special event sponsorships or other earned income, will need to be raised to cover the cost associated with general benefits from services.

Ten Year Operating Budget

A projected 10-year operating budget for the Downtown Oakland CBD is provided on the following page. Projections for the budget are based upon the following assumptions:

Total program revenue increases no more than 5% per year, the maximum allowed under the proposed annual budget adjustment to respond to program costs. Actual budgets may not increase 5% as recommended by the CBD Advisory Board (see Section VI below) and approved by the Oakland City Council.

- Revenues for specific activities within the general activity categories (i.e. Clean and Safe and Marketing and Economic enhancements) may be reallocated among specific activities from year to year based upon district needs and budgets developed by the DOA board of directors. Up to 10% of revenues may be moved between the Clean and Safe and Marketing and Economic Enhancement categories.

| Downtown Oakland CBD: | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Ten Year Operating Budget & Maximum Assessments | | | | | | | | | | |
| (Prepared by Progressive Urban Management Associates, May 1, 2018) | | | | | | | | | | |
| Assumption: | | | | | | | | | | |
| Assessment rates increase by a maximum of 5% each year. | | | | | | | | | | |
| Actual adjustments may be lower as determined by the Downtown Oakland Association board of directors. | | | | | | | | | | |
| ESTIMATED TEN YEAR OPERATING BUDGET | | | | | | | | | | |
| Activity | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Clean & Safe | 1,385,000 | 1,454,250 | 1,526,963 | 1,603,311 | 1,683,476 | 1,767,650 | 1,856,032 | 1,948,834 | 2,046,276 | 2,148,590 |
| Marketing & Economic Enhancements | 600,000 | 630,000 | 661,500 | 694,575 | 729,304 | 765,769 | 804,057 | 844,260 | 886,473 | 930,797 |
| Reserve | 59,550 | 62,528 | 65,654 | 68,937 | 72,383 | 76,003 | 79,803 | 83,793 | 87,982 | 92,382 |
| TOTAL | 2,044,550 | 2,146,778 | 2,254,116 | 2,366,822 | 2,485,163 | 2,609,421 | 2,739,893 | 2,876,887 | 3,020,732 | 3,171,768 |
| MAXIMUM ANNUAL ASSESSMENT RATES | | | | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Lot Square Footage | 0.1741 | 0.1828 | 0.1919 | 0.2015 | 0.2116 | 0.2222 | 0.2333 | 0.2450 | 0.2572 | 0.2701 |
| Building Square Footage | 0.0871 | 0.0915 | 0.0960 | 0.1008 | 0.1059 | 0.1112 | 0.1167 | 0.1226 | 0.1287 | 0.1351 |
| Linear Front Footage | 17.623 | 18.504 | 19.429 | 20.401 | 21.421 | 22.492 | 23.617 | 24.797 | 26.037 | 27.339 |
| Owner Occupied Residential (per livable sq.ft.) | 0.3150 | 0.3308 | 0.3473 | 0.3647 | 0.3829 | 0.4020 | 0.4221 | 0.4432 | 0.4654 | 0.4887 |
| MAXIMUM ANNUAL ASSESSMENT RATES: GOVERNMENT | | | | | | | | | | |
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Lot Square Footage | 0.1373 | 0.1442 | 0.1514 | 0.1589 | 0.1669 | 0.1752 | 0.1840 | 0.1932 | 0.2029 | 0.2130 |
| Building Square Footage | 0.0686 | 0.0720 | 0.0756 | 0.0794 | 0.0834 | 0.0876 | 0.0919 | 0.0965 | 0.1014 | 0.1064 |
| Linear Front Footage | 13.891 | 14.586 | 15.315 | 16.081 | 16.885 | 17.729 | 18.615 | 19.546 | 20.523 | 21.550 |

V. ASSESSMENTS

A. Assessment Methodology

To develop the CBD assessment methodology, the consulting team includes Kristin Lowell Inc., a registered professional engineer certified by the State of California. ***Additional information and justification for the assessment methods and adjustments are provided in the Engineer's Report, prepared by Kristin Lowell Inc. and provided as an Exhibit to the Management Plan.***

Service benefits are distributed to lot and building square footage and linear front footage through a "cost allocation" approach — the costs of specific services are allocated to the assessment variables that benefit most from services. As designed in the initial CBD plan from 2008, Lot and building square footage and linear frontage are the key variables for the assessment methodology:

- **Lot Square Footage and Linear Front Footage:** Lot square footage and linear front footage are utilized to assess the benefit of services to the ground level of properties.
- **Building Square Footage:** Building square footage is utilized to assess the benefit from services to buildings, including tenants, residents and employees thereby retaining and extending tenancies in buildings.

Service benefits are greater to ground floor uses since services will make sidewalks and the public realm cleaner, safer and more attractive. Acknowledging these greater benefits, the sum of lot, linear frontage plus building will effectively place more emphasis on the ground level of buildings.

Property Use Considerations: The methodology provides the following treatments for property used exclusively for residential condominiums and parking structures:

- **Treatment of Owner-Occupied Residential Condominiums and Government Property:** Owner-occupied residential condominiums and properties owned by government will receive full benefit from Environment Services (i.e. clean and safe) and will be assessed fully for them; however, owner-occupied residential condominiums and government parcels will not receive the same benefit as commercial parcels from Economic Enhancement Services (i.e. marketing, special events and economic development) because those uses are not engaged in commercial or customer attraction activities, thus their assessment will not include that portion of the assessment. All commercial and mixed-use parcels with owner-occupied residential condominium uses will be subject to an adjusted assessment rate for the residential square footage of that parcel. The commercial square footage for that type of parcel will be assessed at the assessment rate applied to all commercial parcels. Rental residential units (i.e. apartments) are considered income-producing commercial property and will be assessed at commercial rates, receiving full benefit from all PBID services.

The resulting adjustment for owner-occupied residential condominiums and government property is 78.83% of the full assessment rate, and includes the following assessment components:

| | Share of Full Commercial Assessment |
|--|-------------------------------------|
| Full Share of Clean & Safe Service Benefit | 67.74% |
| Proportional Share of Organization Budget | 9.11% |
| Proportional Share of Reserve | 1.97% |
| Total Adjusted Share of Commercial Rate | 78.83% |

- **Treatment of Parking Structures:** Parking structures receive different levels of benefit from CBD improvements and services based upon their use and ownership. Parking structures will be subject to one of the following methodologies:
 - a. Parking structure square footage that is integrated within and/or dedicated to a building, has the same ownership as the building, and the building has uses in addition to parking where parking is just an ancillary use, does not receive benefit from the CBD services and therefore square footage of the parking structure will not be assessed.
 - b. Stand-alone parking structures that are not ancillary to a building will receive the full benefit from CBD improvements and activities and will be assessed at standard assessment rates.

B. Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the Downtown Oakland Association. Property data is first obtained from the Alameda County Assessor's Office.. A list of properties included in the CBD is provided within the *Appendix*.

The assessment methodology is based on the following construct:

- Two-thirds (2/3) of the assessment is applied to lot and building square footage, and one-third of the assessment is applied to linear frontage.
- Lot square footage is assessed at twice (2x) the rate of building square footage.

Total Estimated Assessments: Based upon the methodology, property data and the proposed CBD budget, approximate lot and building assessments are calculated. Assessments will not exceed the following amounts during the first year of the renewed CBD:

| | Commercial Rates (including Rental Residential) | Government Rates | Owner-Occupied Residential Condominiums |
|-----------------------------|---|---------------------|---|
| Lot Square Foot | \$ 0.1741 | \$ 0.1373 | n/a |
| Building Square Foot | \$ 0.0871 | \$ 0.0686 | n/a |
| Linear Front Footage | \$ 17.623 | \$ 13.891 | n/a |
| Per Livable Sq. Ft. | n/a | n/a | \$0.315 |

To calculate an annual assessment, the preceding rates are applied to property data. The following examples offer a calculation for a commercial property and a residential condominium.

| Commercial Property | Dimension | Rate | Sub-Total |
|--------------------------------|-----------|--------|--------------------|
| Lot Square Footage | 5,000 | 0.1741 | \$ 870.50 |
| Building Square Footage | 10,000 | 0.0871 | \$ 871.00 |
| Linear Frontage | 100 | 17.62 | \$ 1,762.00 |
| TOTAL ANNUAL ASSESSMENT | | | \$ 3,503.50 |

| Owner- Occupied Residential Condominium | Dimension | Rate | Total |
|---|-----------|-------|-----------|
| Livable Square Footage | 2,000 | 0.315 | \$ 630.00 |

C. Assessment Adjustments

Annual Adjustment: Assessment rates may be adjusted for annual changes in programs costs, not to exceed 5%. Actual annual adjustments may range from a decrease of 5% to an increase of 5%. Assessment rates will not exceed the levels shown in the Ten Year Operating Budget and Maximum Assessment exhibit.

Budget Process: A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked by program. Prior year surpluses may be used as deemed necessary by the DOA board of directors based on the allocations described in the Management District Plan and subsequent annual reports submitted by the CBD Advisory Board to the City of Oakland and approved by the Oakland City Council. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners if one is not established, in accordance with the Streets and Highways (S&H) Code section 36671. However, pursuant to S&H Code section 36660, any excess funds can only be used to benefit the properties which paid them. Because the boundaries for the proposed Downtown Oakland CBD 2018 ("CBD 2018") are expanded compared to the boundaries of the Downtown Oakland CBD 2008 ("CBD 2008"), surplus funds paid by assesses under the CBD 2008 may not be spent on the expanded areas of the CBD 2018.

General Benefit Adjustment: The Downtown Oakland CBD's Engineer's Report has found that the CBD may provide general benefit (i.e. benefits to the general public or surrounding properties) that is intangible and unquantifiable. To account for any general benefit an adjustment has been established. Accordingly, \$46.911 (or 2.29%) must be funded by non-assessment revenue in the first year of the CBD, and a proportional amount in subsequent years. A detailed analysis is provided in Engineer's Report, attached as Exhibit A.

Time and Manner for Collecting Assessments: For taxable properties, CBD assessments appear as a separate line item on the annual Alameda County property tax bills. Any assessment on a property that does not receive a property tax bill from the County may be billed directly by the City. The CBD shall be responsible for pursuing delinquent assessments and for costs associated with collecting unpaid assessments.

Disestablishment: State law and the Oakland Municipal Code provide for the disestablishment of a CBD pursuant to an annual review process. Each year that the CBD is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay more than 50 percent (50%) of the assessments levied, the CBD may be disestablished. The City Council will hold a public hearing on disestablishing the CBD prior to actually doing so.

Issuance of Bonds: No bonds or other bonded debt is to be issued to finance activities and improvements envisioned in the Management District Plan. If the DOA decides to issue bonds or other bonded debt in the future, whether or not increases to the term and/or assessment rates as set forth in this Plan are proposed, revisions to the Management Plan will require new petition and mail ballot procedures.

VI. GOVERNANCE

Advisory Board

Prior to adopting a resolution establishing the Downtown Oakland CBD, the City Council shall appoint a CBD Advisory Board ("Advisory Board"), as outlined in Section 4.48.190 of the Oakland BIMD Ordinance. The Advisory Board 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. At least one member of the Advisory Board shall be a business licensee within the CBD who is not also a property owner within the CBD.

The Advisory Board determines budgets, assessment adjustments and monitors service delivery. The Advisory Board shall also prepare an annual report for each fiscal year, except the first year, for which assessments are to be levied (Oakland Municipal Code 4.48.200). Each annual report must be filed with the City Clerk. The City Council may approve the annual report as filed, or may modify any particulars contained in the report, and then approve it as modified (Oakland Municipal Code 4.48.200 (C)).

Management Corporation

The Downtown Oakland Association (DOA), a 501(c)3 California nonprofit corporation, will continue to be the management corporation and governing board for the renewed CBD. The role of the management corporation is consistent with similar CBDs and downtown management organizations throughout California and the nation. As part of the Management Plan, the DOA, working as the management corporation board, oversees the delivery of day-to-day CBD services in order to:

- Reduce overall administrative costs of the CBD;
- Leverage CBD funds with other resources, programs and capabilities provided by the Downtown Oakland Association;
- Eliminate the potential for duplication of enhanced services and activities;
- Ensure that Downtown is represented by a unified voice.

Pursuant to section 4.48.190(B) of the Oakland Municipal Code and the State of California CBD legislation, the DOA, when conducting CBD business, is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.

The DOA has configured its Board of Directors to represent all geographic areas and land uses within the CBD. The goal and spirit of the board's composition is to have a majority of Downtown property owners, but also include representatives from downtown businesses, residents and other entities that pay CBD assessments.

Board members are selected through a nominating process that invites all stakeholders to participate. A nominating committee develops an annual slate of board nominations, and nominations are voted on at an annual meeting of CBD ratepayers.