

2011 OCT 27 PM 1:05

AGENDA REPORT

TO: Office of the City Administrator  
ATTN: Deanna J. Santana  
FROM: Community and Economic Development Agency  
DATE: November 8, 2011

RE: Resolution of Intention To Levy An Annual Assessment For Fiscal Year 2012/2013 For The Rockridge Business Improvement District, Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board, And Scheduling A Public Hearing For December 6, 2011

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**SUMMARY**

Pursuant to Streets and Highways Code Section 36500 *et seq.* and the City of Oakland's Neighborhood Business Improvement District Program, a Resolution of Intention has been prepared to authorize the levy of an annual assessment for the Rockridge Business Improvement District (BID) for the upcoming 2012/2013 fiscal year, approving the annual report for the Rockridge BID and scheduling a public hearing for December 6, 2011.

State law requires that business-based BIDs receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its FY 2012/13 assessment City Council would need to adopt the attached Resolution of Intention to levy and to schedule a related public hearing. The public hearing must take place no less than 10 days and no more than 30 days after the adoption of the attached Resolution of Intention. Following the public input portion of the hearing, the City Council would then take final action regarding the proposed levy.

**FISCAL IMPACTS**

No fiscal impact is anticipated. The Rockridge BID (RBID) is a self-funded, self-administered entity. The RBID will pay all of its own operating costs and will be cost neutral to the City budget. If the levy is approved, the City of Oakland Finance and Management Agency (FMA) will conduct a special billing to collect the assessment and will remit the amount collected (minus the City's costs of collection) to a designated non-profit BID administrator.

Until disbursed, MBID assessments will be held in a special trust fund established by FMA on behalf of the district in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (88569)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID).

Item: \_\_\_\_\_  
Community and Economic Development Committee  
November 8, 2011

## BACKGROUND

On November 16, 1999, the City Council approved Resolution No. 75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program. This program is authorized by Section 36500 of the California Streets and Highway Code which allows for the establishment of local business improvement districts throughout the state. Pursuant to the above legislation Ordinance No.12301 C.M.S. was passed by City Council on November 28, 2000, to establish the Rockridge BID.

The BID model for economic development is also being successfully employed in the Fruitvale (established 2001, renewed in 2006 and 2011), Montclair (established 2001), Lakeshore/Lake Park (established 2002), Temescal (established 2004), Laurel (established 2005), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), and Downtown Oakland (established 2008) districts and in other commercial neighborhoods throughout the country.

BIDs seek to create both a stable cash flow and to incorporate all of the members of a business community into a productive and proactive entity representing the interests of that community. Revenues generated by BIDs are used to provide a variety of special benefit improvements and services beyond those already provided by the local municipality. Examples of BID-funded services include, but are not limited to, enhanced maintenance services, safety and security, marketing and promotions, and special events. These types of enhanced and supplemental services are intended to support increased sales and business tax revenues as well as increased job opportunities and to improve the vitality of affected commercial neighborhoods.

## KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the authorization to levy FY 2012/13 assessments for the Rockridge BID.

As for positive impacts, authorizing the continued collection of assessments for the district will provide the Rockridge BID an on-going funding source for enhanced safety and security, beautified physical appearance, and organized economic development and marketing activities within the district. These special benefit services are intended to improve the conditions and image of the affected BID and to support ongoing economic revitalization within the district. Reauthorization of the levy will also enable the Rockridge BID to continue serving as an effective self-help model for other Oakland business districts.

Item: \_\_\_\_\_

Community and Economic Development Committee  
November 8, 2011

## PROGRAM DESCRIPTION

The Rockridge BID encompasses approximately 368 businesses located in and around the Rockridge commercial area and estimates a fiscal year 2012/2013 budget of approximately \$120,000 all of which represents projected assessments to be collected in FY 2012/2013. If Council approves the FY2012/2013 levy for the Rockridge BID, assessments will be levied in accordance with the district management plan on file with the Office of the City Clerk and the attached Annual Report (*Exhibit A* to the Resolution of Intention) submitted by the Rockridge District Association, the district's City Council appointed advisory board. The annual report and district management plan set forth actions which will serve to attract business and improve the commercial climate within the district. Key aspects of these documents include enhanced sidewalk cleaning; enhanced public safety including online Merchant Alerts and private security services; beautified physical appearance including the installation and maintenance of decorative banners and benches; coordination with Bay Area Rapid Transit (BART) authorities to improve the Rockridge BART Plaza area; district-wide tree trimming, planting and replacement; special events such as spring and summer Jazz & Wine Festivals, Rockridge Out & About, and other seasonal events; provision of welcome services for new district businesses; and special marketing activities such as maintenance of a district website and advertising via SF Gate as provided for in *Exhibit A* to the attached Resolution of Intention.

The annual report indicates no changes in the boundaries of the business improvement district or in any benefit zones in the area. There is also no change in the original method and basis of levying the assessment. However, a new sub-classification is proposed to be temporarily added to the current business classifications. This adjustment is in response to feedback from business license holders earning annual gross receipts of \$25,000 or less. The proposed temporarily reduced assessment for these businesses will now be \$60 for the 2012/2013 assessment year. Otherwise, the concerned businesses must pay \$120 per year, but are eligible to apply for a reduced assessment (i.e., \$60) by submitting a hardship waiver request to the district. Consequently, each year district administrators devote substantial time to processing multiple waiver applications from low earning businesses. To reduce the administrative costs of processing multiple hardship waivers and to better respond to the stated needs of affected district businesses, the new sub-classification is proposed to be temporarily created for fiscal year 2012/2013. The sub-classification will only be applied in future years if requested and approved in the future annual reports and assessment resolutions.

## SUSTAINABLE OPPORTUNITIES

**Economic:** The proposed levy will fund activities which are intended to support the evenmal increase of property, sales, and business tax revenues as well as increased job opportunities and economic development of the Rockridge commercial district.

**Environmental:** The proposed levy will enable the Rockridge BID to continue its efforts to strengthen and beautify the physical image of the affected commercial neighborhood through

the delivery of special benefits such as enhanced sidewalk cleaning, installation and maintenance of attractive new banners and directional signage and holiday decorations intended to uplift and unify the district's appearance.

***Social Equity:*** BIDs 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.

## RECOMMENDATION AND RATIONALE

Adoption of the attached Resolution of Intention will support continued delivery of special benefit services within the Rockridge BID as outlined in the district's Annual Report (*Exhibit A* to the attached Resolution of Intention). Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the maintenance and image of their district which, in turn, supports its on-going economic development.

Additionally, because BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Rockridge BID. Consequently, the Rockridge BID should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the Resolution of Intention to levy an annual assessment for fiscal year 2012/13 for the Rockridge Business Improvement District, approving the annual report for the Rockridge Business Improvement District and scheduling a public hearing for December 6, 2011, during which City Council must take final action regarding the proposed levy.

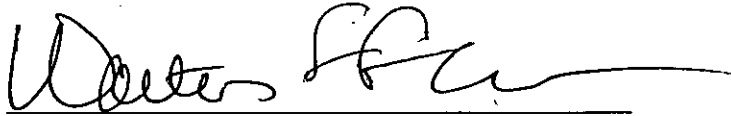
Item: \_\_\_\_\_

Community and Economic Development Committee  
November 8, 2011

**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the Resolution of Intention to levy an annual assessment for fiscal year 2012/2013 for the Rockridge Business Improvement District, approving the annual report of the Rockridge Business Improvement District advisory board, and scheduling a public hearing for December 6, 2011.

Respectfully submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:  
Gregory D. Hunter, Deputy Director  
Economic Development and Redevelopment

Prepared by:  
Maria Rocha, Urban Economic Analyst  
Economic Development/Business Development Services

**APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:**

  
Office of the City Administrator

2011 OCT 27 PM 1:05

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2012/13 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR DECEMBER 5, 2011**

**WHEREAS**, the State of California allows for the formation of business assessment districts under Street and Highways Code Section 36500 et seq.; and

**WHEREAS**, the business license holders in the Rockridge business district petitioned to form the Rockridge Business Improvement 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, beautification, and economic development 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 Rockridge Business Improvement District was established by the City Council on November 28, 2000, pursuant to Ordinance Number 12301; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, the Annual Assessment Report (attached as Exhibit A) ("Report") has been prepared by the Rockridge Business Improvement District Advisory Board and filed with the City Clerk; and

**WHEREAS**, state law requires that before the annual assessment for the Rockridge Business Improvement District is levied, the City Council must: (1) approve the Report, (2) approve a Resolution of Intention that declares the City's intention to collect the assessments, and (3) schedule a public hearing to be held on the levy of the proposed assessment ; and

**WHEREAS**, if the District assessments are approved and levied, they will be held (until disbursed) in a special trust fund established by the Finance and Management Agency on behalf of the District in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (88569)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID); now therefore be it

**RESOLVED:** that the Council of the City of Oakland does find and determine as follows:

1. The Rockridge Business Improvement District was established in the Rockridge area of the City of Oakland, California as a parking and business improvement area pursuant to Street and Highways Code section 36500 et seq. with the boundaries as specified in the Plan on file with the City Clerk.
2. The Annual Assessment Report for the District is hereby approved, and pursuant to Streets and Highways Code Section 36534, the City Council declares its intention to levy and collect the assessments for the 2012/13 fiscal year as provided for in the Annual Assessment Report and pursuant to the assessment formula as provided for in the Plan, if the requested assessments are approved by the City Council after the Public Hearing scheduled by this Resolution of Intention.
3. 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.
4. The types of the improvements and activities proposed to be funded by the levy of assessments on businesses in the area are those specified above in this Resolution and more specifically as described in the Plan and the Annual Assessment Report on file with the City Clerk. No substantial changes in the improvements or activities for the District are proposed to be made. Please refer to the Plan and Report on file with the City Clerk for a full and detailed description of the improvements and activities to be provided for the 2012/13 fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for the 2012/13 fiscal year.
5. The proposed method and basis of levying the assessments to be levied against each business in the District are those specified in the Plan and Annual Assessment Report on file with the City Clerk. For the fiscal year 2012/13 assessment a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a temporarily reduced fee for that assessment year of \$60. Such sub-classification is proposed to be temporarily created to reduce the number and expense of processing hardship partial fee waiver requests, and the reduced fee amount would not apply to future assessment years unless renewed in the annual assessment resolution for such future years.
6. A Public Hearing is set for December 6, 2011, to hear all public comments, protests, and take final action as to the levying of the proposed assessments for the District for the fiscal year 2012/13.
7. The City Clerk is directed to give notice of the Public Hearing by causing the Resolution of Intention to be published once in a newspaper of general circulation in the City of Oakland for not less than seven days before the Public Hearing.
8. At the Public Hearing the testimony of all interested persons for or against the proposed assessments will be heard and written and oral protests may be made.

The form and manner of protests shall comply with Sections 36524 and 36525 of the Streets and Highways Code.

9. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
10. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
11. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business.
12. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
13. If written protests are received by the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, the proposed assessment shall not be levied.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, \_\_\_\_\_.

**PASSED BY THE FOLLOWING VOTE:**

**AYES-** BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and  
PRESIDENT REID

**NOES-**

**ABSENT-**

**ABSTENTION-**

**ATTEST:** \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California



Exhibit A

(To the Resolution to Levy the FY 2012/13 Rockridge BID Assessment)

Rockridge Business Improvement District  
Annual Report To The City Of Oakland  
For The Fiscal Year 2012-2013

Pursuant to California Streets and Highways Code Part 6  
Parking and Business Improvement Area Law of 1989  
Chapter 3, Section 36533

**I. Proposed changes in the boundaries of the parking and business improvement area or in any benefit zone within the area.**  
There are no proposed changes to the boundaries of the Rockridge Business Improvement District

**II. Improvements and activities to be provided for in fiscal year 2012/2013.**

Please see the attached budget, which will outline the improvements and activities to be funded and provided in the upcoming fiscal year through Feb 28, 2013.

**III. Estimate of the cost of providing the improvements and activities for fiscal year 2012/2013.**

Please see attached budget.

**IV. Method and basis of levying the assessment.**

The fee structure for assessments will remain as previously approved, including the change in classifications of businesses by temporarily creating a sub-classification for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this sub-classification would pay an annual assessment fee of \$60.00.

**V. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.**

The district anticipates a carryforward of fiscal year 2011/12 funds of approximately \$20,000..

**VI. The amount of any contributions to be made from sources other than assessments levied.**

The Rockridge Business Improvement District will seek sponsorship funds for our promotional and beautification efforts.

**VII. Annual Renewal Notice.**

The annual notice will be mailed to all members in good standing on/before 10/12/11.

"Per council adoption of the Rockridge ordinance in November 2000, the Governing Council (Advisory Board) of the Rockridge BID shall annually 45 days before the anniversary of the establishment of the Rockridge Business Improvement District Ordinance give the assessees of the District written notice of their rights to disestablish the district and the process therefore, and shall report that they have done so each year in the annual report to the Council."

Please contact Henry C. Levy, Treasurer of the Rockridge Business Improvement District, should you have any questions regarding this report.

October 3, 2011

RDA, a Rockridge Business Improvement District  
Proposed Budget  
March 2012 to February 2013

Income

Gross BID Revenue	\$128,400
FY 2011/12 Carryover (Approx)	\$20,000
City of Oakland- Loan Repayment	(\$2,550)
City of Oakland- Collection Cost	(\$4,000)
City of Oakland- Noticing	(\$850)
<b>Total Available Income</b>	<b>\$141,000</b>

Expense

Organization Committee

Accounting & Legal	\$4,000
Board Meeting Expense	\$500
Insurance	\$2,500
Office Expense	\$1,500
Postage, Copy & Printing	\$500
Professional Administration -- Operations Mgr / Admin Assnt	\$52,000
Telecommunications	\$750

Total Organization Committee \$61,750

Marketing & Promotion Committee

Advertising & Graphics	\$2,000
Events	\$6,000
Marketing & Materials	\$6,550
Professional Services-Marketing	\$1,000
Storage & Rent	\$1,200
Web Design & Communication	\$2,500

Total Marketing & Promotion Committee \$19,250

Streetscape & Security Committee

Professional Services-Security	\$15,000
Streetcleaning Wages	\$10,000
Beautification-Streetscape Misc	\$15,000

Total Streetscape & Security Committee \$40,000

Contingency Fund \$20,000

Total Contingency Fund \$20,000

**Total Expense \$141,000**