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AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Rockridge BID Annual Report
and FY 2015-2016 Levy Approval

DATE: November 10, 2014

City Administrator
Approval

Date 11-24-14

COUNCIL DISTRICT: #1

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Confirming The Annual Report Of The Rockridge Business Improvement District Advisory Board And Levying The Annual Assessment For The Rockridge Business Improvement District For Fiscal Year 2015-2016

EXECUTIVE SUMMARY

Streets and Highways Code Division 18 (commencing with section 36500) requires that merchant-based business improvement districts (BIDs) receive approval from the City Council before levying each fiscal year's assessment. To enable the Rockridge BID to collect its Fiscal Year (FY) 2015-2016 assessment, the City Council would need to adopt the attached resolution confirming the district's annual report and levying the FY 2015-2016 assessment.

A public hearing and majority protest procedure must precede the City Council's consideration of the attached resolution. If owners of affected businesses that will pay fifty percent (50%) or more of the proposed assessments to be levied submit qualifying written protests on or before the public hearing date of December 9, 2014, then a majority protest has occurred.

If no majority protest exists, then the City Council may adopt the attached resolution. If, however, a majority protest exists, then the City Council cannot adopt the resolution to levy the FY 2015-2016 assessment and no further proceedings to levy the proposed assessment shall be taken for a period of one year.

In FY2015-2016, if the City Council approves the proposed assessment, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues, which is the same as in FY

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2014-2015. The annual report does not propose any changes to the boundaries of the district or to the method and basis of levying the assessment approved by the City Council for FY 2014-2015. The district advisory board is recommending a continued reduced annual assessment rate (from \$120 to \$60) for businesses that earn gross annual receipts of \$25,000 or less per year.

If the Council approves the proposed levy, assessments will be collected in accordance with the District Management Plan ("Plan") on file with the Office of the City Clerk, and the attached annual report (*Exhibit A* to the proposed resolution) submitted by the Rockridge District Association, the district's City Council-appointed advisory board. The Plan and annual report set forth actions intended to improve the commercial climate within the district. Key activities to be funded by the special assessment include, but are not limited to, enhanced cleaning, including sidewalk cleaning; enhanced public safety, including private security services; beautified physical appearance, including installation and maintenance of decorative banners and benches; special events such as spring and summer Jazz & Wine Festivals, Rockridge Out & About and other seasonal events; and special marketing activities such as internet advertising and maintenance of a district website.

OUTCOME

Adoption of the attached resolution confirming the annual report and levying the FY 2015-2016 Rockridge BID assessment would enable collection of next year's assessment and the ongoing operation of the district.

BACKGROUND/LEGISLATIVE HISTORY

Sections 36500 *et seq.* of California Streets and Highway Code provide for the formation of business and property-based assessment districts. Pursuant to this legislation, on November 9, 1999, the Oakland City Council approved Resolution No. 75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program to provide technical assistance to qualified stakeholder groups to explore the feasibility of forming a BID within their respective commercial neighborhood(s). Pursuant to these efforts, Ordinance No. 12301 C.M.S. was passed by the City Council on November 28, 2000 to establish the Rockridge BID. In November 2013 a Resolution of Intention (ROI) to levy the FY 2015-2016 assessment, approve the district's annual report, and schedule a related public hearing for December 18, 2012 was also adopted by City Council. Adoption of the ROI was a prerequisite to City Council's consideration of the attached resolution.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within the Montclair (established 2001), Fruitvale (established 2001, renewed in 2006 and 2011), Lakeshore/Lake Park (established 2002, renewed in 2012), Temescal/Telegraph Avenue (established 2004, renewed in 2014), Laurel (established 2005), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008),

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Downtown Oakland (established 2008) and Jack London (established 2013) commercial neighborhoods. BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States and designated international countries (e.g. Italy, South Africa, United Kingdom, etc.).

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 special benefits include, but are not limited to, enhanced maintenance, public safety, and marketing and promotion services within affected districts. Enhanced services of this type are intended to support increased sales and business tax revenues as well as increased job opportunities and economic vitality of affected commercial neighborhoods.

ANALYSIS

There is no anticipated adverse impact associated with the approval of the proposed resolution. Adoption of the attached resolution will enable collection of the FY 2015-2016 special assessment for the Rockridge BID. Special benefit services provided by the BID aim to support the economic vitality of the corresponding commercial neighborhood.

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 above-referenced BID. Given the approximate \$158,400 of special assessment funds that will be generated to support continued economic development within the affected district, the project merits consideration of City Council support.

The Rockridge BID encompasses approximately 360 businesses located in and around the Rockridge commercial area. The BID estimates an upcoming annual budget of approximately \$208,400, which includes \$158,400 of projected BID assessments to be collected in FY 2015-2016 and \$50,000 of prior year carry forward. The \$50,000 carry forward is to create a sinking fund for expenditures that do not occur annually but which require accumulation of funds over a period of 3 to 5 years (e.g. tree trimming, signage, banners, etc.). More information regarding the carry forward can be found in Section V of the annual report (*Exhibit A* to the attached resolution). For the fiscal year 2015-2016 assessment, a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a reduced fee for that assessment year of \$60 (instead of \$120). 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.

PUBLIC OUTREACH/INTEREST

To adopt the attached resolution, enabling legislation does not require City staff to conduct public outreach other than the required posting on the City's website. District stakeholders, however, did perform outreach necessary to secure advisory board consensus sufficient to generate the attached annual report and proposed FY 2015-2016 district budget (*Exhibit A* to the attached resolution).

COORDINATION

The City Administrator's Budget Office and Office of the City Attorney were consulted in the preparation of this report and/or its attachments and exhibits.

COST SUMMARY/IMPLICATIONS

No fiscal impact is anticipated to the City. The Rockridge BID (RBID) is a self-funded, self-administered entity.

However, although there are no direct fiscal impacts to the City's budget resulting from approval of the FY 2015-2016 Rockridge BID assessment levy, there are indirect costs associated with the general administration of the citywide BID program which include, but are not limited to, activities such as compliance with legislative reporting requirements, technical assistance to existing districts, coordination of proposed new district formations, coordination of annual levy approvals, public hearings, and required legal noticing. Such indirect costs are covered in the Department of Economic and Workforce Development's budget.

The proposed special assessment district will pay its own operating and administrative costs, including costs for assessment collections and disbursements.

If the levy is approved, the City of Oakland will conduct a special billing to collect the assessment and will remit the amount collected (minus the City's costs of collection) to the Rockridge District Association, the district's designated non-profit administrator.

Until disbursed, RBID assessments will be held in a special trust fund established by FMA on behalf of the district in Miscellaneous Trusts Fund (7999)/Economic Development Org (85411)/Pass Thru Assessments Account (24224)/Undetermined Project (000000)/Rockridge BID Program (RBID).

SUSTAINABLE OPPORTUNITIES

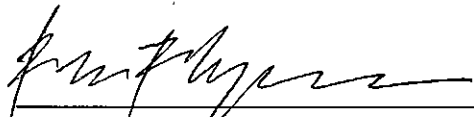
Economic: BID assessments will fund activities which are intended to support the eventual increase of sales and business tax revenues, as well as, increased job opportunities and ongoing economic development of the affected commercial districts.

Environmental: Receipt of ongoing special assessment revenue streams will enable applicable districts to continue efforts to strengthen and beautify the physical image of the affected commercial neighborhoods by providing special benefit services such as litter pickup, sidewalk steam cleaning, landscaping, public art, directional signage and public safety capital improvements.

Social Equity: The concerned special assessment districts will incorporate members of the affected commercial neighborhood into a productive and proactive entity representing the interests of that community. Stakeholders themselves will continue to be responsible for administering revenues generated by the district which contributes to community self-empowerment and the furtherance of an additional social equity model.

For questions regarding this report, please contact Maria Rocha, BID Program Coordinator, at 510-238-6176.

Respectfully submitted,



Rachel Flynn, Acting Director
Department of Economic and Workforce Development

Reviewed by:
Aliza Gallo, Economic Development Manager

Prepared by:
Maria Rocha, BID Program Coordinator

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Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2015-2016

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 special benefit services such as enhanced security, beautification, sidewalk sweeping, 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 No. 12301 C.M.S.; and

WHEREAS, pursuant to Streets and Highways Code Section 36533, the Rockridge Business Improvement District Advisory Board has prepared and filed with the City Clerk, the Annual Assessment Report (attached **Exhibit A**) ("Report"), which contains the required particulars including a detailed description of the improvements and activities to be provided for the 2015-2016 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 2015-2016 fiscal year; and

WHEREAS, the City Council desires to confirm the Report, and levy the annual assessment for the Rockridge Business Improvement District for fiscal year 2015-2016; and

WHEREAS, on November 18, 2014, the City Council Adopted a Resolution of Intention to levy the fiscal year 2015-2016 assessment, approve the district's annual report, and schedule a related public hearing for December 9, 2014, as required by Government Code section 36534; now therefore be it

RESOLVED: that the Council of the City of Oakland does hereby 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. Pursuant to Streets and Highways Code Section 36535, a Public Hearing was held on December 9, 2014, 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 2015-2016. The City Council finds that there was no majority protest as defined in the Street and Highways Code Section 36500 *et seq.*
3. The Annual Assessment Report for the District is approved and confirmed.
4. The City Council approves and adopts the 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 2015-2016 fiscal year as provided for in the Annual Assessment Report in accordance with the assessment formula as provided for in the Plan and Annual Assessment Report.
5. The proposed method and basis of calculating 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 2015-2016 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 (instead of the \$120 fee). 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. The time and manner of collecting assessments shall be at the same time and in the same manner as for the annual business tax billings and may provide for the same penalties for delinquent payment. The City may use the same process and procedures for the collection of delinquent assessments as it uses to collect delinquent business tax billings or such other processes and procedures as are convenient to complete such collection and may reimburse itself out of the proceeds collected for the costs of such collection. The assessments shall be coordinated with the City of Oakland's annual business tax billing cycle, and shall

be included along with the annual business tax notifications, or in a supplemental notice following thereafter if, for any reason, they are not ready or cannot be included along with the business tax notices. Supplemental notices shall be permissible for new businesses or for correction or supplementation of prior notices.

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 businesses in the area are those described in the Plan and the Annual Assessment Report on file with the City Clerk. There are no substantial changes in the improvements or activities for the District.
9. Until disbursed, BID assessments will be held in a special trust fund established by the City on behalf of the Rockridge Business Improvement District in: Miscellaneous Trusts Fund (7999), Economic Development Organization (-85411), Pass Thru Assessments Account (24224), Undetermined Project (0000000), Rockridge Business Improvement District Program (RBID).
10. The City Administrator is hereby authorized to enter into annual contracts and related amendments for the security, marketing, maintenance, or other activities and improvements for the District, or to conduct or contract for such services and improvements as provided for in the State of California Streets and Highways Code Section 36500 *et seq.*

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

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 2015-2016 Rockridge BID Assessment)

**Rockridge Business Improvement District
Annual Report To The City Of Oakland
Relating to the Fiscal Year 2015-2016**

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 2015-2016

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, 2016.

III. Estimate of the cost of providing the improvements and activities for fiscal year 2015-2016

See attached budget.

The RDA has expenses that do not recur on an annual basis. Examples are Tree Trimming, Surveillance Cameras, Banners, Signage. Currently we have bids for 30K for trees, 20K for cameras and 15K for Banner additions and replacements. These items will recur every 3-5 years and funds for these and similar expenditures will be reserved/accumulated in a Capital Projects line item under the existing Streetscape and Security program category.

IV. Method and basis of levying the assessment.

The fee structure for assessments will remain as previously approved, including 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. This is not a property based district, therefore property owners are not assessed.

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

Our fiscal year ends on 2/28. The first disbursement of assessments occurs on 4/30. Funds have been kept to cover recurring expenses for March and April.

Additionally, in 2011 we were concerned with the declining economy and unsure of the amount of assessment that would be coming in. In 2013 we discovered that many of our businesses were not receiving assessment bills - over 50 businesses, many for the past 4 years. With improved economy and improved tracking of assessed businesses we have found ourselves with additional funds. These are the reasons for the projected \$50K carryforward which will be spent on Tree Trimming/Surveillance Cameras/ Signage/Banners and the like. We anticipate similar carryforwards in future years to cover the types of Capital Project expenditures described above that do not occur annually but which require accumulation of funds over a period of 3-5 years.

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.

This year City Council is approving an amendment to this requirement. Starting in 2014 the notice has to be sent

every 5 years. The notice will be sent again in 2018 as the last notice was sent in 2013. Section 12 of the amended Ordinance 12301 C.M.S. now states:

The Governing Council (Advisory Board) of the Rockrdige BID shall annually 45 days before the anniversary of the establishment of Rockridge Business Improvement District Ordinance give the assesseees of the District written notice of their rights to seek disestablishment of the district and the process therefore. Commencing with the year 2014, said notice shall no longer be required annually, but shall be given once every five years, with the next notice to be sent 45 days before the District's formation anniversary in the year 2018. In their annual report to Council, the Advisory Board shall report that they have provided this notice.

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

October 16, 2014

Rockridge District Association, for the Rockridge Business Improvement District

Proposed Budget

March 2015 to February 2016

Gross BiD Revenue	\$158,400
City of Oakland- Collection Cost	-\$2,400
City of Oakland- Noticing	-\$1,100
Carryforward	\$50,000
Total Income	\$204,900
Expense	
Organization	\$62,000
Marketing & Promotion	\$34,000
Streetscape & Security	\$58,900
Capital Projects	\$50,000
Total Expense	\$204,900



The RDA continues to strive to build bridges with the Oakland Police Department, the Public Works Department, and neighborhood groups. Over the past year our ties and partnerships with the Oakland Police Department have grown stronger in an effort to reduce overall crime here in the area. We have been working with Public Works to reduce blight issues. This includes an ongoing effort by the BID to remove tagging and report illegal dumping. We have employed a cleaning crew to augment our ongoing efforts to maintain an immaculate district for everyone's enjoyment, and the board will be awarding a contract for tree maintenance, planting, and trimming within our district boundaries. We do this as stewards of the Avenue, for safety as well as aesthetics, since this financial burden has been shifted from the city to the BID.

We have met with the Rockridge Community Planning Council to promote the shopping district in order to benefit the neighborhood on all levels, and we are working with the RCPC on quality-of-life issues impacting this community. The RDA has dedicated a larger than usual percent of business fees to advertising and marketing as a benefit to our merchant population. We have also instituted ongoing monthly web marketing classes for our members so that they can learn how to promote their businesses online as well as helping BID businesses by providing online recruiting for their vacant positions.

The RDA is working on our Street Festival Out and About, which will be Sunday, October 12th. In an effort to bring a new dimension to the festivities, the RDA has hired Stephen Tiffin and Samee Roberts of Shasta Productions to create this year's event. We are working with the RCPC to organize the Halloween Parade to once again build community in the Rockridge neighborhood. As we've done in past years, we will be producing Rockridge in the Snow as an annual promotion to jump start the holiday shopping season.

The increase in crime earlier this year demanded attention thus the district brought in private security at significant cost. The expense helped calm fears not only for our members but the community at large. The RDA is in the process of exploring CCTV for four key areas on the Avenue to assist OPD in helping bring an even higher level of safety to our area. At district expense of some \$14,000, we had decomposed granite placed in the open tree wells to help eliminate this serious safety issue as well as to create wider pedestrian pathways. We continue promoting the district to bring in new business, and rumor has it that a hardware store will soon be opening. Such a store is something that we believe is needed and wanted by the community and will help make our district even more attractive.

We are working closely with AC transit on the layout of the changes to the 51 bus line to minimize the negative impact on parking for our businesses. We worked closely with our merchants to help mitigate the parking at the new Safeway construction project and will continue to be involved. The RDA continues its close working relationship with Claremont Middle School by sponsoring a fund-raiser, a pancake breakfast, providing badly needed funds for the PTA. Work with school staff reduces friction between students, our businesses, and neighbors.

Rockridge District Association, a Rockridge Business Improvement District

5435 College Ave Ste 200 ▪ Oakland ▪ CA 94618
▪ Phone 510-604-3125 ▪
chris@rockridgedistrict.com ▪ www.rockridgedistrict.com

**Rockridge District Association a RBID
Board 2013-2014**

	Board Member Name:	OY	Business:	Business Address:	Phone:(510)	Email Address.
1	Beverly McArthur	2006	First Federal Savings & Loan	6058 College	652-9500	mcarthurbeverly35@yahoo.com
2	Henry Levy	2003	Hank Levy Group, CPA	5940 College	652-1000	hank@hlccpa.com
3	Joyce Gardner	2006	FIT	5707 College	923-0784	fitclothing@att.net
4	Louise Rothman-Riemer	1999	DHR Investment Counsel	5435 College Ste 200	596-2580	louise@dhrcounsel.com
5	Susan Bernosky	2006	Strahan Ins Svcs Inc	5940 College	450-9050	susan@susanbernosky.com
6	Veronica Bhonsle	2005	VERO	6052 College	985-0406	vbhonsle@aol.com
7	Maggie Klein	2013	Oliveto	5655 College	547-5356	maggie@oliveto.com
8	Laurie Field	2013	Lauren G Field	5332 College Ste100	658-2525	laurenfield@gmail.com
9	Robin Pennell	2013	Jarvis Architects	5278 College Ave	654-6755	rpennell@jarvisarchitects.com
10	Open					