



# AGENDA REPORT

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

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

**SUBJECT:** Montclair BID Annual Report and  
Intention to Levy FY 2022-2023  
Assessment

**DATE:** October 21, 2021

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City Administrator Approval 

Date: Nov 2, 2021

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Montclair Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2022-2023 For The Montclair Business Improvement District; And 3) Scheduling A Public Hearing For December 7, 2021.**

## **EXECUTIVE SUMMARY**

State enabling legislation requires that merchant-based business improvement districts (BIDs) receive City Council approval before levying each fiscal year's assessment. Adoption of the recommended Resolution of Intention to levy an assessment and scheduling of a related Public Hearing will enable the Montclair BID to collect its fiscal year (FY) 2022-2023 assessment. The attached resolution also approves the Montclair BID's annual report to the City.

If the proposed assessment is approved, the Montclair BID will generate an estimated \$88,000 of special assessment revenues in FY 2022-2023. Funds will be used to pay for special benefit services outlined in the Montclair BID Management Plan (Plan) on file with the Office of the City Clerk and the annual report and budget attached as **Exhibit A** to the Resolution of Intention, prepared and submitted by the Montclair Village Association, the district's City Council-appointed advisory board for the Montclair BID. Key services include, but are not limited to, enhanced cleaning and public safety services, district beautification, including installation and maintenance of decorative banners and benches, and marketing and promotion activities, including special seasonal events.

## **BACKGROUND / LEGISLATIVE HISTORY**

### 1. BID formation and purpose:

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 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, the City Council adopted Ordinance No. 12378 C.M.S. on November 27, 2001 to establish the Montclair BID.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within Rockridge (established 2000), Lakeshore/Lake Park (established 2002, renewed in 2012), Temescal/Telegraph Avenue (established 2004, renewed in 2014), Laurel (established 2005, renewed in 2015), Koreatown/Northgate (established 2007, renewed in 2017), Lake Merritt/Uptown (established 2008, renewed 2018), Downtown Oakland (established 2008, renewed 2018), Jack London (established 2013, renewed in 2018), and Chinatown (established 2021) commercial neighborhoods. BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States.

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, as well as 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 the BID's affected commercial neighborhoods.

### 2. BID annual report requirements:

Pursuant to California Streets and Highways Code, Section 36533(a) BIDs are required to provide an annual report for each fiscal year for which assessments are to be levied and collected. The report may propose changes to the boundaries of the district, the basis and method of levying the assessment, and any changes in the classification of businesses.

The Montclair BID FY 2021-2022 annual report and budget is included as **Exhibit A** to the attached Resolution of Intention. It does not propose any changes to the boundaries of the district nor to the method and basis of levying the assessment approved by the City Council for FY 2021-2022.

### 3. BID annual assessment approval process:

Streets and Highways Code Division 18 (commencing with section 36500) also requires that merchant-based BIDs receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Montclair BID to collect its FY 2022-2023 assessment, City Council would need to adopt the attached Resolution of Intention to levy and schedule a related Public Hearing. The Public Hearing must take place no less than 10 days after the

adoption of the attached Resolution of Intention. Following the public input portion of the hearing, City Council would then take final action on the proposed assessment.

The Montclair BID encompasses approximately 218 businesses located in and around the Montclair commercial area and estimates an upcoming annual budget of approximately \$92,268, of which \$88,000 represents projected assessment revenues in FY 2022-2023, and \$4,268 of which represents private donations, as indicated in **Exhibit A** to the attached resolution.

The billing period for the proposed assessment will be January 1, 2022, through December 31, 2022; however, services to be paid for by the above billing and collections will be provided on a March 2022 through February 2023 fiscal year basis, per the annual report and budget attached as **Exhibit A** to the Resolution of Intention.

As mentioned, if the City Council approves the proposed FY 2022-2023 assessment, the Montclair BID will generate an estimated \$88,000 of special assessment revenues, which is equal to the amount projected in FY 2021-2022. The assessment is based on two variables which include business gross receipts and business type. If approved, the assessments for FY 2022-2023 will be collected and expended in accordance with the Plan on file with the Office of the City Clerk and the district's annual report and budget (attached as **Exhibit A** to the Resolution of Intention), submitted by the Montclair Village Association, the district's City Council-appointed advisory board.

## **ANALYSIS AND POLICY ALTERNATIVES**

There is no anticipated adverse impact related to adoption of the attached Resolution of Intention; however, there would be a negative impact to the district if the attached Resolution of Intention is not adopted, since adoption of the attached Resolution of Intention is a condition precedent to final approval of the Montclair BID FY 2022-2023 assessment levy. Without a new infusion of assessment funds in the upcoming fiscal year, special benefit services paid for by the assessments would be curtailed or terminated in FY 2022-2023. However, if City Council approves the attached Resolution of Intention, then a related public hearing will be scheduled for December 7, 2021, after which City Council may decide whether to give final approval to the Montclair BID FY 2022-2023 assessment levy. If the levy is approved, then special benefit services in the district will continue uninterrupted in FY 2022-2023.

Staff is currently unaware of any policy alternatives or alternate funding sources that could replace the estimated \$88,000 of Montclair BID assessment revenues during fiscal year 2022-2023, if the levy were not approved by City Council.

Therefore, because the Montclair BID is self-funded and self-administered and because assessment revenues generated by the district pay for special benefit services which constructively support the image, safety and economic development of the related neighborhood commercial district at no additional cost to the City, staff recommends that City Council adopt the attached Resolution of Intention to levy the Montclair BID FY 2022-2023 assessment. This resolution advances the Citywide Priorities of **housing, economic and cultural security** and **vibrant, sustainable infrastructure**.

### **FISCAL IMPACT**

No direct fiscal impact or cost is anticipated to the City from this item. The Montclair BID is a self-funded, self-administered entity. 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 Montclair Village Association, the District's designated non-profit administrator. Until disbursed, Montclair BID assessments will be held in a special trust fund established by the Finance Management Bureau on behalf of the district in Miscellaneous Trusts Fund (7999), Economic Development Organization (85411), Pass Thru Assessments Account (24224), DP850 Administrative Project (1000019), Montclair BID Program (MBID).

### **PUBLIC OUTREACH / INTEREST**

Montclair BID representatives performed outreach necessary to secure advisory board consensus sufficient to generate the district's required annual report and proposed FY 2022-2023 budget, attached as **Exhibit A** to the Resolution of Intention.

### **COORDINATION**

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

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Montclair BID assessments will fund activities which are intended to support the increase of sales and business tax revenues, as well as increased job opportunities and on-going economic development of the affected commercial district.

**Environmental:** Special assessment BID revenues will enable the Montclair BID to continue efforts to strengthen and beautify the physical image of its commercial neighborhood by providing special benefit services such as litter pickup, sidewalk cleaning, landscaping, holiday decorations, coordinated private security and public art.

**Race & Equity:** BIDs enhance the ability of all business or property owners who pay into the district to democratically participate in shaping their shared environment through public safety, marketing and beautification efforts. As such, the Montclair BID stakeholders themselves administer and decide upon the use of special assessment revenues generated by the district. This model supports community self-empowerment which, in turn, supports aspects of social equity.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Montclair Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2022-2023 For The Montclair Business Improvement District; And 3) Scheduling A Public Hearing For December 7, 2021.

For questions regarding this report, please contact Eric Simundza, Urban Economic Analyst III, at 510-238-6249.

Respectfully submitted,



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ALEXA JEFFRESS

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