

REDEVELOPMENT AGENCY AND

FILED
OFFICE OF THE CITY CLERK
OAKLAND

THE CITY OF OAKLAND

AGENDA REPORT

2011 MAR 29 PM 4: 55

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: April 12, 2011

RE: A City Resolution Authorizing The City Administrator To Sign The Petition For The Three (3) City-Owned Properties On Which Assessments Are To Be Levied (APN 025-0722-026-00, APN 033-2130-035-02, And APN 033-2135-026-02) To Support The Formation Of The Fruitvale Property Business Improvement District Of 2011; And

An Agency Resolution Authorizing The Agency Administrator To Sign The Petition For The Four (4) Agency-Owned Properties On Which Assessments Are To Be Levied (APN 032-2115-037-01, APN 025-0719-007-01, And APN 025-0690-008-01, APN 032-2084-051-00) To Support The Formation Of The Fruitvale Property Business Improvement District Of 2011

SUMMARY

The attached resolutions authorize the City/Agency Administrator to sign petitions of support for the proposed formation of the Fruitvale Property Business Improvement District (PBID) of 2011. The petitions represent approximately 5% of total projected assessments for the proposed district and will assist the district in reaching the petition threshold required to initiate a related special election to advance district formation efforts. Accordingly, pursuant to the City of Oakland's 1999 Property Business Improvement Management District (BIMD) Ordinance (Ord. No. 12190 C.M.S.), property owners collectively representing a minimum 30% of projected assessments must sign a petition of support before a Resolution of Intention to establish a proposed district can be adopted.

Adoption of the Resolution of Intention will initiate a formal balloting of all property owners to vote on the proposed special assessment district. Ballots will be mailed to each affected property owner and a public hearing will be scheduled for July 2011 (i.e. not less than 45 days after passage of the Resolution of Intention). At the public hearing ballots will be tallied and the City Council will hear public testimony before making a decision on the formation of the proposed Fruitvale Property Business Improvement District (PBID) of 2011. Formation of the district requires that a weighted majority (more than 50%) of those responding be in favor of the assessment.

Item _____
Community and Economic Development Committee
April 12, 2011

The Fruitvale PBID of 2011, if established, will generate special assessment funds of approximately \$324,713 per year for a ten year period to pay for services outlined in a district Management Plan to be drafted by district representatives. The Plan will include enhanced cleaning, marketing and promotion activities within the Fruitvale commercial district.

FISCAL IMPACTS

If the Fruitvale PBID of 2011 is established, the City and Agency will be obligated to pay their fair share of assessments on City and Agency-owned property within the proposed district in an amount not to exceed approximately \$141,599 for City property and \$62,501 for Agency property, both paid out over a period of ten years (i.e. at an average rate of approximately \$11,258 to \$14,160 per year and \$4,969 to \$6,250 per year, respectively) as follows:

FY11/12	FY12-13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21
City 11257.76	11820.65	12411.68	13032.26	13683.88	14368.07	15086.48	15840.8	16632.84	17464.48
Agency 4969.12	5217.58	5478.45	5752.38	6040.00	6342.00	6659.10	6992.05	7341.65	7708.74

The above table accounts for a proposed discretionary 5% annual increase in years two through ten of the district. Any percentage increase must be recommended by the district’s advisory board and approved by City Council.

Funds to pay the FY 11/12 City assessments will be budgeted to the General Purpose Fund (1010), Business Development organization (88559), Taxes and Assessments account (53511), Business Improvement District (BID) project (C138410), Business Creation, Attraction and Retention program (SC11).

Funds to pay the FY 11/12 Agency assessments will be budgeted to the Oakland Redevelopment Agency (9540), Central City East Redevelopment (88699), Taxes and Assessments account (53511), Central City East Redevelopment (S233310), Undetermined Program (0000).

Staff will make recommendations regarding any new appropriations that may be required to fund the new financial obligations during subsequent budget development cycles.

The City-owned properties within the proposed PBID are Josie de la Cruz Park (APN 025-0722-026-00), Fruitvale Plaza Park at 3500 International Boulevard (APN 033-2130-035-02), and APN 033-2135-026-02.

The Agency-owned properties within the proposed PBID are 3566 Foothill Boulevard (APN 032-2115-037-01), 3600 Foothill Boulevard (APN 032-2084-051-00), 3050 International Boulevard (APN 025-0719-007-01), and 3053 International Boulevard (APN 025-0690-008-01).

Under Proposition 218, government-owned properties are not exempt from property-based assessments. This is because public as well as private properties are expected to derive distinct benefits from the activities of the district.

If the levy is approved, the City's Treasury Division will bill tax exempt entities not on the County of Alameda's property tax roll. For taxable properties within the district, the County of Alameda will add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected less the County's collection fee (approximately 1.7% of total assessment) to the City. The City, in turn, will disburse the funds to the district, pursuant to a written agreement between the City and the district's non-profit management corporation, less the City's costs of administration.

Lastly, if the Fruitvale PBID of 2011 succeeds, program guidelines state that the City is expected to maintain a base level of service within the PBID equivalent to the level prior to establishment of the assessment district. Maintaining baseline services, however, commits no additional City funds to the district beyond what already exists. Reductions may occur in keeping with proportional adjustments throughout the city resulting from changes in the City's overall financial condition.

BACKGROUND

In 1999, the City Council approved the Oakland Property Business Improvement District Ordinance (Ord. No. 12190 C.M.S.), legislation which allows for the formation of property-based assessment districts to undertake a range of services within the assessment area, independent from government, to further the development and economic viability of the area.

Also in 1999, Oakland City Council authorized the initiation of the Neighborhood Business Improvement District (NBID) Program to assist neighborhood representatives in their attempts to establish business and property-based assessment districts. In the fall of 2010 the non-profit management corporation in charge of administering the existing Fruitvale PBID, the Unity Council, hired Civitas Advisors, a BID consultant firm, to assist with the renewal of the Fruitvale PBID, due to expire in July 2011.

Securing supportive petitions signed by property owners representing 30% or more of total projected assessments is the first formal threshold in the process of district formation. If

enough petitions can be secured, then the district may proceed to the formal ballot process and public hearing required to achieve final district establishment.

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the formation and operation of the Fruitvale PBID of 2011. However, if formation succeeds the City and Agency must pay their fair share of assessments on City and Agency-owned property within the district. Payments of these assessments, as described above, will leverage about nineteen times as much in private dollars over the ten year life of the district and, therefore, represents a strategic and productive investment of public funds.

Additional positive impacts include an ongoing private funding source for enhanced cleaning, marketing and promotions to support the economic development of the Fruitvale district. Accordingly, formation of the proposed PBID will enable the district to serve as a positive self-help model for other Oakland business districts.

PROGRAM DESCRIPTION

The proposed Fruitvale PBID of 2011 encompasses approximately 258 parcels. The boundaries of the proposed district would include all parcels along Fruitvale Avenue from E. 12th to Foothill Boulevard, on Foothill Boulevard from Fruitvale Avenue to High Street, on International Boulevard from 29th to 42nd, and on E. 12th Street from 33rd to 35th Avenue. Assessments are based on lot size and by law must be in proportion to the anticipated benefit received by each property.

It is anticipated that the Fruitvale PBID of 2011 will generate approximately \$324,713 of assessment funds per year. Allowing for a 5% discretionary increase per year in assessment billings this represents approximately \$4.08 million of special assessment funds to be collected over the ten year life of the district. These funds will be used to pay for services outlined in the Fruitvale PBID Management Plan, developed through a series of meetings with affected property owners. The plan sets forth actions which are intended to improve the commercial climate within the district. Key aspects of the service plan include cleaning, marketing and promotions.

The Fruitvale PBID of 2011 will continue to use the Unity Council to handle district operations. A City-appointed advisory board will also be charged with monitoring service delivery within the district and submitting annual service plan reports, including budgets, to the City. The board is required to have at least one member who is a business licensee within the district who is not also a district property owner.

SUSTAINABLE OPPORTUNITIES

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

Environmental: The proposed levy will enable the Fruitvale PBID of 2011 to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the implementation of services such as enhanced sidewalk cleaning to uplift the district's appearance.

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

DISABILITY AND SENIOR ACCESS

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

RECOMMENDATION(S) AND RATIONALE

Adoption of the attached resolution will support the formation of the Fruitvale PBID of 2011 and its planned activities. The formation of the Fruitvale PBID of 2011 represents a proactive effort on the part of private property owners within the district to improve the conditions and image of their area and to productively participate in its economic revitalization. This initiative presents a positive model for other neighborhood commercial areas.

Additionally, because PBIDs are self-initiated, self-funded, and self-administered, there are no anticipated fiscal impacts for the City or Agency associated with formation of the Fruitvale PBID beyond the total projected amount of \$204,100 to pay the City and Agency's share of assessments over a ten year period (\$141,599 from the City and \$62,501


from the Agency). This amount compared to the approximate \$3.88 million of private dollars it would leverage seems a strategic and reasonable investment of public resources.

Staff recommends that the City Council approve the attached resolution intended to support the continued formation of the proposed Fruitvale PBID of 2011.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff requests that the Council approve the City resolution authorizing the City Administrator to sign the petition for the three (3) City-owned properties on which assessments are to be levied (APN 025-0722-026-00, APN 033-2130-035-02, and APN 033-2135-026-02) to support the formation of the Fruitvale Property Business Improvement District of 2011; and to approve the Agency resolution authorizing the Agency Administrator to sign the petition for four (4) Agency-owned properties on which assessments are to be levied (APN 032-2115-037-01, APN 025-0719-007-01, and APN 025-0690-008-01, APN 032-2084-051-00) to support the formation of the Fruitvale Property Business Improvement District of 2011.

Respectfully submitted,



Walter S. Cohen, Director

Community and Economic Development Agency

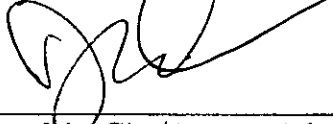
Reviewed by:

Gregory D. Hunter, Deputy Director
Economic Development and Redevelopment

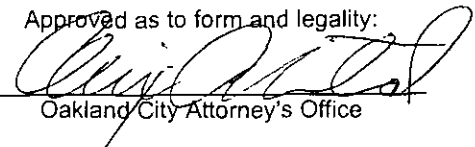
Prepared by:

Maria Rocha, Urban Economic Analyst
Economic Development – Program Unit

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



Office of the City/Agency Administrator


Oakland City Attorney's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 MAR 29 PM 4:55

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE PETITION FOR THE THREE (3) CITY-OWNED PROPERTIES ON WHICH ASSESSMENTS ARE TO BE LEVIED (APN 025-0722-026-00, APN 033-2130-035-02, AND APN 033-2135-026-02) TO SUPPORT THE FORMATION OF THE FRUITVALE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2011.

WHEREAS, the City Council approved an Oakland Business Improvement Management District Ordinance (Ord. 12190, 1999) delineating procedures and policies for the formation of a property assessment district within the City of Oakland; and

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

WHEREAS, the City has adopted a policy encouraging the formation of Business Improvement Districts; and

WHEREAS, pursuant to the requirements of the Oakland Business Management District Ordinance stakeholders in the Fruitvale district desire to gather petitions of support signed by property owners representing 30% of the projected assessments for the proposed Fruitvale Program Business Improvement District 2011 (hereinafter "District"); and

WHEREAS, the above threshold of petitions must be secured to continue the District formation process; and

WHEREAS, the District includes three (3) City-owned properties on which assessments are to be levied (APN 025-0722-026-00, APN 033-2130-035-02, and APN 033-2135-026-02) which gives the City the right to sign a petition in support of District formation; and

WHEREAS, this resolution clarifies the City Administrator's authority to sign the petition on behalf of the City of Oakland; and

WHEREAS, if the District is established, the assessments will take place on a yearly basis for the ten-year life of the District; and

WHEREAS, if the District is established, the maximum total assessment amount over the ten-year life of the district for the three (3) City-owned properties is approximately \$141,599; and

WHEREAS, funds to pay the FY 11-12 assessments have been budgeted to the General Purpose Fund (1010), Business Development (88559), Taxes and Assessments account (53511), Business Improvement District (BID) project (C138410), Business Creation, Attraction, Retention (SC11); and.

WHEREAS, these assessments are to be made in accordance with the provisions of Proposition 218 and the Oakland Business Improvement Management District policy referenced above; **NOW, THEREFORE**, be it:

RESOLVED: That the City Council hereby authorizes the City Administrator to execute the petition for the three (3) City-owned properties on which assessments are to be levied (APN 025-0722-026-00, APN 033-2130-035-02, and APN 033-2135-026-02) to support the formation of the Fruitvale Property Business Improvement District of 2011.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

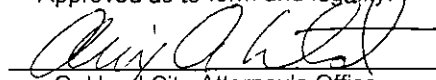
AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, , SCHAAF and
PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California


Oakland City Attorney's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 MAR 29 PM 4:55

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION NO. _____ C.M.S.

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO SIGN THE PETITION FOR THE THREE (3) AGENCY-OWNED PROPERTIES ON WHICH ASSESSMENTS ARE TO BE LEVIED (APN 032-2115-037-01, APN 025-0719-007-01, APN 025-0690-008-01, AND APN 032-2084-051-00) TO SUPPORT THE FORMATION OF THE FRUITVALE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2011

WHEREAS, the City Council approved an Oakland Business Improvement Management District Ordinance (Ord. 12190, 1999) delineating procedures and policies for the formation of a property assessment district within the City of Oakland; and

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

WHEREAS, pursuant to the requirements of the Oakland Business Management District Ordinance stakeholders in the Fruitvale district desire to gather petitions of support signed by property owners representing 30% of the projected assessments for the proposed Fruitvale Program Business Improvement District 2011 (hereinafter "District"); and

WHEREAS, the above threshold of petitions must be secured to continue the District formation process; and

WHEREAS, the District includes four (4) Agency-owned properties on which assessments are to be levied (APN 032-2115-037-01, APN 025-0719-007-01, APN 025-0690-008-01, and APN 032-2084-051-00) which gives the Agency the right to sign a petition in support of District formation; and

WHEREAS, this resolution clarifies the Agency Administrator's authority to sign the petition on behalf of the City of Oakland; and

WHEREAS, if the District is established, the assessments will take place on a yearly basis for the ten-year life of the District; and

WHEREAS, if the District is established, the maximum total assessment amount over the ten-year life of the district for the three (3) Agency-owned properties is approximately \$62,501; and

WHEREAS, funds to pay the FY 11-12 assessments have been budgeted to the Oakland Redevelopment Agency (9540), Central City East Redevelopment (88699), Taxes and Assessments account (53511), Central City East Redevelopment (S233310), Undetermined Program (0000); and.

WHEREAS, these assessments are to be made in accordance with the provisions of Proposition 218 and the Oakland Business Improvement Management District policy referenced above; NOW THEREFORE be it

RESOLVED: that the Redevelopment Agency hereby authorizes the Agency Administrator to execute the petition for the four (4) Agency-owned properties on which assessments are to be levied (APN 032-2115-037-01, APN 025-0719-007-01, APN 025-0690-008-01, and APN 032-2084-051-00) to support the formation of the Fruitvale Property Business Improvement District of 2011.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

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