



# AGENDA REPORT

**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Sofia Navarro  
Interim Director, Economic  
& Workforce Development  
Department

**SUBJECT:** Rockridge BID Annual Report and  
Intention to Levy Fiscal Year 2024-  
2025 Assessment

**DATE:** October 10, 2023

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City Administrator Approval

Date: Oct 26, 2023

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2024-2025 For The Rockridge Business Improvement District; And 3) Scheduling A Public Hearing For December 5, 2023.**

## **EXECUTIVE SUMMARY**

State enabling legislation requires that a merchant-based business improvement district (BID) 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 Rockridge BID to collect its fiscal year (FY) 2024-2025 assessment. The attached resolution also approves the Rockridge BID's annual report to the City of Oakland (City).

If the proposed assessment is approved, the Rockridge BID will generate an estimated \$159,000 of special assessment revenues in FY 2024-2025. Funds will be used to pay for special benefit services outlined in the Rockridge BID Management Plan (Plan) on file with the Office of the City Clerk and the annual report and budget, prepared and submitted by the Rockridge District Association, the Rockridge BID's City Council-appointed advisory board (see Exhibit A to the Resolution of Intention). Key services include, but are not limited to, enhanced cleaning and public safety services, including private security services, district beautification, including installation and maintenance of decorative banners and benches; special events such as the Rockridge Rock-N-Stroll live music events, and marketing and promotion activities such as internet advertising and maintenance of a district website.

City Council  
November 7, 2023

## **BACKGROUND / LEGISLATIVE HISTORY**

### 1. BID formation and purpose:

Section 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 the City's 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. 12301 C.M.S.](#) on November 28, 2000 to establish the Rockridge BID. On October 21, 2014, the City Council adopted [Ordinance No. 13261 C.M.S.](#), modifying Ordinance No. 12301 C.M.S. to reduce the frequency of the Rockridge BID's disestablishment noticing requirement from every year to once every five years. On December 6, 2022, the City Council authorized the prior year's annual report and levy pursuant to Resolution No. 89512 C.M.S.

Other BIDs (also known as Community Benefit Districts, or CBDs) successfully formed within the City of Oakland include Montclair (established 2001), Lakeshore/Lake Park (established 1997, renewed in 2002, 2012, and 2022), 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 in 2018), Downtown Oakland (established 2008, renewed in 2018), Jack London (established 2013, renewed in 2023), Oakland Tourism (established 2015, renewed in 2018), and Chinatown (established 2021). 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, 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 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 Rockridge BID FY 2023-2024 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 2023-2024.

### 3. BID annual assessment approval process:

[California Streets and Highways Code Division 18](#) (commencing with section 36500) also requires that City Council approve of a merchant-based BID's annual report, adopt a resolution of intention to levy an annual assessment for that fiscal year, and hold a Public Hearing before levying each fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its FY 2024-2025 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 Rockridge BID encompasses approximately 438 businesses located in and around the Rockridge commercial area and estimates an upcoming annual budget of approximately \$169,000, which includes \$159,000 of projected assessments to be collected in FY 2024-2025 and \$10,000 in private donations non-assessment revenues, as indicated in Exhibit A to the attached Resolution of Intention. For the FY 2024-2025 assessment, the sub-classification of businesses that earn annual gross receipts of \$25,000 or less with a reduced fee for that assessment year of \$60 (instead of \$120) is proposed to be continued. Such sub-classification was created to reduce the number and expense of processing hardship partial fee waiver requests. The reduced fee amount for this sub-classification of businesses, while in affect since FY 2004-2005, would not apply to future assessment years beyond FY 2024-2025 unless renewed in the annual assessment resolution for that year.

The billing period for the proposed assessment will be January 1, 2024, through December 31, 2024; however, services to be paid for by the above billing and collections will be provided on a March 2024 through February 2025 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 2024-2025 assessment, the Rockridge BID will generate an estimated \$159,000 of special assessment revenues. The assessment is based on two variables which include business gross receipts and business type. If approved, the assessments for FY 2024-2025 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 Rockridge District Association, the Rockridge BID'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 Rockridge BID 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 Rockridge BID FY 2024-2025 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 2024-2025. However, if City Council approves the attached Resolution of Intention, then a related public hearing will be scheduled for December 5, 2023, after which City Council may decide whether to give final approval to the Rockridge BID FY 2024-2025 assessment levy. If the levy is approved, then special benefit services in the district will continue uninterrupted in FY 2024-2025.

Staff is currently unaware of any policy alternatives or alternate funding sources that could replace the estimated \$159,000 of Rockridge BID assessment revenues during fiscal year 2024-2025, if the levy were not approved by City Council.

Therefore, because the Rockridge 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 Rockridge BID FY 2024-2025 assessment. Staff have reviewed the Rockridge BID Annual Report and determined that the described services provided in the previous fiscal year, the activities for the current fiscal year, and planned assessments and activities in the upcoming FY 2024-2025 are in alignment with the activities and use of assessment funds described in the Rockridge BID Management Plan and approved by the assessed businesses. Staff is working to update the BID annual reporting requirements to include additional information demonstrating compliance such as submission of the BID Board roster, which will be included in the next annual report. Staff is also working in partnership with the City's BID technical consultant to design and provide training workshops for BID staff and board members that may include Brown Act Compliance and Non-profit best practices.

Levying this assessment for special benefits services advances the Citywide Priorities of **housing, economic and cultural security** and **vibrant, sustainable infrastructure**. BIDs provide additional resources (e.g., public safety, marketing, and cleanliness) that help make commercial corridors vibrant places that are consistently active, better serving the needs of Oakland's business owners and residents.

### **FISCAL IMPACT**

No direct fiscal impact or cost is anticipated to the City from this item. The Rockridge 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, although the costs of staff time to manage the BID program are only partially recovered by the City's administrative fee. If the levy is approved, the City 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, Rockridge BID assessments will be held in a special trust fund established by the Finance Department on behalf of the district in Miscellaneous Trusts Fund (7999), Economic Development Organization (85411), Pass Thru Assessments Account (24224), DP850 Administrative Project (1000019), Rockridge BID Program (RBID).

### **PUBLIC OUTREACH / INTEREST**

Rockridge BID representatives performed outreach necessary to secure advisory board consensus sufficient to generate the district's required annual report and proposed FY 2024-2025 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 and resolution.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** Rockridge 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 Rockridge 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, which benefit the environment.

***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 Rockridge 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 social equity. While the Rockridge BID is not in an economically disadvantaged neighborhood under the Oakland Department of Transportation Equity Toolkit, in 2022, the City entered into a contract with Urban Place Consulting (UPC) to provide organizational assistance to underserved commercial corridors, which may include performing BID feasibility studies. With direction from the City, UPC has been engaging groups of business owners, property owners, and other stakeholders in underserved commercial corridors, including Little Saigon, the Hegenberger Airport area, and International Boulevard in Deep East Oakland, providing education not just on BID formation, but on alternative means of formal organization, such as establishing nonprofit status or a merchant's organization, that can accomplish many goals of a commercial district while serving as interim steps to BID formation.

Jestin D. Johnson, City Administrator

Subject: Rockridge BID Annual Report and Intention to Levy Fiscal Year 2024-2025  
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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2024-2025 For The Rockridge Business Improvement District; And 3) Scheduling A Public Hearing For December 5, 2023.

For questions regarding this report, please contact Shifra de Benedictis-Kessner, Urban Economic Analyst III, at 510-238-6230.

Respectfully submitted,



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