

CITY OF OAKLAND
COUNCIL AGENDA REPORT

OFFICE OF THE CITY CLERK
CITY OF OAKLAND
2005 OCT -6 PM 5:51

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: October 18, 2005
RE: RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2006/07 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR NOVEMBER 15, 2005

SUMMARY

Pursuant to Streets and Highways Code Section 36500 et seq. and the City of Oakland's Neighborhood Business Improvement District (NBID) 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 2006/07 fiscal year, approving the annual report for the Rockridge BID and scheduling a public hearing for November 15, 2005.

State law requires that business-based BIDs receive annual reauthorization by City Council to levy assessments for each fiscal year. Therefore, in order for the Rockridge BID to continue operating, City Council must adopt the attached resolution and schedule a related public hearing. The City Council will take final action regarding the proposed levy at the public hearing which must take place no less than 10 days and no more than 30 days after the adoption of the attached resolution of intention.

On or around November 15, 2005, City Council will also be asked to consider a separate agenda item concerning the repayment of a \$25,500 NBID program loan awarded to initially establish the Rockridge BID. Discussion of this item, including analysis of the related fiscal impact, will be submitted in a separate staff report and resolution.

FISCAL IMPACTS

No fiscal impact is anticipated to the City. The Rockridge BID is a self-funded, self-administered entity. It will pay all of its own operating costs and will be cost neutral to the City budget.

If the levy is approved, the Revenue Division of the Finance and Management Agency (FMA) will collect the assessment along with annual business taxes and will remit the amount collected (minus the City's costs of collection) to designated BID administrators.

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

BACKGROUND

On November 9, 1999, the City Council approved Resolution #75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program. This program is

Item _____
City Council
October 18, 2005

authorized by Section 36500 of the California Streets and Highway Code which allows for the establishment of local business improvement districts throughout the state.

Under the NBID Program the Rockridge business district applied for and received a seed grant of \$7,500 (January 1, 2000) and a subsequent NBID Program loan of \$25,500 (August 1, 2000). The seed grant was used to explore the preliminary feasibility of establishing a BID and the loan was used to complete the BID formation process. On November 15, 2005, City Council will be asked to consider the repayment terms of the above loan. Information for this item, including analysis of the related fiscal impact, will be submitted in a separate staff report and resolution.

On December 12, 2000, Ordinance #12301 was passed by City Council to establish the Rockridge BID which encompasses approximately 427 businesses located in and around the Rockridge commercial area and estimates an annual budget of approximately \$132,500. It provides a private funding source for enhanced safety and security, beautified physical appearance, organized economic development and marketing activities within the district according to a City-approved district management plan.

The BID model for economic development is also being used in the Fruitvale (established 2001), Montclair (established 2001), Lakeshore/Lake Park (established 2002), Temescal (established 2004), and Laurel (established 2005) 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 applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples of BID-funded services include, but are not limited to, enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, capital improvements, and human services. These types of enhanced services lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the authorization to levy FY 2006/07 assessments for Rockridge BID.

In terms of positive impacts, authorizing the continued collection of assessments for the district will provide the Rockridge BID an on-going private funding source for enhanced safety and security, beautified physical appearance, and organized economic development and marketing activities within the district. This model for economic development has been successfully used in other commercial neighborhoods throughout the country. Accordingly, reauthorization of assessments for the Rockridge BID will enable the district to serve as an on-going effective self-help model for other Oakland business districts.

Item _____
City Council
October 18, 2005

PROGRAM DESCRIPTION

If Council approves the FY2006/07 levy for the Rockridge BID, assessments will be assessed 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 sets forth actions which will serve to attract business and improve the commercial climate within the district. Key aspects of this document include, but are not limited to, additional security; sidewalk and street cleanup; landscaping and maintenance; additional directional signage; business directory design and production; special events; establishment of an advertising cooperative; and a business district newsletter.

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 subcategory 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 2006/2007 assessment year. Otherwise, the concerned businesses must pay \$120 per year, but are eligible to apply for a reduced assessment (e.g. \$60) by submitting a hardship waiver request. Consequently, each year district administrators devote a substantial amount of time to processing multiple waiver applications from low earning businesses. Therefore, to eliminate the administrative costs of processing the waivers and to better respond to the stated needs of affected district businesses, the new subcategory is proposed to be temporarily created for fiscal year 2006/07 to cover these repetitive requests for hardship waivers and reduce the district's overhead operating costs and alleviate the necessity for qualified businesses to submit and pursue such waiver requests. The subcategory will only be applied in future years if requested and approved in the future annual reports and assessment resolutions.

DISABILITY AND SENIOR ACCESS

The reauthorization of assessments for the district has no direct implications for disability and senior access. However, the district'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 BID could also serve to make the area safer and more accessible to all visitors, including senior citizens and disabled persons.

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 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 existing neighborhood commercial area through the use of enhanced sidewalk, street cleaning and maintenance. Attractive new banners, directional signage and holiday decorations will also 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(S) AND RATIONALE


Adoption of the attached resolution of intention will support the continuance of the Rockridge BID and the planned activities 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 conditions and image of their area and assists in the economic revitalization and physical maintenance of the district.

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 2006/07 for the Rockridge Business Improvement District, approving the annual report for the Rockridge Business Improvement District and scheduling a public hearing for November 15, 2005 during which City Council must take final action regarding the proposed levy.

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 2006/07 for the Rockridge Business Improvement District, approving the annual report of the Rockridge Business Improvement District advisory board, and scheduling a public hearing for November 15, 2005.

Respectfully submitted,



Daniel Vanderprieem, Director of Redevelopment,
Economic Development and Housing

Prepared by:
Maria Rocha, Urban Economic Analyst III
Neighborhood Commercial Revitalization

APPROVED AND FORWARDED TO THE
CITY COUNCIL



OFFICE OF THE CITY ADMINISTRATOR

Item _____
City Council
October 18, 2005

OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

2005 OCT -6 PM 5:51

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2006/07 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR NOVEMBER 15, 2005

WHEREAS, the State of California allows for the formation of business assessment districts under Street and Highways Code Section 36500 et seq. [Senate Bill 1424]; and

WHEREAS, the City Council approved a Neighborhood Business Improvement District ("NBID") 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 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, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, 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 Plan was prepared in accord with the provisions of the law overseeing the formation of the District as referenced above, and has been filed with the City; and

WHEREAS, pursuant to the requirements of the law the Rockridge Business Improvement District was established by the City Council on December 12, 2000 pursuant to Ordinance Number 12301; and

WHEREAS, the Annual Assessment Report (attached as EXHIBIT A) has been prepared by the Rockridge Business Improvement District Advisory Board and filed with the City Clerk (attached as, and the City Council approves the Report, and the City Council wishes to levy the annual assessment for the Rockridge Business Improvement District;

NOW, THEREFORE, the Council of the City of Oakland does resolve 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 approved, and the City Council declares its intent to levy and collect the assessments for the 2006/07 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 2006/07 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 2006/07 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 2006/07 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 November 15, 2005, 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 2006/07.
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- BRUNNER, CHANG, BROOKS, NADEL, REID, QUAN, KERNIGHAN and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

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

EXHIBIT A

(to the resolution of intention to approve the Rockridge BID annual report and levy the FY 06/07 assessment)

ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT
ANNUAL REPORT TO THE NEIGHBORHOOD COMMERCIAL
REVITALIZATION PROGRAM/CEDA FOR FISCAL YEAR
2006-2007

Section 36533

(b)(1)

There are no proposed changes to the boundaries of the Rockridge Business Improvement District (RDA).

(b)(2)

Please see the attached budget, which will outline the improvements and activities to be funded and provided in the upcoming fiscal year through February 28, 2007. Due to the City's request for loan reimbursement, we will have to make budget cuts in services including, but not limited to, street cleaning and security.

(b)(3)

Please see attached budget.

(b)(4)

The Rockridge Business Improvement District proposes to change the classification of businesses by creating a subcategory for businesses that earn annual gross receipts of \$25,000.00 or less. Businesses which fall into this subcategory would pay an annual assessment fee of \$60.00.

(b)(5)

A cash basis net was carried over from 2004 in the amount of \$45,584.77. This cash carryover was the result of un-invoiced expenses (paid in 2005) and lack of regular staff expense in 2004.

(b)(6)

The Rockridge District Association will seek funds from corporations for sponsorship of the annual street festival and holiday promotional activities.

Annual Renewal Notice:

"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 Management District Ordinance give the assesses 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." The notice will be given as required by the ordinance.

Please contact Mary D'Orazi, Program Manager for Rockridge B.I.D., should you have any questions regarding this report.

August 31, 2005

Rockridge District Association
Budget Overview
 March, 2006 through February, 2007

Cash Basis

Ordinary Income/Expense	
Income	
BID Revenues	132,000.00
In-Kind Donation	0.00
Other Income	0.00
Sponsorship	5,000.00
Total Income	137,000.00
Expense	
Advertising, Marketing, Promotion	3,000.00
Bank Charges	250.00
Charitable Donations	600.00
Communications - Telephone & Fax	900.00
Event Expenses-Catering, Supplies	7,800.00
Insurance	
Directors/Officers	2,500.00
General Liability/Property	950.00
Workers Comp	525.00
Total Insurance	3,975.00
Mileage, Parking, Tolls	150.00
Misc. Operating Expense	600.00
Office Supplies	1,200.00
Payroll Expense	
Payroll (IRS/EDD)	3,000.00
Payroll Service Fees	550.00
Wages	36,000.00
Total Payroll Expense	39,550.00
Postage	1,500.00
Printing/Photocopying	8,100.00
Professional	
Accounting	3,000.00
Consulting	700.00
Event Consulting	7,200.00
Legal	0.00
Total Professional	10,900.00
Rent	200.00
Security, Public Safety	14,400.00
Sidewalk, St Cleanup, Landscape	35,000.00
Small Equipment Purchase	150.00
Street Improvements	2,250.00
Suspense	0.00
Taxes, Licenses, Permits	
City	0.00
State	50.00
Total Taxes, Licenses, Permits	50.00
Website Expenses	3,000.00
Total Expense	133,575.00
Net Ordinary Income	3,425.00
Other Income/Expense	
Other Expense	
City of Oakland Loan	2,550.00
Total Other Expense	2,550.00
Net Other	-2,550.00
Net Income	875.00