

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2008 MAY -1 PM 8:38

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: May 13, 2008

RE: Resolution Of Intention To Form The Lake Merritt/Uptown Community Benefit District Of 2008, Granting Preliminary Approval Of The Management Plan, Directing Filing Of The Proposed Assessment District Boundary Description, Submitting A Proposed Assessment To The Affected Property Owners For Majority Protest Procedure Approval; And Scheduling A Public Hearing For July 15, 2008; and

Resolution Authorizing The City Administrator To Sign The Ballot For the Five City-Owned Properties On Which An Assessment Is To Be Levied (APNS: 008 0623 006 01, 008 0635 001 00, 008 0649 005 00, 008 0655 006 00, 010 0768 004 00) To Support The Formation Of The Lake Merritt/Uptown Community Benefit District Of 2008

SUMMARY

Pursuant to the City of Oakland's Business Improvement Management District (BIMD) Ordinance (Ordinance No. 12190 C.M.S., 1999), two resolutions have been prepared regarding the proposed formation of the Lake Merritt/Uptown Community Benefit District of 2008. The first resolution is a resolution of intention to form the Lake Merritt/Uptown Community Benefit District (CBD) of 2008. The second resolution authorizes the City Administrator to execute the ballot for the City-owned properties on which an assessment is to be levied to support the formation of the proposed district.

For the district to be formed the City Council must adopt the attached resolution of intention, and schedule a public hearing date not less than 45 days later. Upon approval of the resolution of intention, ballots will be mailed to each affected property owner pursuant to the Oakland BIMD ordinance and State Proposition 218. Formation of the district requires response from a weighted majority of ballots submitted (50+ %) in favor of the assessment. The results of the balloting will be heard at the public hearing scheduled for July 15, 2008, at which time the City Council will also hear public testimony and make a final decision regarding the formation of the district.

The estimated annual income of the district is approximately \$ 1,180,056 subject to a 5% per year maximum increase over the proposed 10 year life of the district. The annual cost for the City is \$44,978. If a 5% increase is proposed and adopted for each of the 10 years, approximately

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\$14,842,618 million in new funding will be dedicated to enhancing Oakland's Lake Merritt/Uptown area.

The \$14,842,618 represents \$565,728 by the City (3.8 %) leveraged by \$14,276,890 or 96.2% of the budget contributed by the private sector property owners in the Lake Merritt/Uptown CBD area.

Monies generated will be used to implement the Lake Merritt/Uptown Management District Plan (Exhibit A to the attached resolution of intention). The Plan sets forth strategies for enhanced security, maintenance, and marketing activities.

FISCAL IMPACTS

If the Lake Merritt/Uptown CBD of 2008 is established, the City will be obligated to pay its fair share of assessments on City-owned property within the proposed district. 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.

The Lake Merritt/Uptown Community Benefit District contains five City-owned parcels and 0 Redevelopment Agency-owned parcels.

APN	Legal Owner	Site #	Site Street	Assessment	Percent
008 0623 006 01	City of Oakland/Franklin Street Garage	1731	Franklin Street	\$6,963.48	0.59%
008 0655 006 00	City of Oakland		Grand Avenue	\$2,040.60	0.17%
010 0768 004 00	City of Oakland/Veterans Memorial Bldg.	200	Grand Avenue	\$8,206.46	0.70%
008 0649 005 00	City of Oakland / Paramount Theatre	2025	Broadway	\$4,444.88	0.38%
008 0635 001 00	City of Oakland / Snow Park	274	19th Street	\$23,323.05	1.98%
			Total	\$44,978.47	3.81%

The assessment for these 5 City-owned parcels will be a maximum \$565,728 over the estimated ten year life of the district and will come due as follows:

FY08-09	FY09-10	FY10-11	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
\$44,978	\$47,227	\$49,588	\$52,068	\$54,671	\$57,405	\$60,275	\$63,289	\$66,453	\$69,776

The above table accounts for a proposed discretionary 5% annual increase in Years 2 through 10 of the district. Any percentage increase must be recommended by the district's advisory board and approved by City Council.

Required appropriations are not currently included in the FY 2008-09 Mid-Cycle Budget and will need to be identified as part of the Midcycle budget adjustment.

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BACKGROUND

In 1999, the City Council approved the Oakland Property Business Improvement District Ordinance (Ord No. 12190 C.M.S.). This legislation 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.

Pursuant to those efforts, in April 2008, the Lake Merritt/Uptown CBD stakeholders group filed evidence of support sufficient to trigger the present resolution of intention and to schedule a related public hearing for the proposed formation of the Lake Merritt/Uptown CBD. Sufficient evidence is comprised of petitions signed by affected property owners representing more than 30% of total projected assessments.

The CBD model for economic development is also being used in the Koreatown/Northgate (established 2007), Rockridge (established 2000), Montclair (established 2001), Lakeshore/Lake Park (established 2002), Temescal/Telegraph Avenue (established 2004), Laurel (established 2005), and the Fruitvale (established 2001, renewed 2006) districts and in other commercial neighborhoods throughout the country.

Oakland Business Improvement District Program

The Oakland Community Benefit District (CBD) or Business Improvement District (BID) Program has proven to be a successful mechanism to support economic development activities. The Program currently adds over \$1.2 million in new private investment in seven of Oakland's commercial districts. Combined with the proposed Downtown CBD and Lake Merritt/Uptown CBDs, the Program will generate approximately \$3.3 million annually to support economic development activities. As Oakland increases mixed use development along commercial corridors, residential property owners will also benefit from the enhanced services of a BID. There are currently four additional neighborhoods that have requested assistance in exploring the formation of BIDs in their areas.

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the formation and operation of the Lake Merritt/Uptown CBD of 2008. However, if formation succeeds the City must pay its fair share of assessments on City-owned property within the district. Payment of this assessment, as described above, will leverage significant private dollars over the estimated ten year maximum 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 safety and security to support the economic development of the Lake Merritt/Uptown district. Additionally the formation of the Lake Merritt/Uptown CBD will support the City's efforts to boost retail and restaurant activity in the Lake Merritt/Uptown and support the increase of office and commercial tenants.

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the formation of the Lake Merritt/Uptown CBD will support the City's efforts to boost retail and restaurant activity in the Lake Merritt/Uptown and support the increase of office and commercial tenants.

PROGRAM DESCRIPTION

The proposed Lake Merritt/Uptown CBD of 2008 encompasses approximately 306 parcels (see map included as Attachment A). The boundaries of the Lake Merritt/Uptown Community Benefit District:

- Northern Boundary: All parcels on both sides of 24th Street, (one parcel east of Telegraph Avenue in which the parcels at 24th and Telegraph are part of the Koreatown/Northgate CBD, running eastward to the southern side of the intersection of Harrison/24th Street and 27th Street, extending to the north to include the Whole Foods site at Vernon Street and Harrison Street;
- Southern Boundary: The parcels on the north side of 17th Street from the intersection of Telegraph Avenue and 17th Street (excluding the parcels fronting along the north side of 17th Street between Telegraph and Franklin which are in the Downtown Oakland CBD but including the parcels directly north of those excluded parcels. Continuing eastward including the four corners of the intersection of Webster and 17th Streets including parcels on both sides of 17th Street up to the western side of the intersection of Jackson and 17th Streets.
- Western Boundary: All of the parcels on the eastern side of Telegraph Avenue from 17th Street (excluding the corner parcel at 17th Street and Telegraph) running northward to the southeastern parcel of the intersection of 20th and Telegraph, (the Sears site). The western boundary continues northward along the east side of Telegraph Avenue from 20th Street to the intersection of 24th Street and Telegraph Avenue (HOWEVER, the parcels that front along Telegraph Avenue on both sides of the street from 20th Street to 24th Street are included in the Koreatown/North Gate CBD.
- Eastern Boundary: All of the parcels beginning at the western side of the intersection of 17th and Jackson Street, running northward along the west side of Lake Merritt to West Grand Avenue. Then the boundary runs eastward to include the Veterans Memorial Park and the entire block bounded by West Grand Avenue, 27th Street and Harrison Street, ending at the Whole Foods site at Vernon and Harrison.

Assessments are based on a combination of lot size, building size, linear frontage, and building use and by law must be in proportion to the anticipated benefit received by each property. The properties within the boundaries are a mix of office, retail, entertainment, government, hotel and parking uses. If housing is built within the boundaries of the proposed district, owners will also be

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to be collected over the estimated ten year maximum life of the district. These funds will be used to pay for services outlined in the Lake Merritt/Uptown CBD Management Plan.

The Management Plan was developed over the past several months by a steering committee comprised of affected property owners with assistance from a private BID consultant. It appears as Exhibit A to the attached resolution of intention to form the district and will be voted on by all affected property owners pursuant to the ballot process required to establish the district. Key aspects of the Plan are enhanced security, beautification, sidewalk cleaning, landscaping, marketing and special events intended to promote and revitalize the commercial district.

If the district is established and the levy is approved, 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, disburses 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 processing the disbursement.

Lastly, if the Lake Merritt/Uptown CBD of 2008 succeeds, program guidelines state that the City is expected to maintain a base level of service within the CBD 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.

The Lake Merritt/Uptown CBD of 2008 will have a non-profit management corporation contracted by the City 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 and proposed assessment fee increases, to the City for approval. Pursuant to enabling legislation the City Council may designate an existing advisory board or commission to serve as the advisory board for the district or may create a new advisory board for that purpose. 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.

Appointment of the advisory board and related recommendations will take place in a separate agenda report and resolution to be presented to the City Council on July 15th.

Local ordinance provides for the disestablishment of the CBD pursuant to an annual review process. Each year that the Lake Merritt/Uptown CBD is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary date that the district was first established by the City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 30% or more of the assessments levied, the CBD may be considered for disestablishment. The City Council will hold a public hearing on disestablishing the CBD prior to actually doing so. (Oakland Municipal Code Section 4.48.220)

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SUSTAINABLE OPPORTUNITIES

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

Environmental: The proposed levy will enable the Lake Merritt/Uptown CBD 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 improve the district's appearance.

Social Equity: CBDs incorporate 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 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 CBD has no direct implications for disability and senior access. However, the CBD'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 CBD 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 resolutions will support the formation of the Lake Merritt/Uptown CBD of 2008 and its planned activities. The formation of the Lake Merritt/Uptown CBD of 2008 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.

Additionally, because CBDs are self-initiated, self-funded, and self-administered, there are no anticipated fiscal impacts for the City associated with formation of the Lake Merritt/Uptown CBD beyond the projected maximum of \$565,728 to pay the City's share of assessments over the estimated ten year maximum life of the district. This amount compared to the approximate \$14,276,890 of private dollars it would leverage seems a strategic and reasonable investment of public resources.

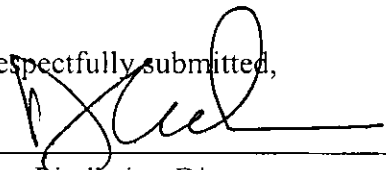
Staff recommends that the City Council approve the attached resolutions intended to support the continued formation of the proposed Lake Merritt/Uptown CBD.

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ACTION REQUESTED OF THE CITY COUNCIL

The action requested of the City Council is: 1) to adopt the resolution of intention to form the Lake Merritt/Uptown Property Business Improvement District of 2008, granting preliminary approval of the management plan, directing filing of the proposed assessment district boundary description, submitting a proposed assessment to the affected property owners for majority protest procedure approval; and scheduling a public hearing for July 15, 2008; and 2) to adopt the resolution authorizing the City Administrator to sign the ballot for the five City-owned properties on which an assessment is to be levied to support the formation of the Lake Merritt/Uptown Community Benefit District of 2008.

Respectfully submitted,



Dan Lindheim, Director
Community & Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director
Economic Development & Redevelopment Divisions

Prepared by:
Aliza Gallo, Urban Economic Coordinator
Business Development Services

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

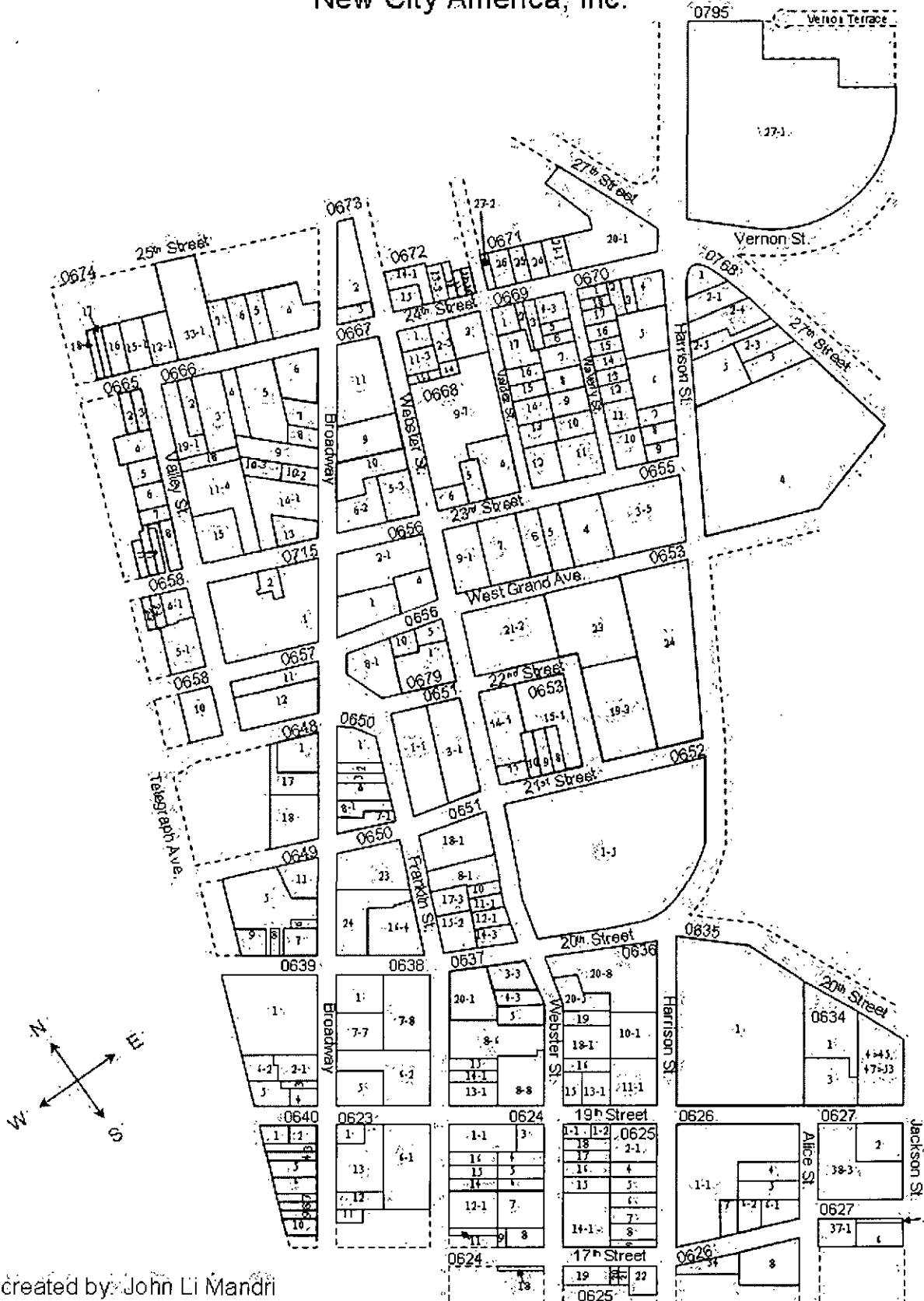
Attachment A: Map – Lake Merritt/Uptown CBD

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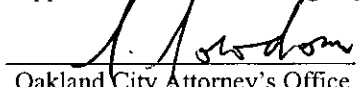
Attachment A

Lake Merritt/ Uptown CBD

New City America, Inc.



Map created by John Li Mandri


Oakland City Attorney's Office

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 MAY -1 PM 8:38 OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION OF INTENTION TO FORM THE LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT OF 2008, GRANTING PRELIMINARY APPROVAL OF THE MANAGEMENT PLAN, DIRECTING FILING OF THE PROPOSED ASSESSMENT DISTRICT BOUNDARY DESCRIPTION, SUBMITTING A PROPOSED ASSESSMENT TO THE AFFECTED PROPERTY OWNERS FOR MAJORITY PROTEST PROCEDURE APPROVAL; AND SCHEDULING A PUBLIC HEARING FOR JULY 15, 2008

WHEREAS, the City Council of the City of Oakland enacted the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) establishing the procedures for the formation of business improvement management districts; 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 and property owners in the City to assist in the formation of such districts; and

WHEREAS, the property owners in the Lake Merritt/Uptown district have duly petitioned to form the Lake Merritt/Uptown Community Benefit District of 2008 ("District") under the City of Oakland Business Improvement Management District Ordinance (the "BIMD Ordinance") and have proposed the Management Plan for the operation of the District ("Plan") (Exhibit A); and

WHEREAS, the Plan contains a detailed engineer's report prepared by a registered professional engineer recognized by the State of California; and

WHEREAS, the Plan was prepared in accordance with the provisions Article XIII of the California Constitution, and has been filed with the City Clerk for proceedings in formation of this district; and

WHEREAS, the Plan, incorporated by this reference, provides for new security, cleaning and beautification of public rights of way, promotional and marketing activities and improvements of particular benefit to the properties located within the District (as more specifically identified in the Plan); and

WHEREAS, the Plan was prepared in accord with the provisions of the BIMD Ordinance overseeing the formation of the District as referenced above, and has been filed with the City Clerk for proceedings in formation of this District;

NOW, THEREFORE, the City Council of the City of Oakland finds that the Management Plan for the District satisfies all the requirements of the BIMD Ordinance, the laws of the State of California and the California Constitution with regard to the formation of business improvement management districts, and does hereby resolve and give notice as follows:

1. A business improvement management district is proposed to be established pursuant to the BIMD Ordinance with the boundaries as specified in the Plan on file in the office of the City Clerk, a copy of which is attached hereto as Exhibit A.
2. A copy of the preliminary report of the City Clerk is on file in the office of the City Clerk relating to the formation of the District.
3. The Plan for the District is preliminarily approved and the assessments for the first year shall be as provided for in the Plan if the district is established.
4. The name of the District shall be the Lake Merritt/Uptown Community Benefit District of 2008.
5. The reasons for the assessments and the types of the improvements and activities proposed to be funded and acquired by the levy of assessments on property in the District and the time period for which the proposed improvements are to be made are those specified in the Plan on file in the office of the City Clerk and attached hereto (Exhibit A).
6. Except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.
7. The boundaries of the District and of each separate benefit zone within the district are delineated in the description contained in the Plan which is on file in the office of the City Clerk (Exhibit A).
8. The proposed method and basis of levying the assessments to be levied against each property in the District are based on the gross lot size, gross building square footage, building use, linear frontage of each property located within the District, and upon the benefit zone in which the property is located (as specified in the Plan – Exhibit A), and the assessments proposed for each property are contained in the appendix to the Plan and are incorporated herein by this reference (Exhibit A).
9. The assessments for the entire District total \$1,180,056 for the first year of the District, and the amount chargeable to each parcel are as shown in the Plan on file in the office of the City Clerk and in the appendix to Exhibit A attached hereto.
10. The District shall be in existence for a period of ten (10) years (as provided for in the Plan) during which a maximum 5% increase per year in the amount of the assessment on each property shall be allowable as provided for in the Plan.
11. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases through a special municipal billing, and

shall continue annually as provided for in the Plan for each year that the District is in existence unless modified by the City Council on the recommendation of the District Advisory Board.

12. The City Clerk is directed to mail a copy of the Resolution of Intention to form the District along with the ballots for the written protest procedure to all affected property owners in the District in compliance with the BIMD Ordinance and Article XIII of the California Constitution and to each local Chamber of Commerce and business organization known to be located within the District, give all other notices and take all other actions required by law, and give notice of the dates of the Public Hearing and Final Action on the Petition for Formation of the District to all affected property owners in the proposed District no later than forty five (45) days before the scheduled public hearing, and also publish the Resolution of Intention in a newspaper of general circulation in the City of Oakland once, at least seven (7) days before the public hearing. The ballots mailed to the affected property owners shall contain the procedures for the completion and return of the ballots.
13. A Public Hearing is set for July 15, 2008, (at 7:00 P.M. in the City Council Chambers in City Hall, located at 1 Frank H. Ogawa Plaza, Oakland California) to hear all public comments, protests, count the returned ballots as to the formation of the District, and take final action as to the formation of the District.
14. At the hearing the testimony of all interested persons for or against the establishment of the District, the proposed assessment, the boundaries of the District, or the furnishing of the specified types of improvements or activities will be heard.
15. A protest may be made in writing by any interested person through the ballot procedure. The procedures applicable to the completion and return of the ballots are as specified in the ballot, a copy of which is attached hereto and incorporated herein by this reference (Exhibit B). 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.
16. Every written protest shall be filed with the City 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.
17. Each written protest shall contain a description of the property in which the person subscribing the protest is interested sufficient to identify the property and, if a person subscribing is not shown on the official records of the City as the owner of the property, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the property.
18. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.

19. After the close of the Public Hearing, the ballots will be tabulated under the direction of the City Clerk and the results of the tabulation will be reported to the City Council. If written protests are received from the property owners 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 assessment will not be imposed. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

IN COUNCIL, OAKLAND, CALIFORNIA, _____.

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS , BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

EXCUSED

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

EXHIBIT A

FINAL PLAN

**MANAGEMENT DISTRICT PLAN FOR THE
LAKE MERRITT/UPTOWN
COMMUNITY BENEFIT DISTRICT**

OAKLAND, CALIFORNIA

*Prepared pursuant to the City of Oakland's
Business Improvement Management District Ordinance of 1999
12190, Under Municipal Code Chapter 4.48
for the Lake Merritt/Uptown Community*

Prepared for:

The Lake Merritt/Uptown CBD Steering Committee
The City Council of Oakland
Community Economic Development Agency - City of Oakland

by

Marco Li Mandri, President
NEW CITY AMERICA INC.
(888) 356-2726

APRIL 17, 2008

**LAKE MERRITT/UPTOWN
MANAGEMENT DISTRICT PLAN FOR THE NEW
COMMUNITY BENEFIT DISTRICT –
FINAL PLAN – APRIL 2008**

*(Formed under the Business Improvement Management District
Ordinance # 12190, Chapter 4.48 City of Oakland Municipal Code)*
**SECTION 6 - MANAGEMENT DISTRICT PLAN, LAKE MERRITT/UPTOWN COMMUNITY
BENEFIT DISTRICT PLAN**

- 1. MAP OF THE DISTRICT**
- 2. NAME OF THE PROPOSED DISTRICT**
- 3. DESCRIPTION OF BOUNDARIES OF THE DISTRICT**
- 4. THE IMPROVEMENT AND ACTIVITIES PROPOSED EACH YEAR**
- 5. TOTAL ANNUAL AMOUNT PROPOSED TO BE EXPENDED FOR IMPROVEMENT,
MAINTENANCE AND OPERATIONS**
- 6. THE PROPOSED SOURCE(S) OF FINANCING INCLUDING THE PROPOSED METHOD
AND BASIS OF LEVYING THE ASSESSMENTS**
- 7. THE TIME AND MANNER OF COLLECTING THE ASSESSMENTS – TERM AND
DISESTABLISHMENT PROCEDURES**
- 8. ADVISORY BOARD AND MANAGEMENT OF THE DISTRICT**
- 9. ENGINEER'S REPORT**

APPENDIX:

PARCEL LIST

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT (CBD)

MANAGEMENT DISTRICT PLAN – EXECUTIVE SUMMARY

In the summer of 2007, business and property owners in the Lake Merritt determined that they wanted to improve their business district. With over 10,000 employees working in and around the Lake Merritt/Uptown district and the need for additional City services, the property owners pooled their funds to hire New City America, Inc. to investigate and form a new "Lake Merritt/Uptown Community Benefit District". This Management District Plan is the result of that 12 month effort.

This effort for the investigation and formation of the new Community Benefit District (CBD) has been funded through the combined efforts of various property owners and business owners in the proposed district area. The intent of this effort is to improve the public rights of way for all who work, live, conduct business, rent property in, or visit the district.

Lake Merritt/Uptown business and property owners have never been organized into a cohesive, effective group. The effort to form this CBD is consistent with what business and property owners have done throughout Oakland and San Francisco over the past five years.

Currently, similar Business Improvement Districts or Community Benefit Districts are operating in Rockridge, Lakeshore, Montclair, Fruitvale, Laurel, Temescal/Telegraph and the Koreatown/Northgate districts. Efforts are currently underway in Downtown Oakland, and under consideration in several of Oakland commercial corridors and neighborhoods.

The issues of maintenance and order, cleanliness and safety are paramount to all who live in, work in and conduct business in the Lake Merritt/Uptown area. Many have seen the image of this district, as well as the image of Oakland, as a whole tarnished by recent events depicting a troubled area.

These are issues that cannot be resolved by the City of Oakland alone, but rather must be handled at the community level. The proposed Lake Merritt/Uptown CBD would be funded through an assessment levied on each and every parcel in the finalized and approved boundaries of the district. Affected property owners will determine the exact costs of funding these special benefit services. All properties, public, private, commercial, residential and non-profit would be included in this new assessment district and all will be required to participate financially upon approval.

Purpose of the Lake Merritt/Uptown Community Benefit District:

The Lake Merritt/Uptown area is a very dynamic, historic, yet growing area that contains some of the best features found in the City of Oakland. It has very large employer employing well over 10,000 employees on a daily basis. The district:

- Has a dynamic concentration of excellent class A and B office buildings,
- Has great architectural integrity,
- Has two of the best theatres in the East Bay (Paramount and Fox),
- Has hundreds of new for-sale and for-rent housing units built, or under construction,
- Is the home of the new Cathedral of Christ the Light,
- Has opened the first Whole Foods in Oakland
- And is anchored and defined by the 19th Street BART station and beautiful Lake Merritt.

The intent of the new CBD is to deliver special benefit services to improve and enhance the community and respond to the needs of the growing number of employees, residents, businesses and visitors seven days per week.

The special benefits funded by the Lake Merritt/Uptown CBD would include, but not be limited to:

1. Regular sidewalk sweeping/cleaning and steam cleaning of sidewalks and alleys;
2. Systematic trash emptying, installation of many more trash cans than what currently exists in the district;
3. Working with BART PD, OPD, AC Transit and other locally based security firms to coordinate all security needs throughout the district;
4. Funding regular private bike, walking or vehicle patrols during key times of the day and evening hours;
5. Providing enhanced landscaping to "open up" dark corridors;
6. Quick removal of graffiti;
7. Working with the City of Oakland to consolidate or eliminate abandoned or damaged news racks in the district;
8. Promoting retail, office and residential developments in the district;
9. Monitoring the entrance and exits of the 19th Street BART station.
10. Working with the City to develop and maintain dynamic public spaces to allow employees, residents and visitors alike to enjoy the area;
11. Increasing lighting in the district;
12. Promoting the theatre and entertainment sector within the district;
13. Working with OPD to enforce existing laws that govern order in the public rights of way;
14. Branding the district through new programs, display of logo and special community and holiday events;
15. Taking advantage of and building upon the district's incredible architectural assets;

16. Taking advantage of the district's unique regional transportation connections
17. Creating a "green street" image in Lake Merritt/Uptown. This might include better uniformed landscaping with trees, hanging plants and sidewalk planters which would be maintained by the district maintenance crew;
18. Seeking out and responding to the needs of residents in the growing Lake Merritt/Uptown area;
19. Creating safe passages and linkages between residential developments and traffic generators;
20. Partnering with the Downtown CBD and other CBDs in the general Center City area to determine best practices as well as seek out contractors for cost efficiencies.

WHY HERE, WHY NOW?

Business districts and neighborhoods that have organized into CBDs, in fact, are able to extract a greater level of services from their City due to the fact that their management staff is in constant contact with City departments to ensure that the City is providing its committed level of general services.

The new proposed Lake Merritt/Uptown Community Benefit District, formed under the City of Oakland's Business Improvement Management District Ordinance of 1999, # 12190, is a benefit assessment district proposed to confer special benefit services to real property owners in and around the public rights of way of the neighborhood. These special benefit services may include:

- Security,
- landscaping,
- beautification,
- sidewalk cleaning/steaming,
- installing decorations,
- marketing and promotions,
- public space development and management,
- parking issues,
- planning and land use issues,
- improvement of the image of the district;

The district is envisioned to be established for 10 years commencing January 1, 2009. Provisions for annual disestablishment are available if the property owners no longer desire to fund the special services articulated in this plan.

PROPERTY VARIABLES TO BE ASSESSED:

Three property variables will be used to fund the special benefit services of the district. Those variables will include: lot or parcel size, building square footage, and linear frontage.

Two exceptions to this methodology will be for residential land uses which will be assessed for livable building square footage only.

1. Residential land uses *will not be assessed for linear frontage or lot size*. This residential assessment methodology applies to all residential uses, whether apartment, tenant in common, single family residential uses or condos. The residential assessments will fund enhanced beautification specific to the residents including evening security needs, seven day per week spot sidewalk cleaning, placement of pet waste receptacle stations and other special benefit services desired by residents of the CBD.

Ground floor or commercial/retail uses or commercial condos on the ground floor of a residential building, whether apartment or condo, will be assessed as all commercial properties, that is, for the commercially used lot size, linear frontage and building square footage.

2. Parking lots and parking structures (parking land uses) will be assessed *for their linear frontage only*, since the only benefit they will receive is on the periphery of their respective parcels. (Parking structures or parking square footage within the walls of a building on a single parcel, that predominantly serves the tenant needs of that building will have the relevant building square footage devoted to parking subtracted from the overall building square footage of the building.)

TOTAL FIRST YEAR BUDGET FOR THE LAKE MERRITT/UPTOWN CBD:

The following data forms the basis for property assessments in the first year of the proposed CBD:

Property Variable	Total Square or Linear Footage	Amount Generated from Property Variable
Building Square Footage	7,796,043 sq feet	\$ 496,140.00
Parcel Lot Size	3,389,540 sq. feet	\$ 245,911.00
Linear Frontage	44,144 linear feet	\$ 362,591.00
Residential land uses	377,074 square feet	\$ 75,414.00
Total		\$ 1,180,056.00

BENEFIT ZONES:

There will be one benefit zone in the Lake Merritt/Uptown Community Benefit District. It is assumed that all parcels, regardless of their location in the district,

will derive equal benefit from the special benefit services funded by the assessments in this district.

ANNUAL BUDGET:

The annual first year budget is \$ 1,180,056.00. Each parcel has been analyzed to determine proper category of use and therefore benefit. The summary of the 2009-19 operating budget for the Lake Merritt/Uptown CBD including the ten year projection, is provided in this plan.

PROGRAM OR ACTIVITY FUNDED BY THE LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT	APPROXIMATE % OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS (FIRST YEAR) (FUNDING SOURCE)
Sidewalk Operations, Beautification Order and District Identity	73%	\$ 860,000.00 (Building square footage and linear frontage assessments)
Enhanced Residential Beautification and Security	6%	\$ 75,000.00 (Residential assessments)
Administration/Corporate Operations	16%	\$ 185,000 (Lot or parcel assessments)
Contingency/City and County Fees/Reserves	5%	\$ 60,056.00 (Lot or parcel assessments)
TOTAL	100%	\$ 1,180,056.00

ANNUAL COSTS (FIRST YEAR)

The first year annual costs, by property variable, to fund the special benefit services of the proposed Lake Merritt/Uptown Community Benefit District are as follows. A commercial property owners' assessment is determined by adding the linear frontage costs *plus* the lot size costs *plus* the building size costs. A residential property owners' assessment is determined by multiplying the livable building square footage by the proposed assessment.

Property owners and organizations that funded the formation and the advance services programs of the CBD shall be entitled to be fully repaid for their verified contributions during the first one or two years of the assessment district revenues. Advance special services and formation funding shall not exceed 25% of the first year assessment revenues.

Property Variable	First Year Annual Cost
Building Square Footage (Non-residential)	\$ 0.06364 per square foot
Lot or Parcel size	\$ 0.07255 per square foot
Linear Frontage	\$ 8.2194 per linear foot
Residential building square footage	\$0.20 per square foot of livable residential building space

ADMINISTRATION:

The district shall be managed by a newly formed non-profit corporation district management corporation called the Lake Merritt/Uptown District Association of Oakland. The new Board of Directors will consist of property owners, businesses and residents who are assessed within the district. This entity shall enter into a contract with the City of Oakland to administer the district on behalf of all property owners.

COMMENCEMENT, TERMINATION AND DISESTABLISHMENT:

The district's first assessments will be collected with 2008-09 property tax cycle, with the first installments due in December 2008. The district would commence operations January 1, 2009 and expire on December 31, 2018. Provisions in the local enabling ordinance provide for annual disestablishment procedures, based upon the same method that establishes the district.

ESTABLISHMENT PROCESS:

The district is established pursuant and in accordance with the local enabling ordinance, as well as assessment mail ballot procedures as laid out in the 218 Omnibus Act of 1998.

A petition representing a minimum of 30% of those property assessments which will pay into the district, or \$ \$354,016.00, will be submitted to the City in early April 2008, triggering the assessment balloting procedure. Once the ballots are mailed out, the Lake Merritt/Uptown CBD will be established if the weighted majority of return ballots endorse the CBD's formation.

ANNUAL ADJUSTMENTS:

The Board of Directors of the new District Management Corporation will be given the option to increase the assessments annually based upon the Alameda County regional Consumer Price Index published indicator or by an amount not to exceed 5% from the previous year's assessments. The Lake Merritt/Uptown CBD Management Corporation shall have the right to shift priority services *within* the four categories as they feel appropriate and as long as those shifts in services remains consistent with the intent of the plan. The District Management Corporation Board shall also have the right to shift up to 10% per year from

category to category, each year, as needs change with the priorities of special benefits.

The recommendations for any increase shall be submitted to the City Council and such increases will be implemented upon approval of the Oakland City Council.

FIRST INSTALLMENT OF ASSESSMENTS:

The Lake Merritt/Uptown CBD assessments appear for the first time on the 2008-09 property tax bills. The assessments are collected with the property tax bills distributed by the Alameda County tax assessor. Once collected with the County property tax bills, the assessments for the Lake Merritt/Uptown CBD will be sent to the City of Oakland. The City of Oakland then enters into a contract with the designated District Management Corporation of property owners within the Lake Merritt/Uptown CBD to manage the district and deliver special benefit services to the assessed property owners.

REPAYMENT OF FORMATION AND ADVANCED SERVICES FUNDS FROM FIRST YEAR ASSESSMENTS:

Property owners who advanced funds for the formation of the Lake Merritt/Uptown CBD, as well as the funds for any advanced special benefit services prior to the receipt of the first assessment installment shall be entitled to be fully repaid for any verifiable contributions to the CBD effort. Those reimbursements may be paid by the District Management Corporation out of the first year or second year receipts. The amount of reimbursable funds should not exceed 25% of the total first year budget for formation costs and advanced special benefit funded prior to December 31st, 2008.

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT MANAGEMENT PLAN - 2008

1. MAP OF THE DISTRICT:

A map of the proposed Lake Merritt/Uptown CBD is found on the following page, page 11.

2. NAME OF THE PROPOSED DISTRICT:

The name of the proposed special benefits district is the "Lake Merritt/Uptown Community Benefit District of 2008".

3. DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT

Boundaries: The following text will define the boundaries of the Lake Merritt/Uptown Community Benefit District:

- Northern Boundary: All parcels on both sides of 24th Street, (one parcel east of Telegraph Avenue in which the parcels at 24th and Telegraph are part of the Koreatown/Northgate CBD, running eastward to the southern side of the intersection of Harrison/24th Street and 27th Street, extending to the north to include the Whole Foods site at Vernon Street and Harrison Street;
- Southern Boundary: The parcels on the north side of 17th Street from the intersection of Telegraph Avenue and 17th Street (excluding the parcels fronting along the north side of 17th Street between Telegraph and Franklin which are in the Downtown Oakland CBD but including the parcels directly north of those excluded parcels. Continuing eastward including the four corners of the intersection of Webster and 17th Streets including parcels on both sides of 17th Street up to the western side of the intersection of Jackson and 17th Streets.
- Western Boundary: All of the parcels on the eastern side of Telegraph Avenue from 17th Street (excluding the corner parcel at 17th Street and Telegraph) running northward to the southeastern parcel of the intersection of 20th and Telegraph, (the Sears site). The western boundary continues northward along the east side of Telegraph Avenue from 20th Street to the intersection of 24th Street and Telegraph Avenue (HOWEVER, the parcels that front along Telegraph Avenue on both sides of the street from 20th Street to 24th Street are included in the Koreatown/North Gate CBD.

- Eastern Boundary: All of the parcels on beginning at the western side of the intersection of 17th and Jackson Street, running northward along the west side of Lake Merritt to West Grand Avenue. Then the boundary runs eastward to include the Veterans Memorial Park and the entire block bounded by West Grand Avenue, 27th Street and Harrison Street, ending at the Whole Foods site at Vernon and Harrison.

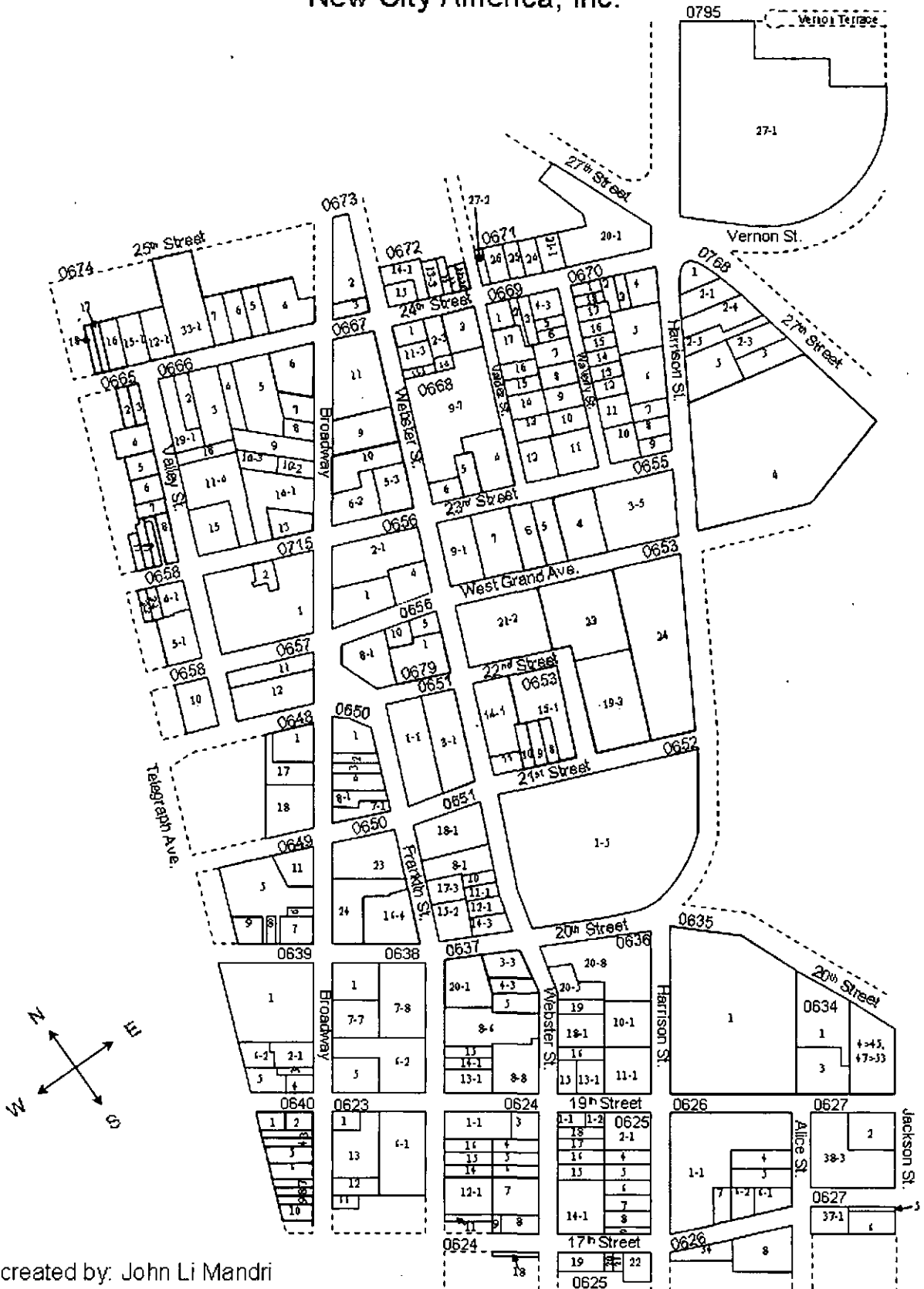
District Boundary Rationale:

The property uses within the boundaries of the Lake Merritt/Uptown Community Benefit District are a mix of office, retail, entertainment, public or government, ecumenical, residential and parking. Services and improvements provided by the District are primarily designed to provide special benefits to all parcels equally within the boundaries of the district.

Residential land uses will fund enhanced beautification and security special benefit services which will be responsive to their daily needs.

Lake Merritt/ Uptown CBD

New City America, Inc.



Map created by: John Li Mandri

Table 3 - A
Streets and Address Series for Parcels included in the
Lake Merritt/Uptown Community Benefit District

The following chart has been included to make it easier for property owners in the proposed District to identify their parcels.

<i>Street</i>	<i>Address Series</i>
17 th Street	245 - 378
19 th Street	222 - 464
E. 20 th Street	415
22 nd Street	323 - 360
23 rd Street	206 - 489
24 th Street	261 - 490
25 th Street	465
27 th Street	265
Alice Street	1553 - 1850
Bay Place	123 - 230
Broadway	1715 - 2436
Franklin Street	1708 - 2150
Grand Avenue	37 - 200
W. Grand Avenue	415 - 460
Harrison Street	1633 - 2359
Jackson Street	1569
Kaiser Plaza	1
Lakeside Drive	200
Telegraph Avenue	1816 - 1954
Thomas L. Berkeley	350 - 490
Valdez Street	2302 - 2346
Valley Street	2201 - 2354
Waverly Street	2306 - 2359
Webster Street	1700 - 2406

4. THE IMPROVEMENT AND ACTIVITIES PLANNED FOR EACH YEAR

Based upon Fall 2007 survey results of the Lake Merritt/Uptown property owners, and estimated costs and services, the proposed special benefits funded by the Lake Merritt/Uptown Community Benefit District are as follows: (These are suggested programs or projects to be funded by the general line items)

District Improvement and Activity Plan

All of the improvements and activities detailed below, are provided only to properties defined as being within the boundaries of the District and provide special benefit to the property owners of those properties within the District. No improvements or activities are provided to properties outside the District boundaries. All benefits derived from the assessments outlined in this Management District Plan fund services directly benefiting the property owners in this specialized zone. Inasmuch as all services will be provided to the properties defined as being within the District boundaries and no services will be provided outside the District boundaries, any potential general benefits are intangible and not quantifiable.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the property, business owners and residents within this area and support increased security, cleanliness, commerce, business attraction and retention, increased property rental income, improved District identity, and specialized beautification and enhanced security programs for the residential land uses within the District.

All services, projects, security, maintenance, beautification and professional/administration services are provided solely to properties within the District. No services will be provided to non-assessed parcels outside of the District boundaries.

The total improvement and activity plan budget for 2009, which is funded entirely by property assessments, is projected at \$ 1,180,056.00.

The Lake Merritt/Uptown Community Benefit District Steering Committee has prioritized the following categories of special benefit services for the new District. The categories of special benefit services provide enough clarity to property owners to understand the intent of the budget category, however give the District Management Corporation the flexibility it needs to allocate the services based upon the changing needs of the district from year to year within each budgeted category.

SIDEWALK OPERATIONS , BEAUTIFICATION, ORDER AND DISTRICT IDENTITY: \$ 860,000 73%

Examples of these special benefit services and costs include, but are not limited to:

- Private security over and above those services currently provided by the Oakland Police Department, BART Police, Alameda County Transit Authority Police and the Alameda County Sheriff's Department;
- Regular sidewalk and gutter sweeping,
- Regular sidewalk steam cleaning
- Spot steam cleaning as necessary

- ❑ Beautification throughout the district
- ❑ Enhanced trash emptying
- ❑ Removal of bulky items as necessary
- ❑ Timely graffiti removal, within 24 hours as necessary
- ❑ Tree and vegetation maintenance
- ❑ Parking assistance
- ❑ Special events
- ❑ Strategies to improve District Identity
- ❑ Holiday decorations
- ❑ Web site development and maintenance
- ❑ Communications
- ❑ Planning of new outdoor public spaces
- ❑ Banner program
- ❑ Maintenance vehicle and equipment costs (if done in house)

TABLE 4 – A
SPECIAL BENEFIT SOBODI SERVICES BROKEN DOWN BY ESTIMATED COSTS:

<i>Sidewalk Operations, Beautification, Order and District Identity (SOBODI)</i>	<i>Anticipated First Year Task frequency</i>
Sidewalk Sweeping	As determined by Management Corporation, but at least five times per week. Enhanced sweeping for residential areas seven days per week
Steam Cleaning	District wide, four times per year
Trash Emptying	As needed, assumes a series of new trash receptacles and the current level of City baseline service of Monday through Saturday pick ups
Security	As determined by Management Corporation, but at least five days per week during morning and evening employee ingress and egress to the BART Station
Beautification	As the budget allows, the main commercial pedestrian corridors will be enhanced with trees, hanging plants and potted plants
Banner installation and maintenance	Seasonally
Holiday decorations	Seasonally
Reporting hazards to City	As needed
Removal of bulky items	Within 24 hours - if desired above City standard of pickup within 72 hours
Graffiti removal	As soon as noticed or reported
Tree and shrub planting and maintenance	Weekly or as needed
Miscellaneous	As needed

ENHANCED RESIDENTIAL BEAUTIFICATION AND SECURITY: \$ 75,000 6%

Examples of these special benefit services and costs include, but are not limited to:

- Enhanced beautification around blocks with predominantly residential land uses. Such enhanced services would include regular security sweeps and evening monitoring, in addition to installation of additional hanging plants, intensive sidewalk landscaping, extra trash cans, dog waste distribution boxes;

ADMINISTRATION AND CORPORATE OPERATIONS: \$ 185,000 16%

Examples of these special benefit services and costs include, but are not limited to:

- Staff and administrative costs
- Insurance
- Office related expenses
- Financial reporting
- Accounting
- Legal work

CONTINGENCY/CITY AND COUNTY FEES/RESERVE: \$ 60,056 5%

Examples of these special benefit services and costs include, but are not limited to:

- Delinquencies
- City Fees
- County fees
- Reserves

Reserve for Slow Payments:

A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties.

City and County Fees:

Assessments are budgeted in order to fund the expenses charged by the City of Oakland and Alameda County for collection and distribution of the CBD assessments.

Reserves:

Reserves are budgeted for those funds that remain from the 5% set aside, that are over and above those that have not been collected and are over and above the city and county fees. These reserves shall be carried forward from year to year, or may be reallocated to the designated budgetary categories found within the Management District Plan.

Repayment of Formation and Advanced Services Funds from First Year Assessments:

Property owners who advanced funds for the formation of the Lake Merritt/Uptown CBD, as well as the funds for any advanced special benefit services prior to the receipt of the first assessment installment shall be entitled to be fully repaid for any verifiable contributions to the CBD effort. Those reimbursements may be paid by the District Management Corporation out of the first year or second year receipts. The amount of reimbursable funds should not exceed 25% of the total first year budget for formation costs and advanced special benefit funded prior to December 31st, 2008.

**Table 4-B
Summation of Categories of Special Benefit Services for the Lake Merritt/Uptown Community Benefit District**

PROGRAM OR ACTIVITY FUNDED BY THE LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT	APPROXIMATE% OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS (FIRST YEAR) (FUNDING SOURCE)
Sidewalk Operations, Beautification Order and District Identity	73%	\$ 860,000.00 (Building square footage and linear frontage assessments)
Enhanced Residential Beautification and Security	6%	\$ 75,000.00 (Residential assessments)
Administration/Corporate Operations	16%	\$ 185,000 (Lot or parcel assessments)
Contingency/City and County Fees/Reserves	5%	\$ 60,056.00 (Lot or parcel assessments)
<i>TOTAL</i>	<i>100%</i>	<i>\$ 1,180,056.00</i>

Ten Year Operating Budget:

A projected ten-year operating budget for the proposed Lake Merritt/Uptown Community Benefit District is provided below. The projections are based upon the following assumptions:

- Assessments will be subject to changes in the Alameda County Consumer Price Index (CPI), with annual increases not to exceed 5% per year. Increases will be determined by the District Management Corporation Board of Directors and in no case shall annual increases exceed 5% per year, contingent upon approval by the Oakland City Council.

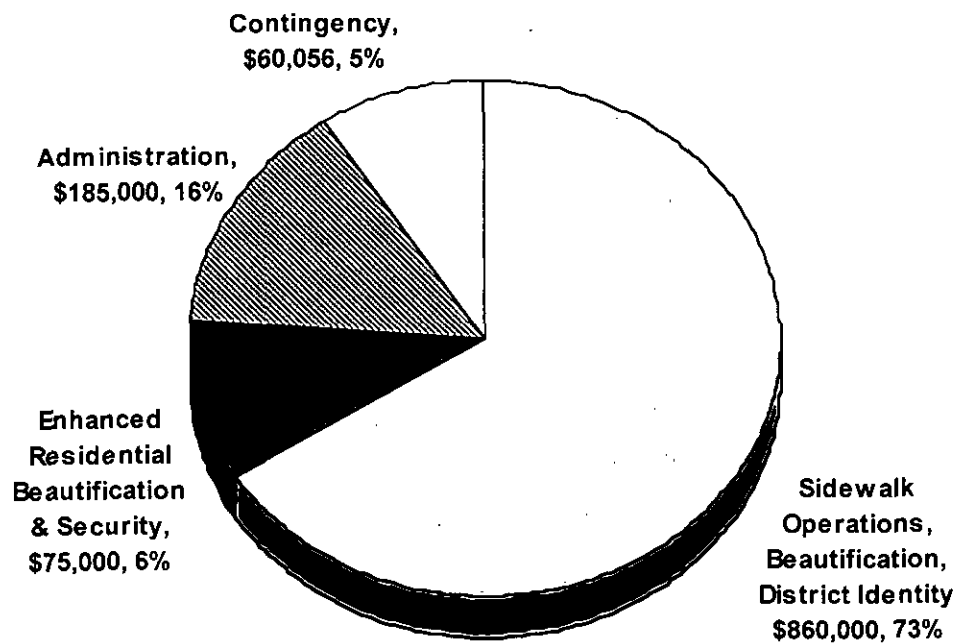
Assessments for specific programs may be reallocated from year-to-year among District activities within a 10% range within each budget line item and may not exceed 10% of the total budget for all programs and activities. Changes based upon District needs and changed services must be approved by the Oakland City Council.

**LAKE MERRITT / UPTOWN COMMUNITY BENEFIT DISTRICT
10 – YEAR BUDGET PROJECTION**

Projected Budget	2009	2010	2011	2012	2013
Sidewalk Operations & Beautification (73%)	\$860,000.00	\$903,000.00	\$948,150.00	\$995,557.50	\$1,045,335.38
Enhanced Residential Beautification and Security (6%)	\$75,000.00	\$78,750.00	\$82,687.50	\$86,821.88	\$91,162.97
Administration (16%)	\$185,000.00	\$194,250.00	\$203,962.50	\$214,160.63	\$224,868.66
Contingency (5%)	\$60,056.00	\$63,058.80	\$66,211.74	\$69,522.33	\$72,998.44
Total	\$1,180,056.00	\$1,239,058.80	\$1,301,011.74	\$1,366,062.33	\$1,434,365.44
Projected Budget	2014	2015	2016	2017	2018
Sidewalk Operations & Beautification (73%)	\$1,097,602.14	\$1,152,482.25	\$1,210,106.36	\$1,270,611.68	\$1,334,142.27
Enhanced Residential Beautification and Security (6%)	\$95,721.12	\$100,507.17	\$105,532.53	\$110,809.16	\$116,349.62
Administration (16%)	\$236,112.09	\$247,917.69	\$260,313.58	\$273,329.26	\$286,995.72
Contingency (5%)	\$76,648.37	\$80,480.78	\$84,504.82	\$88,730.06	\$93,166.57
Total	\$1,506,083.72	\$1,581,387.90	\$1,660,457.30	\$1,743,480.16	\$1,830,654.17

*Assumes a 5% yearly increase on all budget items. Note: Any accrued interest or delinquent payments will be expended in the above categories.

Lake Merritt/Uptown
Community Benefit District
Total Budget \$1,180,056.00



5. TOTAL ANNUAL AMOUNT PROPOSED TO BE EXPENDED FOR IMPROVEMENT, MAINTENANCE AND OPERATIONS, DISTRICT IDENTITY, ADMINISTRATION AND CONTINGENCY/RESERVE

Budget: The first year annual budget is projected to be \$1,180,056.00. Annual adjustments of up to a maximum of 5% over the previous year's gross assessment amount are allowable, subject to the approval of the Lake Merritt/Uptown Community Benefit District Management Corporation and approved by the Oakland City Council.

Each parcel has been analyzed to determine proper category of use and therefore benefit. (Parking structures or parking square footage within the walls of a building on a single parcel, that predominantly serves the tenant needs of that building will have the relevant building square footage devoted to parking subtracted from the overall building square footage of the building.)

ANNUAL COSTS (FIRST YEAR)

The first year annual costs, by property variable, to fund the special benefit services of the proposed Lake Merritt/Uptown Community Benefit District are as follows. A commercial property owners' assessment is determined by adding the linear frontage costs *plus* the lot size costs *plus* the building size costs. A residential property owners' assessment is determined by multiplying the livable building square footage by the proposed assessment.

Property owners and organizations that funded the formation and advance services programs of the CBD shall be entitled to be repaid for their verified contributions during the first one or two years of the district, from the assessment district revenues. Advance special services and formation funding shall not exceed 25% of the first year assessment revenues.

6. THE PROPOSED SOURCE(S) OF FINANCING INCLUDING THE PROPOSED METHOD AND BASIS OF LEVYING THE ASSESSMENTS

METHOD OF FINANCING:

This method of financing the special services is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a "benefit assessment district" as defined in the California Streets and Highway Code. Assessed valuation cannot be used as the basis for special benefits assessments due to the introduction of Proposition 13 into the state constitution in 1978.

There are at least four basic factors that will be used in determining parcel assessments. These factors include 1) linear frontage, 2) land or lot area, 3)

building square footage, 4) residential land uses. The assessments for the Lake Merritt/Uptown CBD are based upon these variables, which have been endorsed by the CBD Steering Committee as the most fair and equitable for apportionment of assessments to participating parcels. Linear frontage will be assessed on all sides of a parcel due to the allocation of special benefit services to those various sides.

Two exceptions to this methodology will be for 1) residential land uses which will be assessed for livable building square footage only. Residential land uses *will not be assessed for linear frontage or lot size*. This residential assessment methodology applies to all residential uses, whether apartment, tenant in common, single family residential uses or condos. The residential assessments will fund enhanced beautification specific to the residents including evening security needs, seven day per week spot sidewalk cleaning, placement of pet waste receptacle stations and other special benefit services desired by residents of the CBD.

Ground floor or commercial/retail uses or commercial condos on the ground floor of a residential building, whether apartment or condo, will be assessed as all commercial properties, that is, for the commercially used lot size, linear frontage and building square footage.

Second, parking lots and parking structures (parking land uses) will be assessed *for their linear frontage only*, since the only benefit they will receive is on the periphery of their respective parcels.

Land use changes will lead to changes in the assessment formulation per parcel. As the district transitions to a mixed-use community, the assessment methodology will accommodate these changes by generating additional revenues to mitigate the impact of these new residents and businesses.

A Community Benefit District is a practical "pay as you go" funding tool which allows property owners in a given designated area to be assessed, as part of the property tax collection tax process, to pay for supplemental or "special benefit services". These special services are those, which are not normally provided by the City of Oakland. CBDs are often associated with very visible and tangible program elements that, in turn, can produce very significant changes in the character and image of the district.

Assessment Methodology

In order to ascertain the correct assessment methodology to equitably apply benefits to each parcel for property related services as proposed to be provided by the District, these costs may be measured by linear feet of street frontage, square feet of parcel size (lot size) and square feet of building size or as a residential building square footage. Special circumstances such whether

the parcel is a commercial/retail/entertainment, or whether the parcel's use is as a residential land use, are carefully reviewed relative to the specific distinct type of programs and improvements to be provided by the District in order to determine appropriate levels of assessments or percentage values to be assigned to each type of assessment variable.

During the first year of operation, forty two per cent of the District's revenues will be generated from the building square footage; thirty one per cent of the District revenues will be generated from the linear frontage property variable; twenty one per cent of the District revenues will be generated from parcel square footage or lot size; and six per cent of the District's revenues will be generated from the residential building square footage.

Street Frontage Defined:

Properties are assessed for all street frontages. Properties with more than one street frontage, such as corner lots or whole block parcels are assessed for the sum of all of the parcel's street frontage. Linear front footage data was obtained from the County Assessor's parcel maps.

Building Square Footage Defined:

Building square forage is defined as gross building square footage as determined by the outside measurements of a building. Building Square footage data was obtained by the County Assessor's office and confirmed by the City of Oakland. Parking structures or parking square footage within the walls of a building on a single parcel, that predominantly serves the tenant needs of that building will have the relevant building square footage devoted to parking subtracted from the overall building square footage of the building.

Parking lots and parking structures (parking land uses) will be assessed *for their linear frontage only*, since the only benefit they will receive is on the periphery of their respective parcels

Lot Square Footage Defined:

Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor's parcel maps and confirmed by the City of Oakland.

Residential Building Square Footage Defined:

Residential building square footage is defined as the livable building square footage within the walls of the residential building. Unlike the other commercial parcels in the district, residential buildings (whether apartments, tenants in common or condos) are assessed for livable building square footage only, and not assessed for linear frontage and lot square footage. This data was obtained by the County Assessor's office.

Ground floor or commercial/retail uses or commercial condos on the ground floor of a residential building, whether apartment or condo, will be assessed as all commercial properties, that is, for the commercially used lot size, linear frontage and building square footage.

Calculation of Assessments

The proportionate special benefit derived by each identified parcel shall be determined in a relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional Amendment Article XIII D, Section 2(i), 'Special Benefit', means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the public at large.

No assessment shall be imposed on any parcel, which exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits. A general benefit is defined as a benefit to properties in the surrounding community or a benefit to the public in general resulting from improvement, activity or service to be provided by the assessment levied.

The special benefits funded by this new District will be over and above existing City of Oakland baseline service levels (see appendix), in the district and will serve to increase tenancies, increase commerce, increase economic viability and fund a system of cleanliness and beautification over and above current service levels.

All General Benefits (if any) to the surrounding community and general public are intangible and not able to be quantified. All benefits derived from the assessment outlined in the Management District Plan (MDP) fund only services directly benefiting the property owners in this specialized District in maintenance and security, as well as increased commerce and all the other goals and objectives of the Lake Merritt/Uptown Community Benefit District.

Properties are assessed as defined on the county assessor's most current parcel maps.

The preceding methodology is applied to the database of parcels within the District. The process for compiling the property database includes the following steps:

- A report was submitted to the City of Oakland using the data obtained from the County of Alameda's Assessors office.
- A list of properties to be included within the Lake Merritt/Uptown CBD is provided in appendix of this report.

The basis of funding shall be through special benefit assessments levied on real property throughout the District. The rates of assessment vary by the proportionate amount of special benefit received by each parcel. A detailed explanation of the special benefit assessment rationale is made in the attached Engineer's Report.

Table 6 – A
First Year Budget for the Lake Merritt/Uptown CBD
Sources of Funding for Various Categories of Special Benefit Services

PROGRAM OR ACTIVITY FUNDED BY THE LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT	APPROXIMATE % OF FIRST YEAR ANNUAL BUDGET	ESTIMATED ANNUAL COSTS (FIRST YEAR) (FUNDING SOURCE)
Sidewalk Operations, Beautification Order and District Identity	73%	\$ 860,000.00 (Building square footage and linear frontage assessments)
Enhanced Residential Beautification and Security	6%	\$ 75,000.00 (Residential assessments)
Administration/Corporate Operations	16%	\$ 185,000 (Lot or parcel assessments)
Contingency/City and County Fees/Reserves	5%	\$ 60,056.00 (Lot or parcel assessments)
TOTAL	100%	\$ 1,180,056.00

Table 6 – B
Cost Per Property Variable to Fund First Year Lake Merritt/Uptown CBD

Property Variable	First Year Annual Cost
Building Square Footage (Non-residential)	\$ 0.06364 per square foot
Lot or Parcel size	\$ 0.07255 per square foot
Linear Frontage	\$ 8.2194 per linear foot
Residential building square footage	\$0.20 per square foot of livable residential building space

The Calculation of Assessment for each non-residential parcel in the Lake Merritt/Uptown CBD is as follows:

$$\begin{aligned}
 & \text{Total Street Frontage X } \$8.2194 \text{ per linear foot} \\
 & \quad \text{plus} \\
 & \text{Total Lot Square Footage X } \$0.07255 \text{ per Square Foot} \\
 & \quad \text{plus} \\
 & \text{Total Building Square footage X } \$0.06364 \text{ per Square Foot} \\
 & \quad \text{equals} \\
 & \text{TOTAL PARCEL ASSESSMENT}
 \end{aligned}$$

All privately and publicly owned property in the district will be assessed using the above calculation, with the exception of residential buildings, which are defined previously.

Residential buildings built on commercially zoned parcels are assessed as a separate category. These single family residential unit parcels will be assessed for their building square footage only at the rate of \$.20 per square foot for the first year of the District. These residents receive special benefits from clean and safe services but not other programs designed to attract and retain businesses. Therefore, they receive a reduced assessment which is proportionate to the level of special benefit received. A detailed explanation of their special benefit and the rationale for this assessment is provided in the attached Engineer's Report. The Calculation of Assessment for each Residential Unit in the CBD is as follows:

$$\begin{aligned}
 & \text{Total Residential Unit Building Square footage X } \$0.20 \text{ per Square Foot} \\
 & \quad \text{Equals} \\
 & \text{TOTAL SINGLE FAMILY RESIDENTIAL UNIT ASSESSMENT}
 \end{aligned}$$

TABLE 6 – C
DATABASE AND REVENUE GENERATED FROM PROPERTY VARIABLES FOR THE
LAKE MERRITT/UPTOWN CBD:

Property Variable	Total Square or Linear Footage	Amount Generated from Property Variable
Building Square Footage	7,796,043 sq feet	\$ 496,140.00
Parcel Lot Size	3,391,290 sq. feet	\$ 246,038.00
Linear Frontage	44,144 linear feet	\$ 362,591.00
Residential land uses	373,476 square feet	\$ 60,056.00
Total		\$ 1,180,056.00

Maximum Assessment

Assessments will be subject to changes in the Alameda County Consumer Price Index (CPI), for all urban consumers, annual increases not to exceed 5% per year. Increases will be determined by the CBD new district management non-profit corporation and may vary between 0 and 5% in any given year. The following projections illustrate a potential 5% annual increase. The recommendations for any increase shall be submitted to the City Council and such increases will be implemented upon approval of the Oakland City Council.

**Table 6 - D
Maximum Assessments by Property Variable**

Projected Assessment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Linear Feet	\$8.21940	\$8.63	\$9.06	\$9.51	\$9.99	\$10.49	\$11.01	\$11.57	\$12.14	\$12.75
Lot Square Footage	\$0.07255	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.10	\$0.10	\$0.11	\$0.11
Building Square Footage	\$0.06364	\$0.07	\$0.07	\$0.07	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.10
Residential Building Square Footage	\$0.20000	\$0.21	\$0.22	\$0.23	\$0.24	\$0.26	\$0.27	\$0.28	\$0.30	\$0.31

Budget Adjustments

Annual budget surpluses, if any, will be rolled into the following year's budget. Assessments will be set annually, within the constraints of the CPI or land use changes. Revenues from the delinquent accounts may be expended in the year they are received. If the District is not renewed any remaining funds will be returned to property owners in the proportion by what they were received.

Government Assessments

The Lake Merritt/Uptown CBD Management Plan assumes that the City of Oakland and other government entities will pay assessments for the public property within the boundaries of the District. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide for these payments.

Parcels owned by the City of Oakland, the State of California, the Bay Area Rapid Transit District and the County of Alameda shall receive benefits, commensurate with the assessments paid into the Lake Merritt/Uptown CBD.

The publicly owned parcels are presumed to benefit equally to the privately owned parcels.

**Table 6 – E
Government Owned Parcels in the Lake Merritt/Uptown CBD**

APN	Legal Owner	Site #	Site Street	Assessment	Percent
008 0623 006 01	City of Oakland	1731	Franklin Street	\$6,963.48	0.59%
008 0655 006 00	City of Oakland		Grand Avenue	\$2,040.60	0.17%
010 0768 004 00	City of Oakland	200	Grand Avenue	\$8,206.46	0.70%
008 0649 005 00	City of Oakland / Paramount Theatre	2025	Broadway	\$4,444.88	0.38%
008 0635 001 00	City of Oakland / Snow Park	274	19th Street	\$23,323.05	1.98%
			Total	\$44,978.47	3.81%
008 0626 004 00	East Bay Municipal Utility District	1817	Alice Street	\$1,092.37	0.09%
008 0626 005 00	East Bay Municipal Utility District		Alice Street	\$295.90	0.03%
008 0626 006 01	East Bay Municipal Utility District	250	17th Street	\$1,109.62	0.09%
			Total	\$2,497.89	0.21%
008 0640 008 00	San Francisco Bay Area Rapid Transit District	1727	Broadway	\$668.98	0.06%
008 0649 011 00	San Francisco Bay Area Rapid Transit District	2029	Broadway	\$2,087.73	0.18%
			Total	\$ 2,756.71	0.23%

7. THE TIME AND MANNER OF COLLECTING THE ASSESSMENTS – TERM OF THE DISTRICT

Petition Drive:

The *Oakland Business Improvement Maintenance District* mail ballot proceeding is triggered with a successful petition drive by more than 30% of the property owners who must pay into the district or \$355,000 of weighted support. These petitions demonstrate stakeholder support for the district and trigger a Proposition 218 mail ballot procedure. The Community Benefit District will be established and function for a maximum of 10 years and must be re-established through a similar petitioning and balloting process at the end of its pre-designated life.

The Lake Merritt/Uptown Community Benefit District Steering Committee has elected to establish the district for the maximum period of 10 Years commencing January 1, 2009. This has been done to save on the costs and time required to re-establish the district within 4 - 5 years.

Due to its long term nature, (10 years), the local enabling ordinance allows for the growth of landscaping, its maintenance as well as economic development

strategies related to revitalization that create a more permanent improvement to the area. If there is debt against the District, the District cannot be disestablished, until all of the debt has been repaid. All financial obligations in the form of bonds or loans for capital improvements, must be paid off before the district can be disestablished.

Exemptions:

Consistent with Article XIII(d) of the state constitution, it has been determined that all parcels within the proposed district will derive special benefits from the district. Therefore, no parcels will be exempted from payment into the Lake Merritt/Uptown Community Benefit District, regardless of use or ownership.

Time and Manner for Collecting Assessments

As provided by ordinance, the Lake Merritt/Uptown CBD assessment will appear as a separate line item on annual property tax bills prepared by the County of Alameda Tax Assessor. The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Alameda. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the fiscal year of operation and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City. Tax-exempt parcels who are not subject to property taxes shall not be exempted from payment into the assessment district. These parcels will be billed directly by the City of Oakland for their assessment obligation.

Disestablishment:

Local ordinance provides for the disestablishment of the CBD pursuant to an annual review process. Each year that the Lake Merritt/Uptown CBD is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary date that the district was first established by the City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 30% or more of the assessments levied, the CBD may be considered for disestablishment. The City Council will hold a public hearing on disestablishing the CBD prior to actually doing so. (Section 4.48.220).

8. ADVISORY BOARD AND MANAGEMENT OF THE DISTRICT:

The Lake Merritt/Uptown CBD Management Corporation is charged with the day-to-day operations of the Management District. The entity will include all property owners paying into the district and include representation from business owners and various sectors of the assessment district. The non-profit corporation should be set up as a public benefit corporation and file for application to the IRS once the district has been adopted by the City Council of Oakland.

Management Corporation and the Advisory Board:

The final management structure will include the Lake Merritt/Uptown CBD assessed property owners who will organize themselves into a new non-profit corporation whose Board will serve in the capacity of the contracted management corporation.

"The City Council may designate existing advisory boards or commissions to serve as the advisory board for the district or may create a new advisory board for that purpose. At least one member of the advisory board shall be a business licensee within the district who is not also a property owner within the district...The advisory board shall cause to be prepared a report of each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report." (Section 4.48.190)

Members of the proposed Advisory Board will be recommended by the new non-profit CBD Management Corporation Board of Directors. The Advisory Board will be distinct from the Management Corporation, and shall meet at least once per year and to prepare and submit an annual report regarding activities within the district and to advise the City Council on any changes to the district.

The proposed Lake Merritt/Uptown Community Benefit District will be administered by a recently formed non-profit corporation comprised of all property owners within the district. Accommodations should be made on the Board of Directors to include large and small commercial, residential, retail and ecumenical property owners, and government representatives from each land use, as well as business tenants based in the district.

Property owners will be responsible for the payment of assessments into the new special benefits district although some assessments may be passed onto business or residential tenants. Thus the newly formed management corporation should acknowledge those paying indirectly into the district and endeavor to include their interests when it develops policy.

Once the district has been established, steps will be taken to establish this new corporation and enter into a contract for administration with the City of Oakland.

The district management corporation will create a number of policies which will help the Board of Directors to effectively manage the district. Such policies may include, but not be limited to: a decision making policy, use of banner policy, special event underwriters policy and an economic hardship policy.

The Advisory Board submits its report annually to the City Council on the anniversary of the district's renewal. The Management Corporation shall aim to meet the following operational objectives for the Lake Merritt/Uptown CBD:

- *Create and manage programs that best respond to the top priorities of Lake Merritt/Uptown CBD stakeholders;*
- *Maximize coordination of the City government to avoid duplication of services and to leverage resources;*
- *Deliver services through a cost-effective, non-bureaucratic and easy to access organizational structure;*
- *Provide accountability and responsiveness to those who pay.*
- *Work with adjacent CBDs including the Koreatown and Downtown Oakland CBDs to maximize services and efficiencies and seek joint opportunities in administration, and the delivery of services.*

9. ASSESSMENT ENGINEER'S REPORT

Property owners in the Lake Merritt/Uptown CBD have emphasized that an assessment formula for the CBD be fair, balanced and commensurate with special benefits received.

NEW CITY AMERICA has contracted with Ed Henning and Associates to compile the required engineer's report under the guidelines of Proposition 218, Article XIID of the California State Constitution.

In preparing the engineer's report for the Lake Merritt/Uptown CBD Management District Plan, the engineer concluded that the special benefit to each parcel in the various benefit zones was found to be proportional to the property variable and their apportionment.

An Engineer's report for the CBD is provided in the Appendix.

APPENDIX I

LIST OF PARCELS TO BE ASSESSED

APN	ASSESSMENT		
008 0623 001 00	\$4,384.06	008 0626 034 00	\$4,101.34
008 0623 006 01	\$6,963.48	008 0627 002 00	\$4,324.95
008 0623 011 00	\$873.54	008 0627 005 00	\$43.89
008 0623 012 00	\$2,826.21	008 0627 006 00	\$6,213.28
008 0623 013 00	\$4,692.98	008 0627 037 01	\$6,087.20
008 0624 001 01	\$13,681.83	008 0627 038 03	\$26,171.91
008 0624 003 00	\$3,370.09	008 0634 001 00	\$13,818.80
008 0624 004 00	\$263.02	008 0634 003 00	\$3,863.95
008 0624 005 00	\$263.02	008 0634 004 00	\$35.77
008 0624 006 00	\$955.10	008 0634 005 00	\$50.15
008 0624 007 00	\$3,055.71	008 0634 006 00	\$0.00
008 0624 008 00	\$1,679.20	008 0634 007 00	\$276.40
008 0624 009 00	\$817.11	008 0634 008 00	\$311.20
008 0624 011 00	\$981.94	008 0634 009 00	\$240.40
008 0624 012 01	\$3,178.70	008 0634 010 00	\$276.40
008 0624 014 00	\$2,055.13	008 0634 011 00	\$275.80
008 0624 015 00	\$573.06	008 0634 012 00	\$305.20
008 0624 016 00	\$2,803.20	008 0634 013 00	\$351.80
008 0624 018 00	\$2,064.18	008 0634 014 00	\$317.00
008 0625 001 01	\$2,197.62	008 0634 015 00	\$278.20
008 0625 001 02	\$884.64	008 0634 016 00	\$275.80
008 0625 002 01	\$4,155.50	008 0634 017 00	\$268.00
008 0625 004 00	\$410.97	008 0634 018 00	\$393.80
008 0625 005 00	\$328.78	008 0634 019 00	\$317.00
008 0625 006 00	\$1,860.60	008 0634 020 00	\$278.20
008 0625 007 00	\$1,125.26	008 0634 021 00	\$275.80
008 0625 008 00	\$921.03	008 0634 022 00	\$307.20
008 0625 009 00	\$1,804.23	008 0634 023 00	\$351.80
008 0625 014 01	\$7,027.84	008 0634 024 00	\$317.00
008 0625 015 00	\$3,621.60	008 0634 025 00	\$278.20
008 0625 016 00	\$955.10	008 0634 026 00	\$275.80
008 0625 017 00	\$955.10	008 0634 027 00	\$307.20
008 0625 018 00	\$353.43	008 0634 028 00	\$351.80
008 0625 019 00	\$3,189.47	008 0634 029 00	\$317.00
008 0625 020 00	\$437.01	008 0634 030 00	\$278.20
008 0625 021 00	\$328.97	008 0634 031 00	\$275.80
008 0625 022 00	\$2,369.96	008 0634 032 00	\$307.20
008 0626 001 01	\$51,472.52	008 0634 033 00	\$351.80
008 0626 004 00	\$1,092.37	008 0634 034 00	\$317.00
008 0626 005 00	\$295.90	008 0634 035 00	\$278.20
008 0626 006 01	\$1,109.62	008 0634 036 00	\$275.80
008 0626 006 02	\$1,353.64	008 0634 037 00	\$307.20
008 0626 007 00	\$1,189.11	008 0634 038 00	\$351.80
008 0626 008 00	\$13,860.00	008 0634 039 00	\$317.00
		008 0634 040 00	\$278.20

008 0634 041 00	\$275.80	008 0648 001 00	\$4,464.91
008 0634 042 00	\$307.20	008 0648 017 00	\$2,474.73
008 0634 043 00	\$351.80	008 0648 018 00	\$4,541.15
008 0634 044 00	\$317.00	008 0649 005 00	\$4,444.88
008 0634 045 00	\$278.20	008 0649 006 00	\$1,128.10
008 0634 047 00	\$0.00	008 0649 008 00	\$1,269.11
008 0634 048 00	\$0.00	008 0649 009 00	\$1,386.66
008 0634 049 00	\$0.00	008 0649 011 00	\$2,087.73
008 0634 050 00	\$0.00	008 0650 001 00	\$5,258.93
008 0634 051 00	\$0.00	008 0650 002 00	\$724.45
008 0634 052 00	\$10.06	008 0650 003 00	\$942.31
008 0634 053 00	\$0.00	008 0650 004 00	\$2,298.42
008 0635 001 00	\$23,323.05	008 0650 007 01	\$2,800.01
008 0636 010 01	\$9,032.10	008 0650 008 01	\$1,044.01
008 0636 011 01	\$21,414.64	008 0650 016 04	\$5,164.03
008 0636 013 01	\$1,666.97	008 0650 023 00	\$6,144.47
008 0636 015 00	\$2,130.21	008 0650 024 00	\$9,851.70
008 0636 016 00	\$1,432.40	008 0651 001 01	\$6,241.47
008 0636 018 01	\$3,488.20	008 0651 003 01	\$35,406.45
008 0636 020 05	\$5,617.67	008 0651 008 01	\$5,190.34
008 0636 020 08	\$38,654.42	008 0651 010 00	\$287.68
008 0637 003 03	\$2,527.39	008 0651 011 01	\$304.12
008 0637 004 03	\$452.07	008 0651 012 01	\$353.43
008 0637 005 00	\$2,208.70	008 0651 014 03	\$2,853.54
008 0637 008 06	\$32,801.67	008 0651 015 02	\$4,388.21
008 0637 008 08	\$4,695.91	008 0651 017 03	\$649.33
008 0637 013 01	\$5,799.19	008 0651 018 01	\$7,022.49
008 0637 014 01	\$1,166.83	008 0652 001 05	\$107,872.23
008 0637 015 00	\$2,003.78	008 0653 008 00	\$708.94
008 0637 020 01	\$4,472.51	008 0653 009 00	\$708.94
008 0638 001 00	\$14,710.65	008 0653 010 00	\$886.17
008 0638 005 00	\$5,301.70	008 0653 011 00	\$1,681.73
008 0638 006 02	\$3,909.23	008 0653 011 00	\$6,375.33
008 0638 007 07	\$3,114.39	008 0653 014 01	\$5,935.43
008 0638 007 08	\$11,112.98	008 0653 015 01	\$5,833.49
008 0639 001 00	\$36,892.50	008 0653 019 03	\$41,747.59
008 0639 002 01	\$3,179.24	008 0653 021 02	\$10,082.02
008 0639 003 00	\$802.35	008 0653 023 00	\$20,089.32
008 0639 004 00	\$2,353.22	008 0653 024 00	\$15,452.02
008 0639 005 00	\$3,333.21	008 0655 003 05	\$25,966.10
008 0639 006 02	\$2,176.36	008 0655 004 00	\$4,623.92
008 0640 001 00	\$1,809.29	008 0655 005 00	\$3,297.00
008 0640 002 00	\$1,803.15	008 0655 006 00	\$2,040.60
008 0640 003 00	\$1,533.41	008 0655 007 00	\$3,571.06
008 0640 004 00	\$1,085.71	008 0655 009 01	\$3,578.18
008 0640 005 00	\$3,283.48	008 0656 001 00	\$5,804.26
008 0640 006 00	\$2,451.26	008 0656 002 01	\$3,263.10
008 0640 007 00	\$1,146.28	008 0656 004 00	\$2,200.33
008 0640 008 00	\$668.98	008 0656 005 00	\$2,357.87
008 0640 009 00	\$976.42	008 0656 008 01	\$5,632.76
008 0640 010 00	\$3,542.59	008 0656 010 00	\$1,748.89

008 0657 011 00	\$3,868.21	008 0669 004 03	\$769.00
008 0657 012 00	\$17,097.46	008 0669 005 00	\$344.40
008 0658 002 01	\$799.22	008 0669 006 00	\$234.80
008 0658 002 02	\$281.92	008 0669 007 00	\$1,076.71
008 0658 004 01	\$1,693.20	008 0669 008 00	\$664.00
008 0658 005 01	\$3,405.52	008 0669 009 00	\$410.97
008 0658 010 00	\$7,715.64	008 0669 010 00	\$410.97
008 0665 002 00	\$784.60	008 0669 011 00	\$12,574.18
008 0665 003 00	\$2,794.48	008 0669 012 00	\$3,546.07
008 0665 004 00	\$2,491.46	008 0669 013 00	\$410.97
008 0665 005 00	\$966.08	008 0669 014 00	\$410.97
008 0665 006 00	\$1,350.34	008 0669 015 00	\$312.34
008 0665 007 00	\$562.72	008 0669 016 00	\$263.02
008 0665 008 00	\$3,121.74	008 0669 017 00	\$1,521.47
008 0665 009 00	\$706.97	008 0670 001 00	\$1,345.18
008 0665 010 00	\$567.97	008 0670 002 00	\$599.40
008 0665 011 00	\$722.51	008 0670 003 00	\$1,022.83
008 0666 002 00	\$996.40	008 0670 004 00	\$2,633.71
008 0666 003 00	\$616.46	008 0670 005 00	\$2,023.40
008 0666 004 00	\$328.78	008 0670 006 00	\$2,318.61
008 0666 005 00	\$3,177.52	008 0670 007 00	\$588.20
008 0666 006 00	\$4,860.14	008 0670 008 00	\$633.60
008 0666 007 00	\$1,200.58	008 0670 009 00	\$1,353.20
008 0666 008 00	\$810.29	008 0670 010 00	\$2,088.00
008 0666 009 00	\$1,658.78	008 0670 011 00	\$974.00
008 0666 010 02	\$410.97	008 0670 012 00	\$273.60
008 0666 010 03	\$205.49	008 0670 013 00	\$298.80
008 0666 011 04	\$1,290.45	008 0670 014 00	\$330.80
008 0666 013 00	\$2,197.37	008 0670 015 00	\$280.80
008 0666 014 01	\$4,059.16	008 0670 016 00	\$380.20
008 0666 015 00	\$3,326.99	008 0670 017 00	\$679.91
008 0666 018 00	\$410.97	008 0670 018 00	\$589.96
008 0666 019 01	\$2,732.46	008 0671 020 01	\$9,446.12
008 0667 005 03	\$1,816.49	008 0671 021 01	\$1,419.50
008 0667 006 02	\$1,767.17	008 0671 024 00	\$464.23
008 0667 009 00	\$3,158.65	008 0671 025 00	\$773.72
008 0667 010 00	\$3,158.65	008 0671 026 00	\$1,160.58
008 0667 011 00	\$3,158.65	008 0671 027 02	\$1,124.17
008 0668 001 00	\$2,241.44	008 0672 011 00	\$213.80
008 0668 002 02	\$0.00	008 0672 012 00	\$655.93
008 0668 002 03	\$1,140.60	008 0672 013 03	\$1,028.28
008 0668 003 00	\$3,005.78	008 0672 014 01	\$1,665.12
008 0668 004 00	\$2,137.04	008 0672 015 00	\$2,099.99
008 0668 005 00	\$1,155.02	008 0672 023 00	\$240.00
008 0668 006 00	\$2,122.25	008 0672 024 00	\$240.00
008 0668 009 07	\$3,090.49	008 0672 025 00	\$240.00
008 0668 011 02	\$271.24	008 0672 026 00	\$0.00
008 0668 011 03	\$951.74	008 0673 002 00	\$11,041.20
008 0669 001 00	\$1,935.60	008 0673 003 00	\$2,109.37
008 0669 002 00	\$525.60	008 0674 004 00	\$4,089.61
008 0669 003 00	\$635.20	008 0674 005 00	\$890.56

008 0674 006 00	\$1,221.30
008 0674 007 00	\$1,221.30
008 0674 012 01	\$1,698.40
008 0674 015 01	\$1,587.82
008 0674 016 00	\$1,350.80
008 0674 017 00	\$610.65
008 0674 018 00	\$314.00
008 0674 033 01	\$2,358.87
008 0679 001 00	\$11,616.74
008 0636 019 00	\$1,137.41
008 0715 001 00	\$16,311.80
008 0715 002 00	\$10,291.13
010 0768 001 00	\$2,399.98
010 0768 002 01	\$1,435.29
010 0768 002 03	\$410.97
010 0768 002 04	\$1,466.24
010 0768 002 05	\$592.39
010 0768 003 00	\$2,899.00
010 0768 004 00	\$8,206.46
010 0768 005 00	\$4,339.78
010 0795 027 01	\$15,263.38

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT
(Not Valid Without Signature and Certification Seal Within)

**CITY OF OAKLAND
LAKE MERRITT/UPTOWN
COMMUNITY BENEFIT DISTRICT**

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

ATTACHMENT A

*Prepared by
Edward V. Henning,
California Registered Professional Engineer # 26549
Edward Henning & Associates*

APRIL 22, 2008

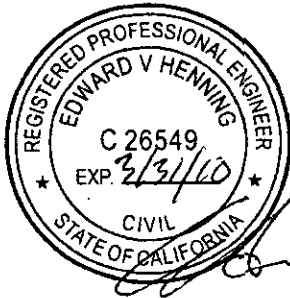
LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT
(Not Valid Without Signature and Certification Seal Within)

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Lake Merritt/Uptown Community Benefit District ("Lake Merritt/Uptown CBD") being established for ten years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549



Edward V. Henning

RPE #26549

April 22, 2008

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Lake Merritt/Uptown CBD in the City of Oakland, California being established for a ten year period. The discussion and analysis contained within constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Lake Merritt/Uptown CBD.

NOTE: The terminology "identified benefiting parcel" or "property" is used throughout this report pursuant to SB 919 - "Proposition 218 Omnibus Implementation Act" which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which will specially benefit directly either in whole or in part from the proposed District funded programs and improvements and does not imply that all parcels receive assessable benefits.

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT
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Background

The Lake Merritt/Uptown CBD is a property-based benefit assessment type district being established pursuant to the City of Oakland's Business Improvement Management District Ordinance of 1999 (the "BID Ordinance") under Municipal Code #12190 which was fashioned in part from Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the "Act"). Due to the benefit assessment nature of assessments levied within a CBD, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the CBD Ordinance and the Act, frequent references are made to the concept of relative "benefit" received from CBD programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from CBD funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

The method used to determine special benefits derived by each identified property within a CBD begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Lake Merritt/Uptown CBD, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the CBD in order to determine any levels of diminished benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

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From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the CBD.

The method and basis of spreading program costs varies from one CBD to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. CBDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or “stepped-down” benefits derived.

Supplemental Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Lake Merritt/Uptown CBD. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIII D of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Lake Merritt/Uptown CBD, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Lake Merritt/Uptown CBD complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”

There are 306 “identified” individual parcels within the Lake Merritt/Uptown CBD that will derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified properties within the proposed District because programs and services (i.e. sidewalk operations/district identity, residential beautification projects/security, administration and contingency/reserves) will only be provided directly for the identified properties. These identified benefiting parcels are shown on the Boundary Map within the Management District Plan and are listed as an attachment to the Plan and this report - identified by assessor parcel number.

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The Lake Merritt/Uptown CBD includes all parcels within the district boundaries described as follow:

- *Northern Boundary:* All parcels on both sides of 24th Street, (one parcel east of Telegraph Avenue in which the parcels at 24th and Telegraph are part of the Koreatown/Northgate CBD, running eastward to the southern side of the intersection of Harrison/24th Street and 27th Street, extending to the north to include the Whole Foods site at Vernon Street and Harrison Street;
- *Southern Boundary:* The parcels on the north side of 17th Street from the intersection of Telegraph Avenue and 17th Street (excluding the parcels fronting along the north side of 17th Street between Telegraph and Franklin which are in the Downtown Oakland CBD but including the parcels directly north of those excluded parcels. Continuing eastward including the four corners of the intersection of Webster and 17th Streets including parcels on both sides of 17th Street up to the western side of the intersection of Jackson and 17th Streets.
- *Western Boundary:* All of the parcels on the eastern side of Telegraph Avenue from 17th Street (excluding the corner parcel at 17th Street and Telegraph) running northward to the southeastern parcel of the intersection of 20th and Telegraph, (the Sears site). The western boundary continues northward along the east side of Telegraph Avenue from 20th Street to the intersection of 24th Street and Telegraph Avenue (HOWEVER, the parcels that front along Telegraph Avenue on both sides of the street from 20th Street to 24th Street are included in the Koreatown/North Gate CBD.
- *Eastern Boundary:* All of the parcels on beginning at the western side of the intersection of 17th and Jackson Street, running northward along the west side of Lake Merritt to West Grand Avenue. Then the boundary runs eastward to include the Veterans Memorial Park and the entire block bounded by West Grand Avenue, 27th Street and Harrison Street, ending at the Whole Foods site at Vernon and Harrison.

There is one benefit zone in the proposed District. All parcels within the above-described boundaries shall be assessed to fund special benefit services as outlined in this report. Services will only be provided to properties inside the District boundaries – none outside.

Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the property owners. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the

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improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The property uses within the boundaries of the Lake Merritt/Uptown Community Benefit District are a mix of office, retail, entertainment, ecumenical, government/public, residential and parking. Services, programs and improvements provided by the District are primarily designed to provide special benefits to all parcels within the boundaries of the district. Residential land uses will fund enhanced beautification and security special benefit services which will be responsive to their daily needs.

Existing City of Oakland services will be enhanced, not replaced or duplicated, by the new CBD services. In the case of the Lake Merritt/Uptown CBD, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the CBD boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance the commercial and residential core uses, increase tenancy and marketing of the commercial entities in the CBD and improve the aesthetic appearance of the CBD as a whole. All benefits derived from the assessments to be levied on parcels within the CBD are for services, programs and improvements directly benefiting the property, business owners and residents within this area and support increased security, cleanliness, commerce, business attraction and retention, increased property rental income, improved District identity, and specialized beautification and enhanced security programs for the residential land uses within the District. No services will be provided beyond the CBD boundaries. The following services, programs and improvements will provide special benefit to the properties within the CBD boundaries.

1. SIDEWALK OPERATIONS, BEAUTIFICATION, ORDER AND DISTRICT IDENTITY:

Examples of these special benefit services, programs and improvements include, but are not limited to:

- Private security over and above those services currently provided by the Oakland Police Department, BART Police, Alameda County Transit Authority (ALTRANSIT) and the Alameda County Sheriff's Department;
- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning
- Spot steam cleaning as necessary
- Beautification throughout the district
- Enhanced trash emptying
- Removal of bulky items as necessary
- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance
- Parking assistance
- Special events
- Strategies to improve District Identity
- Holiday decorations
- Web site development and maintenance
- Communications
- Planning of new outdoor public spaces

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- Banner program
- Maintenance vehicle and equipment costs (if done in house)

These services, programs and improvements will beautify and enhance the image of this diverse CBD. This activity is designed to increase commerce and attract and retain new business and patrons within the CBD boundaries. Because these services, programs and improvements will only be provided within the CBD boundaries, they will each constitute "special benefits" to the assessed parcels.

PROPOSED LEVEL OF SERVICE

<i>Sidewalk Operations, Beautification, Order and District Identity (SOBODI)</i>	<i>Anticipated First Year Task frequency</i>
Sidewalk Sweeping	As determined by Management Corporation, but at least five times per week. Enhanced sweeping for residential areas seven days per week
Steam Cleaning	District wide, four times per year
Trash Emptying	As needed, assumes a series of new trash receptacles and the current level of City baseline service of Monday through Saturday pick ups
Security	As determined by Management Corporation, but at least five days per week during morning and evening employee ingress and egress to the BART Station
Beautification	As the budget allows, the main commercial pedestrian corridors will be enhanced with trees, hanging plants and potted plants
Banner installation and maintenance	Seasonally
Holiday decorations	Seasonally
Removal of bulky items	Within 24 hours - if desired above City standard of pickup within 72 hours
Graffiti removal	As soon as noticed or reported
Tree and shrub planting and maintenance	Weekly or as needed
Miscellaneous	As needed

2. ENHANCED RESIDENTIAL BEAUTIFICATION AND SECURITY:

Examples of these special benefit services include, but are not limited to:

- Enhanced beautification around blocks with predominantly residential land uses. Such enhanced services would include regular security sweeps and evening monitoring, in addition to installation of additional hanging plants, intensive sidewalk landscaping, extra trash cans, dog waste distribution boxes;

The security patrol and beautification improvements/programs will assist in creating a safe/secure and desirable living environment in the CBD. This activity is designed to enhance the livability within the CBD which will attract and retain residents and provide a stable living experience within the CBD boundaries. These services, programs and improvements will only be provided within the CBD boundaries; therefore these services constitute "special benefits" to the assessed

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parcels.

3. ADMINISTRATION AND CORPORATE OPERATIONS:

Examples of these special benefit services and costs include, but are not limited to:

- Staff and administrative costs
- Insurance
- Office related expenses
- Financial reporting
- Accounting
- Legal work

This component is key to the proper expenditure of CBD assessment funds and the administration of CBD programs and activities which are intended to promote business within the CBD boundaries through increased commerce and the attraction and retention of new business and to enhance residential livability through special services, programs and improvements tailored to special needs of residents. Because this administration program exists only for the purposes of the CBD and will only be provided for matters occurring within the CBD boundaries, this program constitutes a "special benefit" to the assessed parcels.

4. CONTINGENCY/CITY FEES/RESERVE:

Examples of these special benefit services and costs include, but are not limited to:

- Delinquencies
- City and County Fees
- Hardships
- Reserves

The Contingency/Reserve budget includes City/County collection fees, and additional projects the Owners' Association (CBD) deems appropriate. The contingency is ancillary and necessary to the unimpeded delivery of the CBD's programs and services. This contingency/reserve fund will only be provided within the CBD boundaries, therefore this program provides a "special benefit" to the assessed parcels.

Each of these programs and activities work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this mixed use core through the attraction and retention of new business, increased commerce and enhanced livability for residents. The programs, improvements and services are designed to specifically benefit properties within the CBD boundaries. The proposed CBD assessments will only be levied on properties within the CBD boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the CBD boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

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Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

The proportionate special benefit cost for each parcel is listed in Appendix A attached hereto. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) would be computed by dividing the individual parcel assessment by the total special benefit program costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Lake Merritt/Uptown CBD, they are also considerably less than other options considered by the Lake Merritt/Uptown CBD proponent group. The actual assessment rate for each parcel within the CBD directly relate to the level of service to be provided based on the respective lot size of each parcel.

Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

There are currently ten publicly owned parcels in the proposed CBD. They are as follows:

APN	Legal Owner	Site #	Site Street	Assessment	Percent
008 0623 006 01	City of Oakland	1731	Franklin St	\$6,963.48	0.59%
008 0655 006 00	City of Oakland		Grand Ave	\$2,040.60	0.17%
010 0768 004 00	City of Oakland	200	Grand Ave	\$8,206.46	0.70%
008 0649 005 00	City of Oakland / Paramount Theatre	2025	Broadway	\$4,444.88	0.38%
008 0635 001 00	City of Oakland / Snow Park	274	19th St	\$23,323.05	1.98%
			Total	\$44,978.47	3.81%
008 0626 004 00	East Bay Municipal Utility District	1817	Alice St	\$1,092.37	0.09%
008 0626 005 00	East Bay Municipal Utility District		Alice St	\$295.90	0.03%
008 0626 006 01	East Bay Municipal Utility District	250	17th St	\$1,109.62	0.09%
			Total	\$2,497.89	0.21%
008 0640 008 00	San Francisco Bay Area Rapid Transit District	1727	Broadway	\$668.98	0.06%
008 0649 011 00	San Francisco Bay Area Rapid Transit District	2029	Broadway	\$2,087.73	0.18%
			Total \$	2,756.71	0.23%

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These publicly owned parcels shall receive benefits, commensurate with the assessments paid into the Lake Merritt/Uptown CBD. There is no compelling evidence that these publicly owned parcels do not benefit equally to privately owned parcels and, thus, will be assessed in the same manner and rates as private parcels in the CBD.

Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the Lake Merritt/Uptown CBD.

Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this report. The District and resultant assessment payments will continue for ten years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to the gross building area, land area and street frontage for commercial properties; net building area for residential uses and linear street frontage for parking lots and freestanding non-committed parking. There is one Benefit Zone identified.

Assessment Formula Methodology

Step 1. Select “Basic Benefit Unit(s)”

CBD assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

Based on the specific needs and corresponding nature of the program activities to be funded by the Lake Merritt/Uptown CBD (i.e. sidewalk operations/district identity, residential beautification projects/security, administration and contingency/reserves) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area, and/or street frontage.

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For commercial uses, the interactive application of building area, land area and street frontage quantities are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries (commercial uses) of CBD funded services, programs and improvements. Each of these factors directly relates to the degree of benefit each parcel will receive from CBD funded activities. Building area (gross) is a direct measure of the static utilization of each parcel and its corresponding impact or draw on CBD funded activities such as marketing/promotions, clean and safe, and, administration/contingency/reserves. In the opinion of this Assessment Engineer, the targeted weight of this factor, gross building area, should generate approximately 45% of the total CBD revenue. Land area is a direct measure of the current and future development capacity of each parcel and, again, its corresponding impact or draw on CBD funded activities such as areawide image and physical enhancement, and, administration/contingency/reserves. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 20% of the total CBD revenue. Street frontage is a direct measure, again, of the static utilization of each parcel and its corresponding impact or draw on CBD funded activities such as maintenance, areawide image and physical enhancement, and, administration/contingency/reserves. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 30% of the total CBD revenue.

It is noted that ground floor commercial condominiums will be treated like independent “mini” commercial buildings and assessed based on their divided building area, the footprint of the land area they cover (same as their divided building area) and the amount of direct street frontage towards the exterior of the building, if any, that they possess. Upper floor commercial condominiums will be assessed based only on their divided building area since they do not directly cover the hypothetical ground/land plane nor do they possess direct street frontage. This is not unlike other commercial buildings where ground floor retail/service spaces are typically triple net leases where assessments can be directly passed on to tenants by property owners via individual leases whereas upper office floors are typically gross leases where assessments are often absorbed by property owners, possibly until such time as leases are renegotiated.

It is noted that land and building areas devoted to parking represent unique situations that require special assessment methodology. Structured parking fully integrated within, and primarily dedicated to a commercial building on the same parcel of land represents ancillary building area that does not add to the impact or draw on CBD funded activities. Therefore in the opinion of this Assessment Engineer, such parking areas will be deducted from the total gross building area and will not be assessed. Freestanding parking structures and surface lots, whether privately or publicly owned and used primarily for general public parking will add to the impact and draw of CBD funded activities such as clean and safe, and, administration/contingency/reserves. In the opinion of this Assessment Engineer, the only factor logically that can be assessed for these uses is street frontage which approximates the linear nature of many of these services.

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Relative to residential uses in traditionally commercially zoned areas, more and more business districts are, by design and creative zoning, becoming cores of highly active mixed use new developments and/or adaptive re-use of antiquated under-utilized or formerly empty upper building spaces. These uses are no longer just an ancillary hidden stepchild but are instead a major stakeholder component with unique needs and impacts on the contemporary urban setting. While residents may indeed not benefit from traditional business related activities such as marketing/promotions and certain image campaigns targeting customers, they do require unique services on a more extensive 24/7 basis than even their commercial counterparts and have needs for special “residential neighborhood” oriented amenities. Since many of these residential units are either being built as, divided as, or converted to condominiums, the assessment methodology is different than for commercial assessments. For the purposes of this analysis, multi-family residential complexes and other single family units on commercial or mixed use zoned parcels will be treated the same way as residential condominiums. In the opinion of this Assessment Engineer, the only factor logically that can be assessed for these residential uses is livable space (net building area per unit or complex) which is a measure of the impact and draw on CBD funded activities such as regular security sweeps and evening monitoring, installation of additional hanging plants, intensive sidewalk landscaping, extra trash cans, and dog waste distribution boxes. The targeted weight of this factor, livable space, should generate approximately 5% of the total CBD revenue.

The “Basic Benefit Units” for commercial uses will be expressed as a combined function of commercial (gross) building square footage (Benefit Unit “A”), commercial land square footage (Benefit Unit “B”), and/or commercial street frontage (Benefit Unit “C”). In addition, residential use assessments will be based on livable (net) building space square footage (Benefit Unit “D”). Based on the shape of the Lake Merritt/Uptown CBD, as well as the nature of the District program elements, it is determined that all properties will gain a direct and proportionate degree of benefit based either on the respective amount of building size (net or gross), parcel size, and/ or street frontage within a single benefit zone.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties and their respective assessable benefit units, there are within the district - 7,796,043 Benefit Units A, 3,389,540 Benefit Units B, 44,144 Benefit Units C, and 377,074 Benefit Units D.

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the Lake Merritt/Uptown CBD was computed from data extracted from City of Oakland land records as well as County of Alameda Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel.

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While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the CBD for their review. All known or reported discrepancies, errors or misinformation will be corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Lake Merritt/Uptown CBD assessments will be based on building area (net or gross), land area, and/or street frontage within one benefit zone. The targeted assessment formula component weights for commercial parcels are: 45% (42.04376% when adjusted) for gross building area – Benefit Unit A, 20% (20.83893% when adjusted) for land area – Benefit Unit B, and, 30% (30.72659% when adjusted) for street frontage- Benefit Unit C. In addition, the targeted assessment formula component weight for residential uses is: 5% (6.39071% when adjusted) for livable (net) building space – Benefit Unit D.

Computing Assessment Formula Unit Costs:

$$\text{(Benefit Unit "A")} = \$1,189,056 \times 42.04376\% / 7,796,043 \text{ sq ft} = \$0.06364/\text{sq ft}$$

$$\text{(Benefit Unit "B")} = \$1,189,056 \times 20.83893\% / 3,389,540 \text{ sq ft} = \$0.07255/\text{sq ft}$$

$$\text{(Benefit Unit "C")} = \$1,189,056 \times 30.72659\% / 44,144 \text{ lin ft} = \$8.2184/\text{lin ft}$$

$$\text{(Benefit Unit "D")} = \$1,189,056 \times 6.39071\% / 377,074 \text{ sq ft (net)} = \$0.20/\text{sq ft (net)}$$

The assessment formula for commercial parcels and ground floor commercial condominiums is:

$$\begin{aligned} &\text{GROSS OR DIVIDED BUILDING AREA (SQ FT)} \times \$0.06364/\text{sq ft} + \\ &\text{LAND AREA (SQ FT)} \times \$0.07255/\text{sq ft} + \\ &\text{STREET FRONTAGE (LIN FT)} \times \$8.2184/\text{lin Ft} \end{aligned}$$

The assessment formula for upper floor commercial condominiums is:

$$\text{DIVIDED BUILDING AREA (SQ FT)} \times \$0.06364/\text{sq ft}$$

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The assessment formula for commercial parcels with only non-committed surface or structured parking is:

STREET FRONTAGE (LIN FT) x \$8.2184/lin ft

The assessment formula for commercial parcels with residential uses is:

NET LIVABLE BUILDING SPACE x \$0.20/sq ft (net)

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Step 5. Estimate Total District Costs

The total District costs for the life of the CBD are projected to be as shown below in Table 1.

TABLE 1
Total Year 1-10 District Costs

Projected Budget	2009	2010	2011	2012	2013
Sidewalk Operations & Beautification (73%)	\$860,000.00	\$903,000.00	\$948,150.00	\$995,557.50	\$1,045,335.38
Enhanced Residential Beautification and Security (6%)	\$75,000.00	\$78,750.00	\$82,687.50	\$86,821.88	\$91,162.97
Administration (16%)	\$185,000.00	\$194,250.00	\$203,962.50	\$214,160.63	\$224,868.66
Contingency (5%)	\$60,056.00	\$63,058.80	\$66,211.74	\$69,522.33	\$72,998.44
Total	\$1,180,056.00	\$1,239,058.80	\$1,301,011.74	\$1,366,062.33	\$1,434,365.44

Projected Budget	2014	2015	2016	2017	2018
Sidewalk Operations & Beautification (73%)	\$1,097,602.14	\$1,152,482.25	\$1,210,106.36	\$1,270,611.68	\$1,334,142.27
Enhanced Residential Beautification and Security (6%)	\$95,721.12	\$100,507.17	\$105,532.53	\$110,809.16	\$116,349.62
Administration (16%)	\$236,112.09	\$247,917.69	\$260,313.58	\$273,329.26	\$286,995.72
Contingency (5%)	\$76,648.37	\$80,480.78	\$84,504.82	\$88,730.06	\$93,166.57
Total	\$1,506,083.72	\$1,581,387.90	\$1,660,457.30	\$1,743,480.16	\$1,830,654.17

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Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)

All benefits derived from the assessments outlined in the Management District Plan are for supplemental services, programs and improvements directly benefiting the property owners within this area. All CBD funded activities are provided solely to properties within the Lake Merritt/Uptown CBD. All services will be delivered only within the boundaries and designed only for the direct special benefit of the assessed properties in the CBD. No services will be provided to non-assessed parcels outside the CBD boundaries. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the CBD, are inadvertent, intangible and immeasurable.

Total District revenues are shown below in Table 2. .

TABLE 2
Total Year 1 District Revenues

Funding Source	Subtotal Revenue	% of Total
CBD Assessments	\$1,180,056	100.00%
TOTAL DISTRICT REVENUE	\$1,180,056	100.00%

Step 7. Calculate “Basic Unit Cost”

With a Year 1 budget of \$1,180,056 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the CBD is being established for a ten year term, maximum assessments for future years (Years 2 through 10) must be set at the inception of the CBD. An annual flat inflationary rate increase of up to 5% may be imposed for Years 2-10, on approval by the CBD Property Owner’s Association relative to local CPI increases. The maximum annual rates for Years 1-10 are shown in Table 3 below:

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TABLE 3

Year 1-10 Maximum Assessment Rates/Unit

Projected Assessment	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Linear Feet	\$8.21940	\$8.63	\$9.06	\$9.51	\$9.99	\$10.49	\$11.01	\$11.57	\$12.14	\$12.75
Lot Square Footage	\$0.07255	\$0.08	\$0.08	\$0.08	\$0.09	\$0.09	\$0.10	\$0.10	\$0.11	\$0.11
Building Square Footage	\$0.06364	\$0.07	\$0.07	\$0.07	\$0.08	\$0.08	\$0.09	\$0.09	\$0.09	\$0.10
Residential Building Square Footage	\$0.20000	\$0.21	\$0.22	\$0.23	\$0.24	\$0.26	\$0.27	\$0.28	\$0.30	\$0.31

Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the CBD are shown in the Addendum attached hereto and were determined by applying the District assessment formula to each identified benefiting property.

ADDENDUM

YEAR 1 ASSESSMENT ROLL

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT

(Not Valid Without Signature and Certification Seal Within)

APN	YR 1 ASSESSMENT	APN	YR 1 ASSESSMENT
008 0623 001 00	\$4,384.06	008 0627 038 03	\$26,171.91
008 0623 006 01	\$6,963.48	008 0634 001 00	\$13,818.80
008 0623 011 00	\$873.54	008 0634 003 00	\$3,863.95
008 0623 012 00	\$2,826.21	008 0634 004 00	\$35.77
008 0623 013 00	\$4,692.98	008 0634 005 00	\$50.15
008 0624 001 01	\$13,681.83	008 0634 006 00	\$0.00
008 0624 003 00	\$3,370.09	008 0634 007 00	\$276.40
008 0624 004 00	\$263.02	008 0634 008 00	\$311.20
008 0624 005 00	\$263.02	008 0634 009 00	\$240.40
008 0624 006 00	\$955.10	008 0634 010 00	\$276.40
008 0624 007 00	\$3,055.71	008 0634 011 00	\$275.80
008 0624 008 00	\$1,679.20	008 0634 012 00	\$305.20
008 0624 009 00	\$817.11	008 0634 013 00	\$351.80
008 0624 011 00	\$981.94	008 0634 014 00	\$317.00
008 0624 012 01	\$3,178.70	008 0634 015 00	\$278.20
008 0624 014 00	\$2,055.13	008 0634 016 00	\$275.80
008 0624 015 00	\$573.06	008 0634 017 00	\$268.00
008 0624 016 00	\$2,803.20	008 0634 018 00	\$393.80
008 0624 018 00	\$2,064.18	008 0634 019 00	\$317.00
008 0625 001 01	\$2,197.62	008 0634 020 00	\$278.20
008 0625 001 02	\$884.64	008 0634 021 00	\$275.80
008 0625 002 01	\$4,155.50	008 0634 022 00	\$307.20
008 0625 004 00	\$410.97	008 0634 023 00	\$351.80
008 0625 005 00	\$328.78	008 0634 024 00	\$317.00
008 0625 006 00	\$1,860.60	008 0634 025 00	\$278.20
008 0625 007 00	\$1,125.26	008 0634 026 00	\$275.80
008 0625 008 00	\$921.03	008 0634 027 00	\$307.20
008 0625 009 00	\$1,804.23	008 0634 028 00	\$351.80
008 0625 014 01	\$7,027.84	008 0634 029 00	\$317.00
008 0625 015 00	\$3,621.60	008 0634 030 00	\$278.20
008 0625 016 00	\$955.10	008 0634 031 00	\$275.80
008 0625 017 00	\$955.10	008 0634 032 00	\$307.20
008 0625 018 00	\$353.43	008 0634 033 00	\$351.80
008 0625 019 00	\$3,189.47	008 0634 034 00	\$317.00
008 0625 020 00	\$437.01	008 0634 035 00	\$278.20
008 0625 021 00	\$328.97	008 0634 036 00	\$275.80
008 0625 022 00	\$2,369.96	008 0634 037 00	\$307.20
008 0626 001 01	\$51,472.52	008 0634 038 00	\$351.80
008 0626 004 00	\$1,092.37	008 0634 039 00	\$317.00
008 0626 005 00	\$295.90	008 0634 040 00	\$278.20
008 0626 006 01	\$1,109.62	008 0634 041 00	\$275.80
008 0626 006 02	\$1,353.64	008 0634 042 00	\$307.20
008 0626 007 00	\$1,189.11	008 0634 043 00	\$351.80
008 0626 008 00	\$13,860.00	008 0634 044 00	\$317.00
008 0626 034 00	\$4,101.34	008 0634 045 00	\$278.20
008 0627 002 00	\$4,324.95	008 0634 047 00	\$0.00
008 0627 005 00	\$43.89	008 0634 048 00	\$0.00
008 0627 006 00	\$6,213.28	008 0634 049 00	\$0.00
008 0627 037 01	\$6,087.20	008 0634 050 00	\$0.00

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT

(Not Valid Without Signature and Certification Seal Within)

008 0634 051 00	\$0.00	008 0650 001 00	\$5,258.93
008 0634 052 00	\$10.06	008 0650 002 00	\$724.45
008 0634 053 00	\$0.00	008 0650 003 00	\$942.31
008 0635 001 00	\$23,323.05	008 0650 004 00	\$2,298.42
008 0636 010 01	\$9,032.10	008 0650 007 01	\$2,800.01
008 0636 011 01	\$21,414.64	008 0650 008 01	\$1,044.01
008 0636 013 01	\$1,666.97	008 0650 016 04	\$5,164.03
008 0636 015 00	\$2,130.21	008 0650 023 00	\$6,144.47
008 0636 016 00	\$1,432.40	008 0650 024 00	\$9,851.70
008 0636 018 01	\$3,488.20	008 0651 001 01	\$6,241.47
008 0636 020 05	\$5,617.67	008 0651 003 01	\$35,406.45
008 0636 020 08	\$38,654.42	008 0651 008 01	\$5,190.34
008 0637 003 03	\$2,527.39	008 0651 010 00	\$287.68
008 0637 004 03	\$452.07	008 0651 011 01	\$304.12
008 0637 005 00	\$2,208.70	008 0651 012 01	\$353.43
008 0637 008 06	\$32,801.67	008 0651 014 03	\$2,853.54
008 0637 008 08	\$4,695.91	008 0651 015 02	\$4,388.21
008 0637 013 01	\$5,799.19	008 0651 017 03	\$649.33
008 0637 014 01	\$1,166.83	008 0651 018 01	\$7,022.49
008 0637 015 00	\$2,003.78	008 0652 001 05	\$107,872.23
008 0637 020 01	\$4,472.51	008 0653 008 00	\$708.94
008 0638 001 00	\$14,710.65	008 0653 009 00	\$708.94
008 0638 005 00	\$5,301.70	008 0653 010 00	\$886.17
008 0638 006 02	\$3,909.23	008 0653 011 00	\$1,681.73
008 0638 007 07	\$3,114.39	008 0653 011 00	\$6,375.33
008 0638 007 08	\$11,112.98	008 0653 014 01	\$5,935.43
008 0639 001 00	\$36,892.50	008 0653 015 01	\$5,833.49
008 0639 002 01	\$3,179.24	008 0653 019 03	\$41,747.59
008 0639 003 00	\$802.35	008 0653 021 02	\$10,082.02
008 0639 004 00	\$2,353.22	008 0653 023 00	\$20,089.32
008 0639 005 00	\$3,333.21	008 0653 024 00	\$15,452.02
008 0639 006 02	\$2,176.36	008 0655 003 05	\$25,966.10
008 0640 001 00	\$1,809.29	008 0655 004 00	\$4,623.92
008 0640 002 00	\$1,803.15	008 0655 005 00	\$3,297.00
008 0640 003 00	\$1,533.41	008 0655 006 00	\$2,040.60
008 0640 004 00	\$1,085.71	008 0655 007 00	\$3,571.06
008 0640 005 00	\$3,283.48	008 0655 009 01	\$3,578.18
008 0640 006 00	\$2,451.26	008 0656 001 00	\$5,804.26
008 0640 007 00	\$1,146.28	008 0656 002 01	\$3,263.10
008 0640 008 00	\$668.98	008 0656 004 00	\$2,200.33
008 0640 009 00	\$976.42	008 0656 005 00	\$2,357.87
008 0640 010 00	\$3,542.59	008 0656 008 01	\$5,632.76
008 0648 001 00	\$4,464.91	008 0656 010 00	\$1,748.89
008 0648 017 00	\$2,474.73	008 0657 011 00	\$3,868.21
008 0648 018 00	\$4,541.15	008 0657 012 00	\$17,097.46
008 0649 005 00	\$4,444.88	008 0658 002 01	\$799.22
008 0649 006 00	\$1,128.10	008 0658 002 02	\$281.92
008 0649 008 00	\$1,269.11	008 0658 004 01	\$1,693.20
008 0649 009 00	\$1,386.66	008 0658 005 01	\$3,405.52
008 0649 011 00	\$2,087.73	008 0658 010 00	\$7,715.64

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT

(Not Valid Without Signature and Certification Seal Within)

008 0665 002 00	\$784.60	008 0669 010 00	\$410.97
008 0665 003 00	\$2,794.48	008 0669 011 00	\$12,574.18
008 0665 004 00	\$2,491.46	008 0669 012 00	\$3,546.07
008 0665 005 00	\$966.08	008 0669 013 00	\$410.97
008 0665 006 00	\$1,350.34	008 0669 014 00	\$410.97
008 0665 007 00	\$562.72	008 0669 015 00	\$312.34
008 0665 008 00	\$3,121.74	008 0669 016 00	\$263.02
008 0665 009 00	\$706.97	008 0669 017 00	\$1,521.47
008 0665 010 00	\$567.97	008 0670 001 00	\$1,345.18
008 0665 011 00	\$722.51	008 0670 002 00	\$599.40
008 0666 002 00	\$996.40	008 0670 003 00	\$1,022.83
008 0666 003 00	\$616.46	008 0670 004 00	\$2,633.71
008 0666 004 00	\$328.78	008 0670 005 00	\$2,023.40
008 0666 005 00	\$3,177.52	008 0670 006 00	\$2,318.61
008 0666 006 00	\$4,860.14	008 0670 007 00	\$588.20
008 0666 007 00	\$1,200.58	008 0670 008 00	\$633.60
008 0666 008 00	\$810.29	008 0670 009 00	\$1,353.20
008 0666 009 00	\$1,658.78	008 0670 010 00	\$2,088.00
008 0666 010 02	\$410.97	008 0670 011 00	\$974.00
008 0666 010 03	\$205.49	008 0670 012 00	\$273.60
008 0666 011 04	\$1,290.45	008 0670 013 00	\$298.80
008 0666 013 00	\$2,197.37	008 0670 014 00	\$330.80
008 0666 014 01	\$4,059.16	008 0670 015 00	\$280.80
008 0666 015 00	\$3,326.99	008 0670 016 00	\$380.20
008 0666 018 00	\$410.97	008 0670 017 00	\$679.91
008 0666 019 01	\$2,732.46	008 0670 018 00	\$589.96
008 0667 005 03	\$1,816.49	008 0671 020 01	\$9,446.12
008 0667 006 02	\$1,767.17	008 0671 021 01	\$1,419.50
008 0667 009 00	\$3,158.65	008 0671 024 00	\$464.23
008 0667 010 00	\$3,158.65	008 0671 025 00	\$773.72
008 0667 011 00	\$3,158.65	008 0671 026 00	\$1,160.58
008 0668 001 00	\$2,241.44	008 0671 027 02	\$1,124.17
008 0668 002 02	\$0.00	008 0672 011 00	\$213.80
008 0668 002 03	\$1,140.60	008 0672 012 00	\$655.93
008 0668 003 00	\$3,005.78	008 0672 013 03	\$1,028.28
008 0668 004 00	\$2,137.04	008 0672 014 01	\$1,665.12
008 0668 005 00	\$1,155.02	008 0672 015 00	\$2,099.99
008 0668 006 00	\$2,122.25	008 0672 023 00	\$240.00
008 0668 009 07	\$3,090.49	008 0672 024 00	\$240.00
008 0668 011 02	\$271.24	008 0672 025 00	\$240.00
008 0668 011 03	\$951.74	008 0672 026 00	\$0.00
008 0669 001 00	\$1,935.60	008 0673 002 00	\$11,041.20
008 0669 002 00	\$525.60	008 0673 003 00	\$2,109.37
008 0669 003 00	\$635.20	008 0674 004 00	\$4,089.61
008 0669 004 03	\$769.00	008 0674 005 00	\$890.56
008 0669 005 00	\$344.40	008 0674 006 00	\$1,221.30
008 0669 006 00	\$234.80	008 0674 007 00	\$1,221.30
008 0669 007 00	\$1,076.71	008 0674 012 01	\$1,698.40
008 0669 008 00	\$664.00	008 0674 015 01	\$1,587.82
008 0669 009 00	\$410.97	008 0674 016 00	\$1,350.80

LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT

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008 0674 017 00	\$610.65	010 0768 002 01	\$1,435.29
008 0674 018 00	\$314.00	010 0768 002 03	\$410.97
008 0674 033 01	\$2,358.87	010 0768 002 04	\$1,466.24
008 0679 001 00	\$11,616.74	010 0768 002 05	\$592.39
008 0636 019 00	\$1,137.41	010 0768 003 00	\$2,899.00
008 0715 001 00	\$16,311.80	010 0768 004 00	\$8,206.46
008 0715 002 00	\$10,291.13	010 0768 005 00	\$4,339.78
010 0768 001 00	\$2,399.98	010 0795 027 01	\$15,263.38

EXHIBIT B

(to the Resolution of Intention to Form the Lake Merritt/Uptown CBD)

CITY OF OAKLAND LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT OF 2008 PROPERTY OWNER BALLOT

This ballot is for the property owners of the parcel(s) identified below by Assessment Parcel Numbers (APN), which parcel(s) are located within the proposed Lake Merritt/Uptown Community Benefit District (CBD) of 2008, in the City of Oakland. Please advise the City of Oakland as soon as possible at (510) 238-7405 if the information set forth below is incorrect.

This ballot may be used to express either support for or opposition to the proposed Lake Merritt/Uptown CBD assessment. In order to be counted, this ballot must be completed, signed, and dated below by an owner of the identified parcel(s) or by an authorized representative of the owner. The ballot must be returned to the City Clerk of Oakland either by mail or in person to: Office of the City Clerk, Oakland City Hall, One Frank H. Ogawa Plaza, First Floor, Oakland, CA, 94612, ATTN: Lake Merritt/Uptown CBD. If a majority of ballots received (as weighted by assessment) oppose the Lake Merritt/Uptown CBD assessment, the Lake Merritt/Uptown CBD will not be established and the Lake Merritt/Uptown CBD assessment will not be levied.

Mail Delivery: If by mail, fold and insert the ballot in the enclosed self-addressed stamped envelope, seal the envelope, and deposit in the U.S. mail.

Personal Delivery: If in person, fold and insert the ballot in the enclosed self-addressed envelope, seal the envelope provided and deliver to the City Clerk's office (address shown above) or deliver to the City Clerk at the public hearing on the Lake Merritt/Uptown CBD.

The assessment shall not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with the ballots weighted according to the proportional financial obligation of the affected property.

IN ORDER TO BE COUNTED, THIS BALLOT MUST BE RECEIVED BY THE CITY CLERK PRIOR TO THE CLOSE OF THE PUBLIC INPUT PORTION OF THE PUBLIC HEARING ON THE LAKE MERRITT/UPTOWN CBD, WHICH IS SCHEDULED FOR JULY 15, 2008, AT 7:01 PM IN THE CITY COUNCIL CHAMBERS, OAKLAND CITY HALL, 1 FRANK OGAWA PLAZA, OAKLAND, CALIFORNIA 94612. To cast this ballot, check the appropriate box below (either yes or no), sign the ballot at the bottom, and return either this entire page or the portion below this line.

BALLOT

Please mark in the box below to cast your vote:

- YES**, I am in favor of the formation of the district and the proposed assessments against the parcel(s) identified on this ballot.
- NO**, I oppose the formation of the district and the proposed assessment against the parcel(s) identified on this ballot.

Owner

APN

Assessment

Total Lake Merritt/Uptown CBD Assessment Amount (Votes Cast)

XXXXXXX

NAME (PRINTED)

SIGNATURE

FILED
OFFICE OF THE CITY CLERK

OAKLAND CITY COUNCIL

2008 MAY -1 PM 8:38
RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO SIGN THE BALLOT FOR THE FIVE CITY-OWNED PROPERTIES ON WHICH AN ASSESSMENT IS TO BE LEVIED (APNS: 008 0623 006 01, 008 0635 001 00, 008 0649 005 00, 008 0655 006 00, 010 0768 004 00) TO SUPPORT THE FORMATION OF THE LAKE MERRITT/UPTOWN COMMUNITY BENEFIT DISTRICT OF 2008

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, property owners in the Lake Merritt/Uptown district have petitioned to form the Lake Merritt/Uptown Community Benefit District of 2008 (hereinafter "District") under said legislation to undertake the Management District Plan for the Lake Merritt/Uptown Property Community Benefit District of 2008 (hereinafter "Plan"); and

WHEREAS, the District includes five City-owned properties on which an assessment is to be levied (APNS: 008 0623 006 01, 008 0635 001 00, 008 0649 005 00, 008 0655 006 00, 010 0768 004 00) to support the formation of the Lake Merritt/Uptown Community Benefit District of 2008; and

WHEREAS, the five City-owned properties on which an assessment is to be levied (APNS: 008 0623 006 01, 008 0635 001 00, 008 0649 005 00, 008 0655 006 00, 010 0768 004 00) have the right to take part in the balloting process related to formation of the district; and

WHEREAS, if the District is established, the assessments will take place on a yearly basis and the District will last for a period of ten years; and

WHEREAS, if the District is established, the projected assessment for the five City-owned properties will be in an amount not to exceed \$565,728 to be paid over the ten year life of the district; and

WHEREAS, funds to pay the assessment will be identified in the resolution to establish the Lake Merritt/Uptown Community Benefit District of 2008, approving the Management Plan, directing filing of the proposed assessment district boundary description, making a determination with regard to the majority protest procedure for approval of the proposed assessments; and approving the assessments for the district to be presented on July 15, 2008; and

WHEREAS, this resolution clarifies the City Administrator's authority to sign the ballot on behalf of the City of Oakland; 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 ballot for the five City-owned properties on which an assessment is to be levied (APNS: 008 0623 006 01, 008 0635 001 00, 008 0649 005 00, 008 0655 006 00, 010 0768 004 00) to support the formation of the Lake Merritt/Uptown Community Benefit District Of 2008.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and
PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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