

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2003 OCT 23 PM 3:06

TO: Office of the City Manager  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: November 4, 2003  
RE: A PUBLIC HEARING AND THE ADOPTION OF A RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2004/05

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**SUMMARY**

A resolution to confirm the annual report of the Rockridge Business Improvement District advisory board and to levy the annual assessment for fiscal year 2004/05 for the Rockridge Business Improvement ( BID) has been prepared pursuant to Street and Highways Code Section 36500 et seq. and the City of Oakland's Neighborhood Business Improvement District Program.

City Council must adopt the resolution to authorize the district to collect assessments for the upcoming fiscal year. Assessment funds will be used to pay for economic development and beautification activities outlined in the district management plan on file with the Office of the City Clerk.

A public hearing and majority protest procedure must precede City Council's consideration of the above resolution. A majority protest exists if owners of affected businesses which will pay fifty percent (50%) or more of the proposed assessments to be levied submit qualifying written protests on or before the public hearing date of November 4, 2003, for this matter.

If no majority protest exists, then City Council may adopt the above resolution. If, however, a majority protest exists, then City Council cannot adopt the resolution to levy FY 2004/05 assessments for the Rockridge BID and no further proceedings to levy the proposed assessment shall be taken for a period of one year.

If the levy is approved, the Revenue Division of the Financial Services Agency will collect the assessment along with annual business taxes and will remit the amount collected minus the City's expenses of collection to designated BID administrators.

**FISCAL IMPACTS**

Little or no fiscal impact is anticipated. Costs associated with assessment billings and collections will be handled by the City's Revenue Division as described above. The only other cost associated with the proposed resolution is for the City staff position required to assist BID districts with their annual approval process (review of annual reports, preparation of City Council reports, etc.). This

Item 14.2  
City Council  
November 4, 2003

staff position is already fully-funded within the current approved budget of the City's Neighborhood Commercial Revitalization division.

## **BACKGROUND**

On November 9, 1999, the City Council approved Resolution #75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program. This program is authorized by Section 36500 of the California Streets and Highway Code which allows for the establishment of local business improvement districts throughout the state. Pursuant to the above legislation, Ordinance #12301 was passed by City Council on December 12, 2000, to establish the Rockridge BID and Resolution #78147 was adopted on October 21, 2003, which stated City Council's intent to levy a FY 2004/05 assessment for the district, approved the district's annual report and scheduled a related public hearing for November 4, 2003.

The Rockridge BID encompasses approximately 427 businesses located in and around the Rockridge commercial area and estimates an annual budget of approximately \$136,800. It provides a private funding source for enhanced safety and security, beautified physical appearance, and organized economic development and marketing activities within the district according to a City approved district management plan.

The BID model for economic development is also being used in the Lakeshore/Lake Park district (established 2002), and the Fruitvale and Montclair districts (both established 2001) and in other commercial neighborhoods throughout the country.

Revenues generated by BIDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples of BID-funded services include, but are not limited to, enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, and capital improvements. These types of enhanced services lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

## **KEY ISSUES AND IMPACTS**

There is no anticipated adverse impact associated with the authorization to levy FY 2004/05 assessments for Rockridge BID.

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

## **PROGRAM DESCRIPTION**

If the City Council approves the FY 2004/05 levy for the Rockridge BID, assessments will be collected in accordance with the district management plan on file with the Office of the City Clerk and the district's annual report approved by City Council on October 21, 2003. Key aspects of this document include, but are not limited to, additional security; sidewalk and street cleanup; landscaping and maintenance; brochure design and production; special events; and a business district newsletter.

The annual report indicates no changes in the boundaries of the business improvement district or in any benefit zones in the area. There is also no change in the original method and basis of levying the assessment. However, a new subcategory is proposed to be temporarily added to the current business classifications. This adjustment is in response to feedback from business license holders earning annual gross receipts of \$25,000 or less. The proposed temporarily reduced assessment for these businesses will now be \$60 for the 2004/2005 assessment year. Currently, these businesses pay \$120 per year, but are eligible to apply for a reduced assessment (e.g. \$60) by submitting a hardship waiver request. Consequently, each year district administrators devote a substantial amount of time to processing multiple waiver applications from low earning businesses. Therefore, to eliminate the administrative costs of processing the waivers and to better respond to the stated needs of affected district businesses, the new subcategory is proposed to be temporarily created to cover these repetitive requests for hardship waivers and reduce the district's overhead operating costs and alleviate the necessity for these businesses to submit and pursue such waiver requests. *The subcategory will only be applied in future years if requested and approved in the future annual reports and assessment resolutions.*

## **SUSTAINABLE OPPORTUNITIES**

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

**Environmental:** The proposed levy will enable the Rockridge BID to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the use of enhanced sidewalk and street cleaning and maintenance. Attractive new banners, directional signage and holiday decorations will also uplift and unify the district's appearance.

**Social Equity:** *BIDs* incorporate all members of a business community into a productive and proactive entity representing the interests of that community. Administration of the cash flow generated by the district itself contributes to local merchant self-empowerment and provides enhanced services for the overall physical and economic betterment of the district.

## **DISABILITY AND SENIOR ACCESS**

The reauthorization of assessments for the BID has no direct implications for disability and senior access. However, the BID's efforts toward revitalization may encourage businesses to continue to

abide by applicable state, federal and local codes and legislation regarding disability and senior access. Improved public safety and security provided by the BID could also serve to make the area safer and more accessible to all visitors, including senior citizens and disabled persons.

**RECOMMENDATION(S) AND RATIONALE**

Adoption of the attached resolution will support the continuance of the Rockridge BID and its planned activities which have been approved by City Council. Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the conditions and image of their area and to assist in the economic revitalization and physical maintenance of their respective commercial corridors.

Additionally, because BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Rockridge BID. Consequently, the Rockridge BID should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution confirming the annual report of the Rockridge BID advisory board and levying the annual assessment for the Rockridge BID for fiscal year 2004/05.

**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the resolution confirming the annual report of the Rockridge BID advisory board and levying the annual assessment for the Rockridge BID for fiscal year 2004/05.


Respectfully submitted,



Daniel Vanderprien  
Director of Redevelopment,  
Economic Development, and Housing

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

APPROVED AND FORWARDED TO THE  
CITY COUNCIL

  
OFFICE OF THE CITY MANAGER

OAKLAND CITY COUNCIL

*B. Phelan*

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

RESOLUTION No. \_\_\_\_\_ C.M.S.

2003 OCT 23 PM 3:06

RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2004/05

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

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

WHEREAS, the business license holders in the Rockridge business district petitioned to form the Rockridge Business Improvement District ("District") under said legislation to undertake the Management Plan for the District ("Plan") which is on file with the City Clerk; and

WHEREAS, the Plan provides for new security, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, and marketing activities with the intent of creating a positive atmosphere in the District area (as more specifically identified in the Plan); and

WHEREAS, the Plan was prepared in accord with the provisions of the law overseeing the formation of the District as referenced above, and has been filed with the City; and

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

WHEREAS, the Annual Report has been prepared by the Rockridge Business Improvement District Advisory Board and filed with the City Clerk, and the City Council desires to confirm the Report, and levy the annual assessment for the Rockridge Business Improvement District for fiscal year 2004/05;

NOW, THEREFORE, the Council of the City of Oakland does hereby find and resolve as follows:

1. The Rockridge Business Improvement District was established in the Rockridge area of the City of Oakland, California as a parking and business improvement area pursuant to Street and Highways Code section 36500 et seq with the boundaries as specified in the Plan on file with the City Clerk.
2. A Public Hearing was held on November 4, 2003, to hear all public comments, protests, and take final action as to the levying of the proposed assessments for the District for the fiscal year 2004/05. The City Council finds that there was no majority protest as defined in the Street and Highways Code Section 36500 et seq.
3. The Annual Assessment Report for the District is approved and confirmed.
4. The City Council approves and adopts the assessments as provided for in the Plan and the Annual Report of the Advisory Board and does hereby levy and direct the collection of the assessments for the 2004/05 fiscal year as provided for in the Annual Report in accordance with the assessment formula as provided for in the Plan and Annual Report.
5. The proposed method and basis of levying the assessments to be levied against each business in the District have not been changed and are those specified in the Plan and Annual Report on file with the City Clerk. For the fiscal year 2004/2005 assessment a sub-classification of businesses that earn an annual gross receipts of \$25,000 or less is created with a temporarily reduced fee for that assessment year of \$60. Such sub-classification is temporarily created to reduce the number and expense of processing hardship partial fee waiver requests, and the reduced fee amount shall not apply to future assessment years unless renewed in the annual assessment resolution for such future years.
6. The time and manner of collecting assessments shall be at the same time and in the same manner as for the annual business tax billings and may provide for the same penalties for delinquent payment. The City may use the same process and procedures for the collection of delinquent assessments as it uses to collect delinquent business tax billings or such other processes and procedures as are convenient to complete such collection and may reimburse itself out of the proceeds collected for the costs of such collection. The assessments shall be coordinated with the City of Oakland's annual business tax billing cycle, and shall be included along with the annual business tax notifications, or in a supplemental notice following thereafter if, for any reason, they are not ready or cannot be included along with the business tax notices. Supplemental notices shall be permissible for new businesses or for correction or supplementation of prior notices.

7. The boundaries of the District shall remain the same as specified in the Plan on file with the City Clerk and there are no changes to the boundaries or benefit zones.
8. The types of the improvements and activities proposed to be funded by the levy of assessments on businesses in the area are those specified above in this Resolution and more specifically as described in the Plan and the Annual Report on file with the City Clerk. There are no substantial changes in the improvements or activities for the District.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
CEDA FLOYD  
City Clerk and Clerk of the Council  
of the City of Oakland, California

EXHIBIT A  
(to resolution confirming the Rockridge BID annual report  
and levying the FY 04/05 assessment)



**ANNUAL REPORT TO THE NEIGHBORHOOD COMMERCIAL  
REVITALIZATION PROGRAM/CEDA FOR FISCAL YEAR 2004-05  
FOR THE ROCKRIDGE B.I.D. (SB 1424)**

Section 36533

(b)(1)

There are no proposed changes in the boundaries of the parking and business improvement area or in benefit zones in the area;

(b)(2)

Please see the attached budget, which will outline the improvements and activities to be funded and provided in the upcoming year through December 31, 2004.

(b)(3)

Please see attached budget.

(b)(4)

The Rockridge Business Improvement District proposes to change the classification of businesses by creating a subcategory for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this subcategory would pay an annual assessment fee of \$60.00.

(b)(5)

A deficit of \$4,055.54 is carried over from 2002.

(b)(6)

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

**Annual Renewal Notice:**

"Per Council adoption of the Rockridge ordinance in November 2000, the Governing Council (Advisory Board) of the Rockridge BID shall annually 45 days before the anniversary of the establishment of the Rockridge Business Improvement Management District Ordinance give the assessees of the District written notice of their rights to disestablish the district and the process therefore, and shall report that they have done so each year in the annual report to the Council." The notice will be given as required by the ordinance.

Please contact Kim Christensen, Interim Executive Director, should you have any questions regarding this report.

*August 21, 2003*



12:25 PM  
08/15/03  
Cash Basis

**Rockridge District Association**  
**Profit & Loss Budget Overview**  
January through December 2004

	<u>Jan - Dec 04</u>
<b>Income</b>	
BID Revenues	136,800.00
<b>Total Income</b>	<u>136,800.00</u>
<b>Expense</b>	
<b>Marketing &amp; Promotions</b>	
Brochure Design, Production	6,500.00
Website	4,000.00
Special Events	17,000.00
<b>Total Marketing &amp; Promotions</b>	<u>27,500.00</u>
<b>Design</b>	
Street Improvements	5,000.00
<b>Total Design</b>	<u>5,000.00</u>
<b>Organization</b>	
Professional	2,500.00
Board Meetings/Annual Meeting	500.00
Taxes & City Collection Costs	2,200.00
Insurance (GL & DO)	2,000.00
Training & Development	3,400.00
Misc. (Bank Charge, BID Reimb.)	500.00
Newsletter	1,000.00
<b>Office Supplies/Postage</b>	
Office Supplies	1,000.00
Postage	500.00
<b>Total Office Supplies/Postage</b>	<u>1,500.00</u>
<b>Consulting</b>	36,000.00
<b>Communications -Telephone &amp; Fax</b>	500.00
<b>Total Organization</b>	<u>50,100.00</u>
<b>Economic Restructuring Comm.</b>	
Security, Public Safety	12,000.00
Sidewalk, St Cleanup, Landscape	42,000.00
<b>Total Economic Restructuring Comm.</b>	<u>54,000.00</u>
<b>Total Expense</b>	<u>136,600.00</u>
<b>Net Income</b>	<u><u>200.00</u></u>

# ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ASSESSMENT TABLE

## ANNUAL GROSS RECEIPTS AS REPORTED TO THE CITY OF OAKLAND

CATEGORY	\$0- \$25,000	\$25,001 - \$75,000	\$75,001 - \$149,999	\$150,000 - \$299,999	\$300,000 - \$499,999	\$500,000 - \$749,999	\$750,000 - \$999,999	\$1,000,000 - \$1,499,999	\$1,500,000 - \$1,999,999	\$2,000,000 OR HIGHER
<i>Special Businesses</i>										\$5,000
<i>Banks</i>	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
<i>Retail</i>	\$60	\$ 120	\$ 180	\$ 250	\$ 500	\$ 750	\$1,000	\$1,500	\$2,000	\$2,500
<i>Service</i>	\$60	\$ 120	\$ 150	\$ 180	\$ 250	\$ 500	\$ 750	\$1,000	\$1,000	\$1,000
<i>Professional</i>	\$60	\$ 120	\$ 150	\$ 180	\$ 250	\$ 250	\$ 250	\$ 500	\$ 500	\$ 500
<i>Ind. Mfg/ Wholesale</i>	\$60	\$ 120	\$ 120	\$ 120	\$ 120	\$ 180	\$ 250	\$ 500	\$ 500	\$ 500

(Jan. 2004)

14.2  
 ORACOUNCIL  
 NOV - 4 2003