

**CITY OF OAKLAND**  
**COUNCIL AGENDA REPORT**

OFFICE OF THE CITY CLERK  
2005 DEC -1 PM 12:59

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: December 13, 2005  
RE: RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT  
OF THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT  
DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL  
ASSESSMENT FOR THE FRUITVALE BUSINESS IMPROVEMENT  
MANAGEMENT DISTRICT FOR FISCAL YEAR 2005/06

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**SUMMARY**

Pursuant to the City of Oakland's Business Improvement Management District (BIMD) Ordinance (Ordinance No. 12190 C.M.S., 1999) and the Neighborhood Business Improvement District Program (Resolution No. 75323 C.M.S., 1999) a resolution approving and confirming the annual report of the Fruitvale Business Improvement Management District advisory board and the continuing annual assessment for the Fruitvale Business Improvement Management District for fiscal year 2005/06 has been prepared.

The City Council must adopt the attached resolution to approve on-going services within the district.

**FISCAL IMPACTS**

No new fiscal impact is anticipated for the City. However, the City has already committed to paying a total assessment of \$64,830.33 over five years (Resolution No. 76128 C.M.S., 1999) at an average of approximately \$12,966 per year for City owned properties located within the Fruitvale BIMD. Funds to pay the FY05/06 property assessment have been budgeted in General Purpose Fund 1010/Neighborhood Commercial Revitalization & Service Delivery System Organization 88569/Taxes and Assessments Account 53511/Project C138410.

Other than the above assessment, the Fruitvale BIMD is a self-funded, self-administered entity. It will pay its own operating costs, including costs for assessment collections and disbursements.

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

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district's non-profit management corporation, less the City's costs of processing the disbursement.

Until disbursed, BID assessments will be held in a special trust fund established by the City's Finance and Management Agency. The trust fund number for the Fruitvale BIMD trust fund is: Miscellaneous Trusts Fund (7999)/Neighborhood Commercial Revitalization & Service Delivery System Organization (88569)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000).

### **BACKGROUND**

The Fruitvale BIMD was established on January, 9, 2001, (Resolution No. 76205 C.M.S) for a period of five years. The district encompasses approximately 39 blocks along International Boulevard, Fruitvale Avenue and Foothill Boulevard as well as portions of the Fruitvale Transit village along East 12<sup>th</sup> Street between 33<sup>rd</sup> and 35<sup>th</sup> Avenue.

Assessments for the district are projected at approximately \$224,860 per year subject to a 3% per year maximum increase over the five-year period of the BIMD. However, the district advisory board has projected a FY 05/06 budget indicating BID revenues of only \$212,000. This amount factors in anticipated late payment or non-payment by some property owners.

The BIMD model for economic development has been successfully used in other commercial neighborhoods throughout the country and throughout Oakland, including the Laurel district (established 2005), the Temescal/Telegraph district (established 2004), the Lakeshore/Lake Park district (established 2002), the Montclair district (established 2001), and the Rockridge district (established 2000).

Revenues generated by BIMDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples include enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, capital improvements, and human services.

### **KEY ISSUES AND IMPACTS**

There is no anticipated adverse impact associated with the approval of the proposed resolution.

In terms of positive impacts, adoption of the resolution will enable the Fruitvale BIMD to continue providing enhanced district services which lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

### **PROGRAM DESCRIPTION**

Planned services for FY 2005/06 are outlined in the annual report filed by the Fruitvale BIMD advisory board and include an ambassador program to reduce street disorder and

prevent crime as well as a street maintenance program, including trash removal and street and sidewalk cleaning. Also planned are district promotions and fundraising efforts and production of at least one special event (Dia de los Muertos). These program activities build on the efforts and successes of the Fruitvale Main Street Program and the Unity Council to revitalize the area.

#### **SUSTAINABLE OPPORTUNITIES**

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

**Environmental:** The proposed levy will enable the Fruitvale BIMD 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.

**Social Equity:** BIMDs 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 and property owner self-empowerment and provides enhanced services for the overall physical and economic *betterment of the district.*

#### **DISABILITY AND SENIOR ACCESS**

Passage of the proposed resolution has no direct implications for disability and senior access. However, the BIMD'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 BIMD 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 Fruitvale BIMD and its planned activities.

Such business improvement districts represent a proactive effort on the part of neighborhood business and property 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 BIMDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Fruitvale BIMD, other than those already provided in previous legislation.

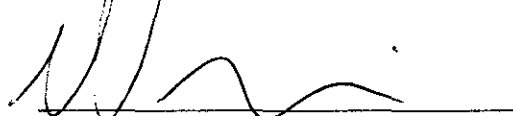
Consequently, the Fruitvale BIMD should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution confirming the annual report of the Fruitvale BIMD advisory

board and the continuing annual assessment for the Fruitvale BIMD for fiscal year 2005/06.

**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the resolution confirming the annual report of the Fruitvale BIMD advisory board and the continuing annual assessment for the Fruitvale BIMD for fiscal year 2005/06.

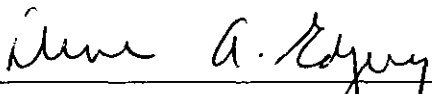
Respectfully submitted,



Daniel Vanderpriem  
Director of Redevelopment,  
Economic Development, and Housing

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

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

  
\_\_\_\_\_  
OFFICE OF THE CITY ADMINISTRATOR

**EXHIBIT A**  
**(to the resolution approving and confirming the FY05/06  
annual report and continuing assessment)**

**Fruitvale Business Improvement Management District**  
**Fourth Annual Report to City Council**  
**Fiscal Year 2005-06 (July 1, 2005 – June 30, 2006)**

**1. Proposed Changes in the Boundaries of the BIMD or in any Benefits Zones Within the District**

None.

**2. Improvements and Activities Provided During Fiscal Year 2004-05**

The following are the major improvements and activities provided:

- Neighborhood Cleanliness Crew: approximately 140 hours per week (every day except Sundays and holidays) of sidewalk, curb, and gutter sweeping, recycling, graffiti abatement, removal of flyers, and landscaping
- Landscaping program including maintenance of planter pots, native habitat garden at Foothill and Fruitvale, and trees; recruitment of volunteers to assist with landscape projects; worked with the City to replace broken and missing trees
- Fruitvale Ambassadors: approximately 100 hours per week (on weekdays) of safety patrol on bicycle and on foot
- Assisted the Oakland Police with the anti-prostitution campaign
- Worked to discourage illegal sidewalk vending on Mother's Day and Valentines Day
- Advocated for the improvement of several problem alcohol outlets
- Ninth Annual Dia de los Muertos Festival
- Started weekly farmers market on De La Fuente Plaza
- Summer nights outdoor live music and movie series
- Assisted merchants in holding a Christmas Posada procession and celebration
- Update of merchant web site ([fruitvalemerchants.com](http://fruitvalemerchants.com))
- Installation of winter holiday decorations throughout the district
- Participation in the Shop Oakland Campaign
- Articles and advertisements for the district published in Oakland Business Review, Oakland Magazine, the Tribune, and others
- 10 storefront and façade improvements
- Painting and clean-up at Fruitvale Plaza Park
- Fund raising and resource development (see item # 7 for details)
- Advocacy for the district through the Oakland Merchants Leadership Forum and the Oakland Business Improvement District Council
- Business assistance; secured a grant to hire a full-time business assistance manager; welcome visits to new merchants
- Quarterly newsletter

### **3. Improvements and Activities To Be Provided During Fiscal Year 2005-06**

- Continuation of Neighborhood Cleanliness Crew Program
- Continuation of Fruitvale Ambassador Program
- Tenth Annual Dia de los Muertos Festival and other events
- Continued partnership with the Oakland Police on special projects
- Continued assistance to merchants and promotion of the façade improvement program
- Participation in the Shop Oakland Campaign
- Fund raising and resource development
- Advocacy for the district through the Oakland Merchants Leadership Forum and the Oakland Business Improvement District Council

### **4. An Estimate of the Cost of Providing the Improvements and the Activities for Fiscal Year 2005-06**

Please see attached budget.

### **5. Method and Basis of Levying the Assessment**

Each property owner pays an assessment based on gross lot square footage. The district is divided into two zones. Zone One encompasses those “properties in the center of the commercial district with highest commercial activity.”<sup>1</sup> Thus Zone One includes Fruitvale Avenue from Foothill Boulevard to International Boulevard and International Boulevard from Fruitvale Avenue to 42<sup>nd</sup> Avenue. The remainder of the district comprises Zone Two. Zone One properties are assessed at \$0.14 per square foot and Zone Two properties are assessed at \$0.066 per square foot. Properties owned by charitable tax-exempt organizations pay \$0.074 per square foot in Zone One and no assessment in Zone Two. Residential properties with four units or fewer are not assessed in either zone.

### **6. Surplus or Deficit for Fiscal Year 2005-06**

The budget for Fiscal Year 2005-06 is \$212,000. The expected assessment to be collected for that year is \$212,000. Therefore, it is expected that there will be no surplus or deficit.

### **7. Contributions from Sources Other than Assessments**

We project that we will be able to supplement BID services through funding sources including the following:

- Community Development Block Grant: \$40,186 (secured)
- California Department of Transportation: \$32,000 (secured)
- Local Initiatives Support Corporation: \$20,000 (pending)
- Office of Community Services: \$68,750 (pending)

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<sup>1</sup> Fruitvale Management District Plan, p. 21.

Fruitvale BID Budget  
2005-06

<b>Safety &amp; Cleanliness</b>				
<i>Personnel</i>	<i>hrly rate</i>	<i>notes</i>	<i>total</i>	
Fruitvale Ambassador (lead)	13.00	FT	27,040.00	
Fruitvale Ambassador	10.00	FT	20,800.00	
Outreach Coordinator		PT Americorps	1,372.50	(half of time)
Cleanliness Crew Supervisor		25% of time	9,000.00	
Cleanliness Crew Member	11.00	FT	22,880.00	
Cleanliness Crew Member	10.50	FT	21,840.00	
Cleanliness Crew Member	10.50	FT	21,840.00	
<i>Subtotal</i>			124,772.50	
<i>Fringes/Taxes @ 30%</i>			37,431.75	
<b>TOTAL FOR STAFF</b>			162,204.25	
Equipment Repair & Maint			4,000.00	
Telephone	(includes Nextel two-way radios)		4,500.00	
Program Supplies & Equip.			9,000.00	
Insurance			10,000.00	
<i>Subtotal</i>			27,500.00	
<b>TOTAL FOR SAFETY &amp; CLEANLINESS</b>				<b>189,704.25</b>
<b>Administration, Design, Promotion, &amp; Business Assistance</b>				
Office Supplies			750.00	
Postage			2,000.00	
Printing/Publication			5,500.00	
Telephone			2,500.00	
Training			1,000.00	
Local Travel			250.00	
Occupancy			3,600.00	
Admin/Fund Development			6,695.75	
<b>TOTAL FOR ADMIN., DESIGN, PROMOTION, &amp; BUS. ASSISTANCE</b>				<b>22,295.75</b>
<b>GRAND TOTAL</b>				<b>212,000.00</b>
Expected Assessment				212,000.00
Projected Deficit				-

OAKLAND CITY COUNCIL

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RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT DISTRICT FOR FISCAL YEAR 2005/06**

**WHEREAS**, the City of Oakland Business Improvement Management District Ordinance allows for the formation of Business Improvement Districts (Chapter 4.48, Ordinance 12190, 1999); 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 property owners in the Fruitvale business district petitioned to form the Fruitvale Business Improvement Management 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, sidewalk sweeping, economic development, 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 Fruitvale Business Improvement Management District was established by the City Council on January 9, 2001 pursuant to Resolution Number 76205; and

**WHEREAS**, the Annual Report (attached as EXHIBIT A) has been prepared by the Fruitvale Business Improvement Management District Advisory Board and filed with the City Clerk, and the City Council desires to approve and confirm the Report, and the continuing annual assessment for the Fruitvale Business Improvement Management District for fiscal year 2005/06;



9. The assessments for the entire District total approximately \$224,860.14 for the 2005/06 fiscal year of the District, and the amount chargeable to each parcel shall be as determined by the Plan and Annual Report on file in the office of the City Clerk.

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

**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