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

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: January 26, 2010

RE: **Resolution Of Intention To Levy An Annual Assessment For Fiscal Year 2010/11 For The Rockridge Business Improvement District, Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board, And Scheduling A Public Hearing For February 16, 2010**

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**SUMMARY**

Pursuant to Streets and Highways Code Section 36500 et seq. and the City of Oakland's Neighborhood Business Improvement District Program, a resolution of intention has been prepared to authorize the levy of an annual assessment for the Rockridge Business Improvement District (BID) for the upcoming 2010/11 fiscal year, approving the annual report for the Rockridge BID and scheduling a public hearing for February 16, 2010.

State law requires that business-based BIDs receive City Council's approval before levying the upcoming fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its FY 2010/11 assessment City Council must adopt the above resolution and schedule a related public hearing. The City Council will take final action regarding the proposed levy at the public hearing which must take place no less than 10 days and no more than 30 days after the adoption of the above resolution of intention.

**FISCAL IMPACTS**

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

If the levy is approved, the City will conduct a special billing to collect the assessment and will remit the amount collected (minus the City's costs of collection) to designated BID administrators.

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

Item: \_\_\_\_\_  
Community and Economic Development Committee  
January 26, 2010

## **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 No.12301 C.M.S. was passed by City Council on November 28, 2000, to establish the Rockridge BID.

The BID model for economic development is also being used in the Fruitvale (established 2001 and renewed in 2006), Montclair (established 2001), Lakeshore/Lake Park (established 2002), Temescal (established 2004), Laurel (established 2005), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), and the Downtown Oakland (established 2008) districts and in other commercial neighborhoods throughout the country.

BIDs seek to create both a stable cash flow and to incorporate all of the members of a business community into a productive and proactive entity representing the interests of that community.

Revenues generated by BIDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples of BID-funded services include, but are not limited to, enhanced maintenance services, safety and security, marketing and promotions, special events, and related capital improvements. These types of enhanced services are intended to support increased sales and business tax revenues as well as increased job opportunities and to improve the vitality of affected commercial neighborhoods.

## **KEY ISSUES AND IMPACTS**

There is no anticipated adverse impact associated with the authorization to levy FY 2010/11 assessments for the Rockridge BID.

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

## PROGRAM DESCRIPTION

The Rockridge BID encompasses approximately 396 businesses located in and around the Rockridge commercial area and estimates a fiscal year 2010/11 budget of approximately \$235,250 of which \$120,000 represents projected assessments to be collected in FY 2010/11.

If Council approves the FY2010/11 levy for the Rockridge BID, assessments will be levied in accordance with the district management plan on file with the Office of the City Clerk and the attached Annual Report (*Exhibit A* to the Resolution of Intention) submitted by the Rockridge District Association, the district's City Council appointed advisory board. The annual report and district management plan set forth actions which will serve to attract business and improve the commercial climate within the district. Key aspects of these documents include, but are not limited to, enhanced safety and security, beautified physical appearance, special events and marketing, and other organized economic development activities as further outlined in *Exhibit A* to the attached resolution of intention.

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 sub-classification 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 2010/2011 assessment year. Otherwise, the concerned businesses must pay \$120 per year, but are eligible to apply for a reduced assessment (i.e., \$60) by submitting a hardship waiver request. Consequently, each year district administrators devote substantial time to processing multiple waiver applications from low earning businesses. To reduce the administrative costs of processing multiple hardship waivers and to better respond to the stated needs of affected district businesses, the new sub-classification is proposed to be temporarily created for fiscal year 2010/11. The sub-classification 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 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 cleaning and maintenance. Attractive new banners, directional signage and holiday decorations will also uplift and unify the district's appearance.

Item: \_\_\_\_\_

Community and Economic Development Committee  
January 26, 2010

***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 CITIZEN ACCESS**

The reauthorization of assessments for the district has no direct implications for disability and senior access. However, the district's efforts toward revitalization may encourage businesses to continue to abide by applicable state, federal and local codes and legislation regarding disability and senior access. Improved public safety and security provided by the BID could also serve to make the area safer and more accessible to all visitors, including senior citizens and disabled persons.

#### **RECOMMENDATION AND RATIONALE**

Adoption of the attached resolution of intention will support continued operations in the Rockridge BID and the delivery of related special services outlined in the district's Annual Report (*Exhibit A* to the attached Resolution of Intention). Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the conditions and image of their area which assists in the economic revitalization and physical maintenance of the district.

Additionally, because BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Rockridge BID. Consequently, the Rockridge BID should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution of intention to levy an annual assessment for fiscal year 2010/11 for the Rockridge Business Improvement District, approving the annual report for the Rockridge Business Improvement District and scheduling a public hearing for February 16, 2010 during which City Council must take final action regarding the proposed levy.

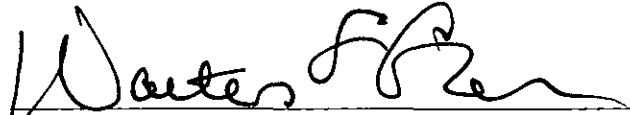
Item: \_\_\_\_\_

Community and Economic Development Committee  
January 26, 2010


**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the Resolution of Intention to levy an annual assessment for fiscal year 2010/11 for the Rockridge Business Improvement District, approving the annual report of the Rockridge Business Improvement District advisory board, and scheduling a public hearing for February 16, 2010.

Respectfully submitted,



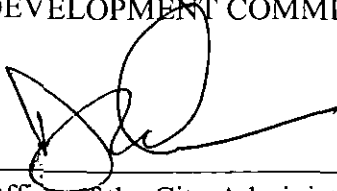
Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:   
Gregory Hunter, Deputy Director  
Economic Development and Redevelopment

Aliza Gallo, Coordinator  
Business Development Services

Prepared by:  
Maria Rocha, Urban Economic Analyst  
Economic Development/Business Development Services

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:



Office of the City Administrator

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# OAKLAND CITY COUNCIL

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

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**RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2010/11 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR FEBRUARY 16, 2010**

**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 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, beautification, and 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**, pursuant to the requirements of the law the Rockridge Business Improvement District was established by the City Council on November 28, 2000, pursuant to Ordinance Number 12301; and

**WHEREAS**, pursuant to Streets and Highway Code Section 36533, the Annual Assessment Report (attached as **Exhibit A**) has been prepared by the Rockridge Business Improvement District Advisory Board and filed with the City Clerk, and the City Council approves the Report, and the City Council wishes to levy the annual assessment for the Rockridge Business Improvement District; now therefore be it

**RESOLVED**: that the Council of the City of Oakland does find and determine as follows:

1. The Rockridge Business Improvement District was established in the Rockridge area of the City of Oakland, California as a parking and business improvement area pursuant to Street and Highways Code section 36500 et seq with the boundaries as specified in the Plan on file with the City Clerk.
2. The Annual Assessment Report for the District is approved, and pursuant to Streets and Highways Code Section 36534, the City Council declares its intent to levy and collect the assessments for the 2010/11 fiscal year as provided for in the

Annual Assessment Report and pursuant to the assessment formula as provided for in the Plan, if the requested assessments are approved by the City Council after the Public Hearing scheduled by this Resolution of Intention.

3. The boundaries of the District shall remain the same as specified in the Plan on file with the City Clerk and there are no changes to the boundaries or benefit zones.
4. The types of the improvements and activities proposed to be funded by the levy of assessments on businesses in the area are those specified above in this Resolution and more specifically as described in the Plan and the Annual Assessment Report on file with the City Clerk. No substantial changes in the improvements or activities for the District are proposed to be made. Please refer to the Plan and Report on file with the City Clerk for a full and detailed description of the improvements and activities to be provided for the 2010/11 fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for the 2010/11 fiscal year.
5. The proposed method and basis of levying the assessments to be levied against each business in the District are those specified in the Plan and Annual Assessment Report on file with the City Clerk. For the fiscal year 2010/11 assessment a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a temporarily reduced fee for that assessment year of \$60. Such sub-classification is proposed to be temporarily created to reduce the number and expense of processing hardship partial fee waiver requests, and the reduced fee amount would not apply to future assessment years unless renewed in the annual assessment resolution for such future years.
6. A Public Hearing is set for February 16, 2010, 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 2010/11.
7. The City Clerk is directed to give notice of the Public Hearing by causing the Resolution of Intention to be published once in a newspaper of general circulation in the City of Oakland for not less than seven days before the Public Hearing.
8. At the Public Hearing the testimony of all interested persons for or against the proposed assessments will be heard and written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525 of the Streets and Highways Code.
9. A protest may be made orally or in writing by any interested person. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.
10. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
11. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business

and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business.

12. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
13. If written protests are received by the owners of businesses in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, the proposed assessment shall not be levied.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, \_\_\_\_\_.

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

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



## EXHIBIT A

(To the Resolution of Intention to Levy the FY 2010/11 Rockridge BID Assessment)

### **Rockridge Business Improvement District Annual Report To The City Of Oakland For The Fiscal Year 2009-2010**

Pursuant to California Streets and Highways Code Part 6  
Parking and Business Improvement Area Law of 1989  
Chapter 3, Section 36533

**I. Proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.**

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

**II. Improvements and activities to be provided for in fiscal year 2010/11.**

Please see the attached budget, which will outline the improvements and activities to be funded and provided in the upcoming fiscal year through February 28, 2011.

**III. Estimate of the cost of providing the improvements and activities for fiscal year 2010/11.**

Please see attached budget.

**IV. Method and basis of levying the assessment.**

The fee structure for assessments will remain as previously approved, including the change in classifications of businesses by temporarily creating a subclassification for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this subclassification would pay an annual assessment fee of \$60.00.

**V. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.**

The district anticipates a carryforward of approximately \$63,250 into the 2010/11 fiscal year.

**VI. The amount of any contributions to be made from sources other than assessments levied.**

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

**VII. 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 assesseees 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 Henry C. Levy, Treasurer of the Rockridge District Association, should you have any questions regarding this report.

September 22, 2009

**Rockridge District Association  
Proposed Budget Overview  
March 1, 2010 - February 28, 2011**

Income

BID Revenues (Estimated)	\$120,000.00
Prior Year Carryforward	\$63,250.00
Other Income	\$2,000.00
Event Income and Sponsorships (Estimated)	\$50,000.00

**Total Income** \$235,250.00

Expense

Organization Committee	
Insurance - E&O, Liability, Work Comp	\$2,000.00
Board Meeting Expense/Annual Meeting	\$500.00
Professional Services - Accounting, Legal	
Bookkeeping, Payroll/Tax Preparation	\$4,500.00
Professional Administration	\$50,000.00
Postage/Printing/Photocopying	\$1,000.00
Office Supplies/Storage	\$4,500.00
Telecommunications	\$2,500.00
City of Oakland Collection Costs	\$4,000.00

**\$69,000.00**

Marketing and Promotion Committee	
Equipment Rental/Storage	\$1,000.00
Web Design/Communications/Advertising	\$9,700.00
Events	\$70,000.00
Streetscape Amenities	\$9,000.00
Marketing/Materials	\$6,000.00

**\$95,700.00**

Streetscape and Security Committee	
Security/Public Safety	\$32,050.00
Street Cleaning	\$31,000.00
Beautification	\$4,200.00

**\$67,250.00**

Land Use Committee	
Landscape, Public Space, Design	\$750.00

**\$750.00**

Other Expenses	
City of Oakland Loan Payment	\$2,550.00

**\$2,550.00**

**Total Expenses** \$235,250.00

Net Revenue Over Expenses \$0.00