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OFFICE OF THE CITY CLERK
OAKLAND

2016 NOV -3 PM 4:50

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Rockridge BID Annual Report and
Resolution of Intention to Set FY
2017-2018 Assessment

DATE: September 23, 2016

City Administrator Approval

Date:

11/3/16

RECOMMENDATION

Staff recommends that the City Council adopt a Resolution of Intention To Levy An Annual Assessment For Fiscal Year 2017-2018 For The Rockridge Business Improvement District, Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board, And Scheduling A Public Hearing For December 13, 2016

EXECUTIVE SUMMARY

State enabling legislation requires that merchant-based business improvement districts (BIDs) receive City Council approval before levying each fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its Fiscal Year (FY) 2017-2018 assessment, City Council would need to adopt the attached Resolution of Intention to levy, and to schedule a related public hearing. The attached resolution also approves the district's annual report to the City.

If the proposed assessment is approved, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues in FY 2017-2018. Funds will be used to pay for special benefit services outlined in the Rockridge BID District Management Plan (the "Plan") on file with the Office of the City Clerk and the attached annual report (**Exhibit A** to the Resolution of Intention), prepared and submitted by the Rockridge District Association, the district's City Council-appointed advisory board. Key services include, but are not limited to, enhanced cleaning and public safety services, including private security services, district beautification, including installation and maintenance of decorative banners and benches; special seasonal events such as Rockridge Out & About, and marketing and promotion activities such as internet advertising and maintenance of a district website.

BACKGROUND / LEGISLATIVE HISTORY

Sections 36500 *et seq* of California Streets and Highway Code provide for the formation of business and property-based assessment districts. Pursuant to this legislation, on November 9,

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CED Committee
November 15, 2016

1999, the Oakland City Council approved Resolution No. 75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program to provide technical assistance to qualified stakeholder groups to explore the feasibility of forming a Business Improvement District (BID) within their respective commercial neighborhood(s). Pursuant to these efforts Ordinance No. 12301 C.M.S. was adopted by City Council on November 28, 2000 (as amended by Ordinance No. 13261, October 21, 2014) to establish the Rockridge BID.

Streets and Highways Code Division 18 (commencing with section 26500) also requires that merchant-based business improvement districts (BIDs) receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its Fiscal Year (FY) 2017-2018 assessment, City Council would need to adopt the attached Resolution of Intention to levy, and to schedule a related public hearing. The public hearing must take place no less than 10 days, and no more than 30 days, after the adoption of the attached Resolution of Intention. Following the public input portion of the hearing, City Council would then take final action on the proposed assessment. The attached resolution also approves the district's annual report to the City.

The billing period for the proposed assessment will be January 1, 2017 through December 31, 2017; however, services to be paid for by the above billing and collections will be provided on a March 1, 2017 through February 28, 2018 fiscal year basis, per the attached proposed budget (attached as **Exhibit A** to the Resolution of Intention).

If the City Council approves the proposed FY 2017-2018 assessment, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues, which is equal to the amount projected in FY 2016-2017. The assessment is based on two variables which include business gross receipts and business type. If approved, the assessment will be collected and expended in accordance with the District Management Plan (the "Plan") on file with the Office of the City Clerk and the attached annual report (attached as **Exhibit A** to the Resolution of Intention) submitted by the Rockridge District Association, the district's City Council appointed advisory board.

The annual report does not propose any changes to the boundaries of the district or to the method and basis of levying the assessment approved by the City Council for FY 2016-2017.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within the Montclair (established 2001), Fruitvale (established 2001, renewed in 2006 and 2011), Lakeshore/Lake Park (established 2002, renewed in 2012), Temescal/Telegraph Avenue (established 2004, renewed in 2014), Laurel (established 2005, renewed in 2015), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), Downtown Oakland (established 2008) and Jack London (established 2013) commercial neighborhoods. BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States and designated foreign countries (e.g. Italy, South Africa, United Kingdom, etc.).

Revenues generated by BIDs are used to provide a variety of special benefit improvements and services beyond those already provided by the local municipality. Examples of BID-funded special benefits include, but are not limited to, enhanced maintenance, public safety, as well as marketing and promotion services within affected districts. Enhanced services of this type are intended to support increased sales and business tax revenues as well as increased job opportunities and economic vitality of affected commercial neighborhoods.

ANALYSIS AND POLICY ALTERNATIVES

There is no anticipated adverse impact associated with the approval of the proposed resolution. Adoption of the attached resolution will advance the approval process of the FY 2017-2018 special assessment for the Rockridge BID. The special benefit services provided by the BID aim to support the economic vitality of the corresponding commercial neighborhood.

Since BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the above-referenced BID. Given the approximate \$158,400 of private funds that will be generated to support continued economic development within the affected district, the project merits consideration of City Council support.

The Rockridge BID encompasses approximately 360 businesses located in and around the Rockridge commercial area and estimates an upcoming annual budget of approximately \$208,400, which includes \$158,400 of projected assessments to be collected in FY 2017-2018 and \$50,000 of carryforward from the prior fiscal year. For the FY2017-2018 assessment, a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a reduced fee for that assessment year of \$60 (instead of \$120). 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.

FISCAL IMPACT

No fiscal impact is anticipated to the City. The Rockridge BID is a self-funded, self-administered entity. The proposed special assessment district will pay its own operating and administrative costs, including costs for assessment collections and disbursements. If the levy is approved, the City of Oakland will conduct a special billing to collect the assessment and will remit the amount collected (minus the City's costs of collection) to the Rockridge District Association, the district's designated non-profit administrator. Until disbursed, Rockridge BID assessments will be held in a special trust fund established by the Finance Management Bureau on behalf of the district in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID).

PUBLIC OUTREACH / INTEREST

To adopt the attached resolution, enabling legislation does not require City staff to conduct public outreach other than the required posting on the City's website. District stakeholders, however, did perform outreach necessary to secure advisory board consensus sufficient to generate the attached annual report and proposed FY 2017-2018 district budget (attached as **Exhibit A** to the Resolution of Intention).

COORDINATION

The Controller's Bureau and Office of the City Attorney were consulted in the preparation of this report and/or its attachments and exhibits.

SUSTAINABLE OPPORTUNITIES

Economic: Rockridge BID assessments will fund activities which are intended to support the eventual increase of sales and business tax revenues, as well as, increased job opportunities and on-going economic development of the affected commercial districts.

Environmental: No specific environmental opportunities have been identified.

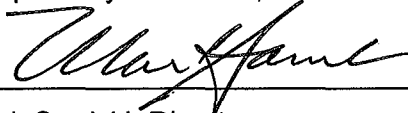
Social Equity: BIDs incorporate all members of an affected business owner community into a proactive entity with the financial resources to productively influence their shared environment which may be compatible with some aspects of various social equity models.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council adopt a resolution of intention to levy an annual assessment for fiscal year 2017-2018 for the Rockridge Business Improvement District, approving the annual report of the Rockridge Business Improvement District Advisory Board, and scheduling a public hearing for December 13, 2016

For questions regarding this report, please contact Maria Rocha, BID Program Manager, at 510-238-6176.

Respectfully submitted,



Mark Sawicki, Director
Economic and Workforce Development Department

Prepared by:
Maria Rocha, BID Program Manager
Economic Development

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2017-2018 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR DECEMBER 13, 2016

WHEREAS, the State of California allows for the formation of business assessment districts under Street and Highways Code Section 36500 *et seq.*; 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, the Rockridge Business Improvement District was established by the City Council on November 28, 2000, pursuant to Ordinance 12301 C.M.S (as amended by Ordinance No. 13261 on October 21, 2014).; and

WHEREAS, Streets and Highways Code Section 36533 requires that before the next annual assessment for the Rockridge Business Improvement District is levied, the City Council must: (1) approve the Report, (2) approve a Resolution of Intention that declares the City's intention to collect the assessments, and (3) schedule a public hearing to be held about the levy of the proposed assessment; and

WHEREAS, pursuant to said law, the Rockridge Business Improvement District Advisory Board has prepared and filed with the City Clerk, the Annual Assessment Report (attached hereto as *Exhibit A*) ("Report"), which contains the required particulars including a detailed description of the improvements and activities to be provided for the 2017-2018 fiscal year (March 1, 2017 through February 28, 2018), 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 2017-2018 fiscal year; and

WHEREAS, if the District's proposed assessments for FY 2017-2018 are approved and levied, they will be held (until disbursed) in a special trust fund established by the Finance Management Bureau on behalf of the District in

Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID); now therefore be it

RESOLVED: that the Council of the City of Oakland does find and state its intention as follows:

1. The Fiscal Year 2017-2018 Annual Assessment Report for the Rockridge Business Improvement District is hereby approved, and pursuant to Streets and Highways Code Section 36534, the City Council declares its intention to levy and collect the assessments for FY 2017-2018 as provided for in the said 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.
2. The location and 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.
3. The types of the improvements and activities proposed to be funded by the levy of FY 2017-2018 assessments on businesses in the area are those 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.
4. The proposed method and basis of calculating 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 2017-2018 assessment, a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a reduced fee for that assessment year of \$60 (instead of the \$120 fee). 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.
5. **A Public Hearing is set for December 13, 2016 at 6:00 p.m. in Oakland City Hall**, to hear all public comments, protests, and to take final action as to the levying of the proposed assessments for the District for the fiscal year 2017-2018.
6. 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 not less than seven days before the Public Hearing.
7. 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.

8. 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.
9. 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.
10. 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.
11. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
12. If written protests are received from the owners of businesses in the District who 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, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON McELHANEY

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 2017-2018 Rockridge BID Assessment)

**Rockridge Business Improvement District
Annual Report To The City Of Oakland
Relating to the Fiscal Year 2017-2018**

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 zone 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 2017-2018

Please see attached Accomplishments for this year to date. We plan to continue on the same course.

III. Estimate of the cost of providing the improvements and activities for fiscal year 2017-2018

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 sub-classification for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this sub-classification would pay an annual assessment fee of \$60.00. This is not a property based district, therefore property owners are not assessed.

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

Our fiscal year ends on 2/28. The first disbursement of assessments occurs on 4/30. Funds have been kept to cover recurring expenses for March and April.

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

The Rockridge Business Improvement District will seek sponsorship funds for our promotional and beautification efforts.

VII. Annual Renewal Notice.

Starting in 2014 the notice has to be sent every five years.

The notice will be sent again in 2018 as the last notice was sent in 2013. Section 12 of the amended Ordinance 12301 C.M.S. now states:

The Governing Council (Advisory Board) of the Rockridge BID shall annually 45 days before the anniversary of the establishment of Rockridge Business Improvement District Ordinance give the assessees of the District written notice of their rights to seek disestablishment of the district and the process therefore. Commencing with the year 2014, said notice shall no longer be required annually, but shall be given once every five years, with the next notice to be sent 45 days before the District's formation anniversary in the year 2018. In their annual report to Council, the Advisory Board shall report that they have provided this notice.

Please contact Henry C. Levy, Treasurer of the Rockridge Business Improvement District, should you have any questions regarding this report.

September 30, 2016

RDA, a Rockridge Business Improvement District
Proposed Budget
March 2017 to February 2018

Income

Gross BID Revenue	\$158,400
Capital Projects Carryforward	<u>\$50,000</u>
Total Income	\$208,400

Expense

Organization	\$77,000
City of Oakland- Collection Cost	\$2,400
City of Oakland- Noticing	\$1,100
Marketing & Promotion	\$37,900
Streetscape & Security	\$40,000
Capital Projects	<u>\$50,000</u>
Total Expense	\$208,400



**RDA, a Rockridge Business Improvement District
Accomplishments 2016**

1. RDA has contracted with a specialist in public relations to help with advertising our district
2. RDA has worked with Peralta services on improved street cleanliness
3. RDA has planted 8 new street trees within the district boundary
4. RDA is working with Goldstone property management to bring pop up holiday stores to 4 vacant storefronts
5. RDA is working closely with OPD CRO Officer Hutzol to help with the homeless and mentally disabled population which directly impacts our district
6. RDA has been working closely with the city of Oakland and have been able to create several new parking spaces within the district helping to ease some of the parking congestion we experience and creating more revenue for the city of Oakland
7. RDA has continued to fund our grant project for closed circuit television to help abate crime and assist OPD
8. RDA has requested that Dan Kalb investigate the collection of delinquent BID fees that are unpaid by members thus increasing our budget allowing further improvements to our district
9. RDA will continue with our annual Rockridge in the Snow event to promote "shop local" as part of this our plans are to create a merchant stroll
10. RDA is working closely with our production team and have reworked our street fair Out and About to a more musically diverse event increasing the number of venues and eliminating the need for elaborate stages
11. RDA has been working very closely with our 2 newly assigned walking officer's to help reduce crime and nuisance issues within the district
12. RDA assisted in the move of one of our businesses to a nearby location with a greatly reduced rent allowing them to thrive and remain in the district
13. RDA is actively working with the city of Oakland and ABC to assist one of our new businesses to open as scheduled
14. RDA has worked with the Rockridge Community Planning Council to assist Fremont Bank in their effort to come to not only Rockridge but Oakland, which is a 1st
15. RDA continues to work with property owners to fill any vacancies
16. RDA is working with the Rockridge Community Planning Council and the Rockridge Neighborhood Crime Prevention Council in eliminating nuisance bus shelter
17. RDA is working with the city of Oakland and PG&E to electrify our holiday decorations, this is an ongoing process
18. RDA is continuing to bring workshops to our members such as website training and CPR classes

Rockridge District Association, a Rockridge Business Improvement District

785 7th St ▪ Oakland ▪ CA 94607
▪ Phone 510-604-3125 ▪
chris@rockridgedistrict.com ▪ www.rockridgedistrict.com

**Rockridge District Association a RBID
Board 2016-2017**

	Board Member Name:	OY	Business:	Business Address:	Phone:(510)	Email Address:
1	Henry Levy	2003	Hank Levy Group, CPA	5940 College	652-1000	hank@hlgcpa.com
2	Joyce Gardner	2006	FIT	5707 College	923-0784	fitclothing@att.net
3	Louise Rothman-Riemer	1999	DHR Investment Counsel	5435 College Ste 200	596-2580	louise@dhrcounsel.com
4	Susan Bernosky	2006	Strahan Ins Svcs Inc	5940 College	450-9050	susan@susanbernosky.com
5	Veronica Bhonsle	2005	VERO	6052 College	985-0406	vbhonsle@aol.com
6	Maggie Klein	2013	Oliveto	5655 College	547-5356	maggie@oliveto.com
7	Laurie Field	2013	Lauren G Field	5332 College Ste100	658-2525	laurenfield@gmail.com
8	Robin Pennell	2013	Jarvis Architects	5278 College	654-6755	rpennell@jarvisarchitects.com
9	Kevin Faughan	2016	Caldecott Properties	5251 Broadway	594-2400	kfaughan@gmail.com
10	Phillip Roselle	2016	My Emergency Guy	6019 College	621-3059	philliproselle@gmail.com