



AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Kelley Kahn

SUBJECT: Montclair BID FY 14/15 Annual Report & Levy

DATE: November 8, 2013

City Administrator

Date

Approval

11/21/13

COUNCIL DISTRICT: #4

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Confirming The Annual Report Of The Montclair Business Improvement District Advisory Board And Levying The Annual Assessment For The Montclair Business Improvement District For Fiscal Year 2014/15

EXECUTIVE SUMMARY

State law requires that merchant-based business improvement districts (BIDs) receive approval from the City Council before levying each fiscal year's assessment. To enable the Montclair BID to collect its FY 2014/15 assessment, the City Council would need to adopt the attached resolution confirming the district's annual report and levying the FY 14/15 assessment.

A public hearing and majority protest procedure must precede the City Council's consideration of the attached resolution. If owners of affected businesses that will pay fifty percent (50%) or more of the proposed assessments submit qualifying written protests on or before the public hearing date of December 10, 2013, then a majority protest has occurred.

If no majority protest exists, then the City Council may adopt the attached resolution. If, however, a majority protest exists, then the City Council cannot adopt the resolution to levy the FY 2014/15 assessment and no further proceedings to levy the proposed assessment shall be taken for a period of one year.

In FY14/15 the Montclair BID will generate an estimated \$85,000 of special assessment revenues.

If the Council approves the proposed levy, assessments will be collected in accordance with the District Management Plan ("Plan") on file with the Office of the City Clerk, and the attached

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annual report (*Exhibit A*) submitted by the Montclair Village Association, the district's City Council-appointed advisory board. The Plan and annual report set forth actions intended to improve the commercial climate within the district. Key activities to be funded by the special assessment include, but are not limited to, enhanced cleaning, including sidewalk cleaning and power washing; enhanced public safety, including private security services; beautified physical appearance, including installation and maintenance of decorative planters; special events such as the Pacific Fine Arts Festival, Annual Holiday Stroll, Village Restaurant Walk, Easter Egg Hunt, Halloween Parade, Family Fun Festival and farmers' markets; and special marketing activities such as production and distribution of a district e-newsletter and business directory, maintenance of a district website, and design and installation of way finding maps.

The annual report indicates no changes to the boundaries of the district or to the original method and basis of levying the assessment.

OUTCOME

Adoption of the attached resolution confirming the annual report and levying the FY 2014/15 Montclair BID assessment would enable collection of next year's levy and the ongoing operation of the district.

BACKGROUND/LEGISLATIVE HISTORY

Sections 36500 *et seq.* and 36600 *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, 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 BID within their respective commercial neighborhood(s). Pursuant to these efforts, Ordinance No. 12378 C.M.S. was passed by the City Council on November 27, 2001 to establish the Montclair BID. In November 2013 a Resolution of Intention (ROI) to levy the FY 2014/15 assessment, approve the district's annual report, and schedule a related public hearing for December 10, 2013 was also adopted by City Council. Adoption of the ROI was a prerequisite to City Council's consideration of the attached resolution.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within the Rockridge (established 2000), Fruitvale (established 2001, renewed in 2006 and 2011), Lakeshore/Lake Park (established 2002, renewed in 2012), Temescal/Telegraph Avenue (established 2004), Laurel (established 2005), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), Downtown Oakland (established 2008), and the Jack London (established 2013) commercial neighborhoods.

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BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States and designated international 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, and 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

There is no anticipated adverse impact associated with the approval of the proposed resolution. Adoption of the attached resolution will enable collection of the FY 14/15 special assessment for the Montclair BID. Special benefit services provided by the BID aim to support the economic vitality of the corresponding commercial neighborhood.

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 above-referenced BID. Given the approximate \$85,000 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 Montclair BID encompasses approximately 218 businesses located in and around the Montclair commercial area. The BID estimates an upcoming annual budget of approximately \$127,300, of which \$85,000 represents projected assessments to be collected in FY 2014/15.

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 14/15 district budget (*Exhibit A* to the attached resolution).

COORDINATION

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

COST SUMMARY/IMPLICATIONS

No fiscal impact is anticipated to the City. The Montclair BID (MBID) is a self-funded, self-administered entity.

However, although there are no direct fiscal impacts to the City's budget resulting from approval of the FY 14/15 Montclair BID assessment levy, there are indirect costs associated with the general administration of the citywide BID program which include, but are not limited to, activities such as satisfying legislative reporting requirements, technical assistance to existing districts, coordination of proposed new district formations, coordination of annual levy approvals, public hearings, and required legal noticing. Such indirect costs are covered in the Department of Economic and Workforce Development's budget.

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 Montclair Village Association, the district's designated non-profit administrator.

Until disbursed, MBID assessments will be held in a special trust fund established by the City on behalf of the district in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (02981)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Montclair BID Program (MBID).

SUSTAINABLE OPPORTUNITIES

Economic: 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 ongoing economic development of the affected commercial districts.


Environmental: Receipt of ongoing special assessment revenue streams will enable applicable districts to continue efforts to strengthen and beautify the physical image of the affected commercial neighborhoods by providing special benefit services such as litter pickup, sidewalk steam cleaning, landscaping, public art, directional signage and public safety capital improvements.

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Social Equity: The concerned special assessment districts will incorporate members of the affected commercial neighborhood into a productive and proactive entity representing the interests of that community. Stakeholders themselves will continue to be responsible for administering revenues generated by the district which contributes to community self-empowerment and the furtherance of an additional social equity model.

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

Respectfully submitted,


RACHEL FLYNN ^{Acting} Kelley Kahn, Director
Department of Economic and Workforce Development

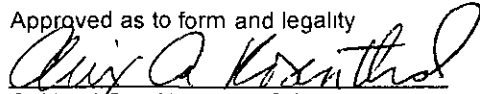
Reviewed by:
Aliza Gallo, Economic Development Manager
Department of Economic and Workforce Development

Prepared by:
Maria Rocha, BID Program Coordinator
Department of Economic and Workforce Development

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2013 NOV 25 AM 9:53

Approved as to form and legality


Oakland/City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2014/15

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 Montclair business district petitioned to form the Montclair 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 special benefit services such as enhanced security, beautification, sidewalk sweeping, 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 Montclair Business Improvement District was established by the City Council on November 27, 2001 pursuant to Ordinance No. 12378; and

WHEREAS, pursuant to Streets and Highways Code Section 36533, the Annual Report (attached Exhibit A) has been prepared by the Montclair 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 Montclair Business Improvement District for fiscal year 2014/15; now therefore be it

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

1. The Montclair Business Improvement District was established in the Montclair 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. Pursuant to Streets and Highways Code Section 36535, a Public Hearing was held on December 10, 2013, 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 2014/15. 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 2014/15 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 are those specified in the Plan and Annual Assessment Report on file with the City Clerk.
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.
9. Until disbursed, BID assessments will be held in a special trust fund established by the City on behalf of the Montclair Business Improvement District in:

Miscellaneous Trusts Fund (7999), Neighborhood Commercial Revitalization & Service Delivery System Organization (02981), Pass Thru Assessments Account (24224), Undetermined Project (0000000), Montclair Business Improvement District Program (MBID).

10. The City Administrator is hereby authorized to enter into annual contracts and related amendments for the security, marketing, maintenance, or other activities and improvements for the District, or to conduct or contract for such services and improvements as provided for in the State of California Streets and Highways Code Section 36500 *et seq.*

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

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

EXHIBIT A

(To the Resolution to Levy the FY 2014/15 Montclair BID Assessment)



MONTCLAIR VILLAGE

The MVA's mission is to support our merchant members and help the Village thrive.

Annual Report to the Oakland City Council Relating to the 2014-2015 Montclair Village Association Business Improvement District



1980 Mountain Blvd. Suite 212 • Oakland, CA 94611
(510)339-1000 • (510)339-2368 fax • montclairvillage@sbcglobal.net
www.montclairvillage.com

(To the Resolution to Levy the FY 2014/15 Montclair BID Assessment)

Annual Report to the Oakland City Council Relating to the 2014-2015 Montclair BID

Pursuant to California Streets and Highways Code Part 6
Parking and Business Improvement Area Law of 1989
Chapter 4, Section 36533

- I. **Proposed changes in boundaries of the parking and business improvement area or in any other benefit zones within the area.**
There are no proposed changes in the boundaries of the parking and business improvement area or any benefit zones in the area.
- II. **Improvements and activities to be provided for in upcoming fiscal year.**
See the attached budget which outlines the improvements and activities to be funded and provided in the year ending December 31, 2014.
- III. **Estimate of the cost of providing the improvements and activities for upcoming fiscal year.**
See attached budget
- IV. **Method and basis of levying the assessment.**
The method and basis of levying the assessment has not changed from the adoption of the original ordinance.
- V. **The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.**
See attached budget.
- VI. **The amount of any contributions to be made from sources other than assessments levied.**
Other than assessments levied, funds have been generated from Pacific Fine Arts Festivals, and from management of the Montclair Village Parking Garage. Funds from Associate Member program, started in mid-2010, are also shown on the attached budget.

Jeff Diamond
Co-President, Montclair Village Association

Howard Neal
Co-President, Montclair Village Association

Accomplishments 2013/2014

Beautification/Design/Land Use

- Maintained Village planters; re-planted with draught resistant plants, and Friends of Sausal Creek educational plantings
- Provided weekly sidewalk and gutter sweeping; 5-20 lbs. of litter removal per week
- Provided sidewalk power washings and cleaning of City trash receptacles
- Provided input on C-27/CN-1 zoning issues
- Facilitated an ongoing public art mosaic project on the Village planters
- Continued to obtain City and public utility support to address pot holes, graffiti, infrastructure damage, signage and recycling issues in the Village
- Redesigned and installed new street pole banners
- Hosted (2) community workdays with 30+ volunteers; to address litter and vegetation overgrowth along Hwy 13 and m Montclair Park

Board of Directors

- Held monthly meetings where members could comment and ask questions.
- Held annual merchant mixer to honor incoming and departing Board members, and to provide opportunities for merchants to share marketing ideas and network
- Expanded Board participation, and merchant participation in committees and working groups

Businesses

- Expanded the Associate Membership program to represent area businesses, enabling businesses neighboring the BID or in home offices to become involved in the Association and benefit from the collective marketing effort
- Maintained/updated database of Village merchants, property owners/managers
- Expanded the new MVA website and calendar function to include area events
- Produced Montclair Village electronic newsletter
- Worked closely with the Oakland Tax Division to collect assessments from severely delinquent BID members
- Initiated a district magazine for business promotion and to highlight the assets of the District
- Certified the MVA as a Bay Area Green Business
- Involved (3) college interns to learn about community organizing and business support

Promotions

- Hosted a street festival fundraiser with over 3,000 attendees
- Managed Farmers' Market activities, upgrading the cleanliness and presentation of the market
 - Expanded the use of a Farmers' Market booth by MVA businesses
- Working closely with the Lions Club to produce a Village Restaurant Walk in April, Easter Egg Hunt, and Halloween Parade through the Village.
- Facilitated the Montclair Arts Fair in partnership with the Pacific Fine Arts Festivals to produce their two annual events
- Facilitated late night Thursday shopping during the holiday season
- Produced Village Annual Holiday Stroll event
- Produced a summer outdoor movie series in the commercial district

Safety/Security

- Revised security contract for more responsive coverage and improved connectivity with surrounding residential areas.
- Initiated Block Ambassador program Phase 2
- Facilitated the installation of security cameras

Garage Management

- Maintained, Managed, and Promoted the City parking garage and parking lot, located in Montclair Village.

Montclair Village Association
Board Member Report

	First	Last	Position	Title	Company	Term Expires
1	Mary	Avila	Director	Business Manager	Bank of the West	Jun-15
2	Vanessa	Bergmark	Vice-President	Business Manager	Red Oak Realty	Jun-14
3	Aaron	Brown	Director	Real Estate Agent	The Grubb Company	Jun-14
4	Jeff	Diamond	Co-President/ Secretary	Business Owner	Farmstead Cheeses & Wines	Jun-13
5	Larry	Ginsburg	Director	Business Owner	Ginsburg Financial Advisors	Jun-15
6	Hana	Levin	Director	Business Owner	Melt Massage	Jun-14
7	Steve	Montgomery	Director	Business Co-owner	Italian Colors	Jun-15
8	Howard	Neal	Co-President/ Secretary	Business Owner	Neal & Associates Attorneys	Jun-14
9	John	Porras	Director	Business Co-owner	Crown Wine & Spirits	Jun-15
10	Tom	Revelli	Treasurer	Business Owner	Montclair Sports Montclair Veterinary Hospital	Jun-15
11	Lee	Richter	Director	Business Co-owner	Hospital	Jun-14
12	Wayne	Sweeney	Director	Business Owner	Grille One Carvery	Jun-14
13	Mike	Williams	Director	Business Co-owner	Crogan's Montclair	Jun-14
14	Thomas	Wong	Director	Business Manager	Rite Aid	Jun-14

Number of Vacant Seats on Board: 0

Length of Board Terms:

Officers - 1 year
Directors - 2 years

Appointment Process

Annual Elections held in June, voted by all BID paid members

Summary of BID Functions

Private security, maintenance, beautification, design, land use, promotion activities

Committees

Promotions/Farmers' Market
Beautification/Design/Land Use/Safety
Executive
Nominations
Block Ambassadors

2014 MVA Approved Budget

	2012 Approved Budget	2012 Actual	2013 Approved Budget	2013 Actual	2014 Proposed Budget	Notes
INCOME						
BID Revenues	\$ 71,250.00	\$ 90,845.68	\$ 72,000.00	\$ 89,213.96	\$ 85,000.00	
Associate Memberships	\$ 310.00	\$ 2,165.00	\$ 800.00	\$ 1,470.00	\$ 1,500.00	
Farmers Market				\$ 1,200.00	\$ 8,000.00	
Mosaic Program				\$ 5,500.00	\$ 7,500.00	
Pacific Fine Art Festivals	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	
Village Events				\$ 5,842.61	\$ 6,000.00	
Garage Management	\$ 10,800.00	\$ 10,800.00	\$ 11,700.00	\$ 10,800.00	\$ 10,800.00	2
Total Income	\$ 90,860.00	\$ 112,310.68	\$ 93,000.00	\$ 122,526.57	\$ 127,300.00	
EXPENSES						
Beautification						
Banners	\$ 4,000.00	\$ 3,000.00	\$ 4,000.00	\$ 8,735.00	\$ 3,000.00	3
Landscaping	\$ 12,000.00	\$ 10,235.61	\$ 6,000.00	\$ 9,939.23	\$ 8,000.00	
Maintenance	\$ 16,000.00	\$ 13,007.22	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	
Land Use	\$ 1,500.00	\$ -	\$ -	\$ -	\$ -	
Streetscape	\$ 2,000.00	\$ 8,000.00	\$ -	\$ 9,655.53	\$ 6,000.00	
Subtotal Beautification	\$ 35,500.00	\$ 34,242.83	\$ 22,000.00	\$ 40,329.76	\$ 29,000.00	
Security						
Safety	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	
Security	-	\$ 9,307.50	\$ 12,000.00	\$ 12,000.00	\$ 14,000.00	
Subtotal Security	\$ 5,000.00	\$ 9,307.50	\$ 12,000.00	\$ 12,000.00	\$ 14,000.00	
Organization						
Accountant	\$ 500.00	\$ 500.00	\$ 500.00	\$ 595.00	\$ 1,200.00	
Board	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 2,000.00	\$ 1,395.00	\$ 1,400.00	\$ 1,395.00	\$ 1,400.00	
Meetings/Mixers	-	\$ 889.74	\$ 1,000.00	\$ 750.00	\$ 1,000.00	
Postage	\$ 100.00	\$ 117.60	\$ 100.00	\$ 95.00	\$ 100.00	
Rent	\$ 5,000.00	\$ 4,923.44	\$ 5,000.00	\$ 4,923.44	\$ 5,000.00	
Administrator/ Staff	\$ 25,000.00	\$ 34,678.37	\$ 28,000.00	\$ 29,000.00	\$ 38,000.00	4
Supplies/Equipment	\$ 600.00	\$ 2,765.55	\$ 1,800.00	\$ 1,780.99	\$ 1,800.00	
Taxes	\$ 100.00	\$ 208.00	\$ 200.00	\$ 200.00	\$ 200.00	
Utilities	\$ 1,000.00	\$ 698.16	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
Subtotal Organization	\$ 34,300.00	\$ 46,175.86	\$ 39,000.00	\$ 39,739.43	\$ 49,700.00	
City						
City Collection	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	1
City Loan Payment	\$ 3,250.00	\$ 3,250.00	\$ 3,250.00	\$ 3,250.00	\$ 3,250.00	1
Subtotal	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	1
Promotions						
Marketing / Advertising	\$ 2,000.00	\$ 642.66	\$ 2,000.00	\$ 1,995.85	\$ 6,000.00	
Directory / Broctures	\$ 2,000.00	\$ 3,123.55	\$ 2,000.00	\$ 2,000.00	\$ 1,000.00	
Design/ Graphics		\$ 2,450.00		\$ 4,800.00	\$ 4,000.00	
Farmer's Market		\$ (700.00)	\$ (600.00)	\$ 340.00	\$ 500.00	
Events	\$ 3,000.00	\$ 2,420.31	\$ 2,000.00	\$ 5,131.47	\$ 7,000.00	
Maps / Signage	\$ 1,300.00	\$ 3,154.52	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	
Web Site / Social Media	\$ 5,000.00	\$ 2,995.00	\$ 5,000.00	\$ 5,285.12	\$ 5,000.00	
Subtotal Promotions	\$ 13,300.00	\$ 14,086.04	\$ 11,400.00	\$ 20,552.44	\$ 24,500.00	
Total Expenses		\$ 103,812.23		\$ 112,621.63	\$ 117,200.00	

8% Reserves	\$ 2,725.00	\$ 2,725.00	\$ 8,600.00	\$ 8,600.00	\$ 10,100.00
Total	\$ 90,825.00	\$ 106,537.23	\$ 93,000.00	\$ 121,221.63	\$ 127,300.00
Net	\$ 35.00	\$ 5,773.45	\$ -	\$ 1,304.94	\$ 0.00

- 1. These figures are deducted by the City from our BID payments and are not included in the calculations.
- 2. Garage revenue will be contingent of the pending contract with the City to be determined in Q4 2013
- 3. Banner upgrades were postponed from 2012 to 2013
- 4. Bonus compensation; Interns; and extra ED projects included