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OFFICE OF THE CITY CLERK  
OAKLAND  
2012 NOV 14 PM 4:02

# AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Montclair BID FY 13/14 Annual Report & Levy

DATE: October 22, 2012

City Administrator  
Approval

*Deanna Santana*

Date

*11/10/12*

COUNCIL DISTRICT: #4

## RECOMMENDATION

Staff recommends that the City Council adopt:

**A Resolution of Intention To Levy An Annual Assessment For Fiscal Year 2013/14 For The Montclair Business Improvement District, Approving The Annual Report Of The Montclair Business Improvement District Advisory Board, And Scheduling A Public Hearing For December 18, 2012**

## 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. Therefore, to enable the Montclair BID to collect its FY 2013/14 assessment, the 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, the City Council would then take final action on the proposed levy. The attached resolution also approves the district's annual report to the City.

in FY13/14 the Montclair BID will generate an estimated \$72,000 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 annual report (*Exhibit A* to the Resolution of Intention) 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

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CED Committee  
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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 of Intention to levy the FY 2013/14 Montclair BID assessment, approve the annual report for the district and schedule a public hearing for December 18, 2012 would satisfy preliminary legislative requirements for approval 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.

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), and Downtown Oakland (established 2008) commercial neighborhoods. 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

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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 advance the approval process of the FY 13/14 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 \$72,000 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 \$93,000, of which \$72,000 represents projected assessments to be collected in FY 2013/14.

### 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 13/14 district budget (*Exhibit A* to the proposed 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.

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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).

The district will pay its own operating and administrative costs, including costs associated with assessment billing and collections.

### **SUSTAINABLE OPPORTUNITIES**

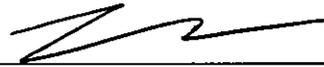
***Economic:*** BID assessments will fund activities which are intended to support the eventual increase of sales and business tax revenues, as well as, increased job opportunities and on-going economic development of the affected commercial districts.

***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.

***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,



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FRED BLACKWELL  
Assistant City Administrator

Reviewed by:  
Aliza Gallo, Urban Economic Coordinator  
Office of Economic and Workforce Development

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

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2012 NOV 14 PM 1:02 OAKLAND CITY COUNCIL

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

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**RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT  
FOR FISCAL YEAR 2013/14 FOR THE MONTCLAIR BUSINESS  
IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF  
THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT ADVISORY  
BOARD, AND SCHEDULING A PUBLIC HEARING FOR  
DECEMBER 18, 2012**

**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 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 Montclair Business Improvement District was established by the City Council on November 27, 2001, pursuant to Ordinance Number 12378; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, the Annual Assessment Report (attached as Exhibit A) ("Report") has been prepared by the Montclair Business Improvement District Advisory Board and filed with the City Clerk;

**WHEREAS**, state law requires that before the annual assessment for the Montclair 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 on the levy of the proposed assessment ; and

**WHEREAS**, if the District assessments are approved and levied, they will be held (until disbursed) in a special trust fund established by the Finance and Management Agency 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); now therefore be it

**RESOLVED:** that the Council of the City of Oakland does 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. The Annual Assessment Report for the 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 the 2013/14 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 2013/14 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 2013/14 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.
6. A Public Hearing is set for December 18, 2012, 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 2013/14.
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, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and  
PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

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

**EXHIBIT A**

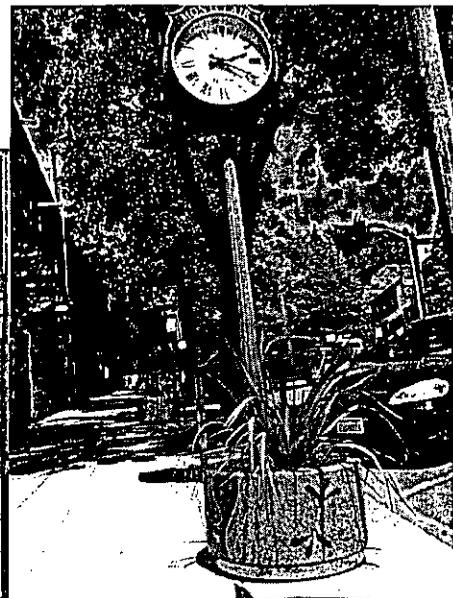
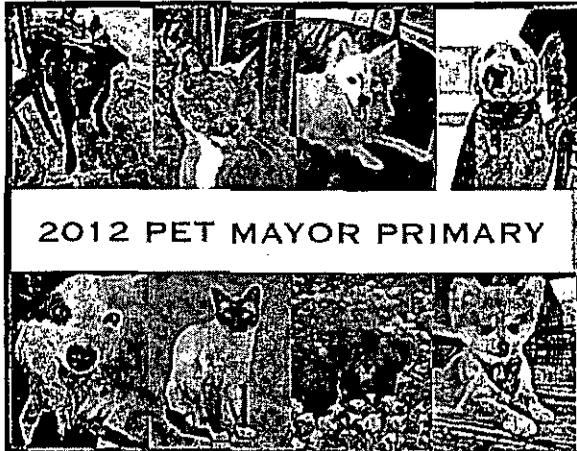
(to the Resolution of Intention to Levy the FY 2013/14 Montclair BID Assessment)



**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 2012-2013  
Montclair Village Association Business Improvement District**



# Annual Report to the Oakland City Council Relating to the 2012-2013 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, 2013.
- 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.

Linda Foss  
President, Montclair Village Association

	2011 Approved Budget	2011 Actual	2012 Approved Budget	2012 Actual 8/31/2012	2013 Approved Budget	Notes
<b>INCOME</b>						
BID Revenues	\$ 75,000.00	\$ 74,739.78	\$ 71,250.00	\$ 73,705.35	\$ 72,000.00	
Associate Memberships	\$ 1,000.00	\$ 180.00	\$ 310.00	\$ 720.00	\$ 800.00	
Pacific Fine Art Festivals	\$ 8,500.00	\$ 8,500.00	\$ 8,500.00	\$ 5,000.00	\$ 8,500.00	
Garage Management	\$ 10,800.00	\$ 11,700.00	\$ 10,800.00	\$ 5,400.00	\$ 11,700.00	2
<b>Total</b>	<b>\$ 95,300.00</b>	<b>\$ 95,119.78</b>	<b>\$ 90,860.00</b>	<b>\$ 84,825.35</b>	<b>\$ 93,000.00</b>	
<b>EXPENSES</b>						
<b>Beautification</b>						
Banners	\$ 6,200.00	\$ 1,220.00	\$ 4,000.00	\$ 180.00	\$ 4,000.00	3
Landscaping	\$ 10,000.00	\$ 5,900.00	\$ 12,000.00	\$ 6,365.61	\$ 6,000.00	
Maintenance	\$ 17,000.00	\$ 14,440.00	\$ 16,000.00	\$ 5,400.00	\$ 12,000.00	
Land Use	\$ 3,000.00	\$ -	\$ 1,500.00	\$ -	\$ -	
Streetscape	\$ -	\$ 15,467.91	\$ 2,000.00	\$ -	\$ -	
<b>Subtotal</b>	<b>\$ 36,200.00</b>	<b>\$ 37,027.91</b>	<b>\$ 35,500.00</b>	<b>\$ 11,945.61</b>	<b>\$ 22,000.00</b>	
<b>Security</b>						
Safety	-	-	\$ 5,000.00	\$ -	\$ -	
Security	\$ 12,000.00	\$ 12,000.00	-	\$ 4,474.50	\$ 12,000.00	
<b>Subtotal</b>	<b>\$ 12,000.00</b>	<b>\$ 12,000.00</b>	<b>\$ 5,000.00</b>	<b>\$ 4,474.50</b>	<b>\$ 12,000.00</b>	
<b>Organization</b>						
Accountant	\$ 500.00	\$ 400.00	\$ 500.00	\$ 500.00	\$ 500.00	
Board	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance	\$ 1,500.00	\$ 1,354.00	\$ 2,000.00	\$ 1,395.00	\$ 1,400.00	
Meetings/Mixers	\$ -	\$ 716.32	-	-	\$ 1,000.00	
Postage	\$ 200.00	\$ 1.22	\$ 100.00	\$ -	\$ 100.00	
Rent	\$ 5,000.00	\$ 4,923.44	\$ 5,000.00	\$ 2,466.72	\$ 5,000.00	
Administrator	\$ 28,000.00	\$ 25,341.64	\$ 25,000.00	\$ 18,678.37	\$ 28,000.00	
Supplies/Equipment	\$ 1,800.00	\$ 1,180.09	\$ 600.00	\$ 2,083.01	\$ 1,800.00	
Taxes	\$ 100.00	\$ 60.00	\$ 100.00	\$ 153.00	\$ 200.00	
Utilities	\$ 1,000.00	\$ 790.27	\$ 1,000.00	\$ 292.34	\$ 1,000.00	
<b>Subtotal</b>	<b>\$ 38,100.00</b>	<b>\$ 34,766.98</b>	<b>\$ 34,300.00</b>	<b>\$ 25,568.44</b>	<b>\$ 39,000.00</b>	
<b>City</b>						
City Collection	\$ 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	1
<b>Subtotal</b>	<b>\$ 6,000.00</b>	<b>\$ -</b>	<b>\$ 6,000.00</b>	<b>\$ 6,000.00</b>	<b>\$ 6,000.00</b>	<b>1</b>
<b>Promotions</b>						
Marketing / Advertising	\$ 500.00	\$ 1,688.04	\$ 2,000.00	\$ 392.66	\$ 2,000.00	
Directory / Brochures	\$ 3,000.00	\$ 506.69	\$ 2,000.00	\$ 3,123.55	\$ 2,000.00	
Farmer's Market	\$ -	\$ (300.00)	-	\$ (600.00)	\$ (600.00)	
Events	\$ 3,000.00	\$ 1,182.08	\$ 3,000.00	\$ -	\$ 2,000.00	
Maps / Signage	\$ 1,300.00	\$ -	\$ 1,300.00	\$ 2,678.40	\$ 1,000.00	
Web Site / Social Media	\$ 1,000.00	\$ 90.00	\$ 5,000.00	\$ 1,795.00	\$ 5,000.00	
<b>Subtotal</b>	<b>\$ 8,800.00</b>	<b>\$ 3,166.81</b>	<b>\$ 13,300.00</b>	<b>\$ 7,389.61</b>	<b>\$ 11,400.00</b>	
10% Reserves	\$ -	\$ -	\$ 2,725.00	\$ 2,725.00	\$ 8,600.00	
<b>Total</b>	<b>\$ 95,100.00</b>	<b>\$ 86,961.70</b>	<b>\$ 90,825.00</b>	<b>\$ 52,103.16</b>	<b>\$ 93,000.00</b>	
<b>Net</b>	<b>\$ 200.00</b>	<b>\$ 8,158.08</b>	<b>\$ 35.00</b>	<b>\$ 32,722.19</b>	<b>\$ -</b>	

1 These figures are deducted by the City from your 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 Q1 2013

3 Banner upgrades were postponed from 2012 to 2013

# Accomplishments 2012/2013

## 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 three sidewalk power washings during summer months
- Provided input on C-27/CN-1 zoning issues, including change of use at a 2+ year vacancy property for occupancy by Red Oak Realty
- Facilitated a 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 kiosk directories

## 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 participation in committees and working groups

## Businesses

- Expanded the Associate Membership program to include 15 area businesses, enabling businesses neighboring the BID to become involved in the Association and benefit from the collective marketing effort
- Maintained/updated database of Village merchants, property owners/managers
- Redesigned and launched a new MVA website
- Produced Montclair Village electronic newsletter
- Addressed issues of concern including creating a policy for solicitors on streets
- Worked closely with the Oakland Tax Division to collect assessments from severely delinquent BID members

## Promotions

- Created a new Village Directory and business map
- Redesigned and launched a new MVA website, including a new calendar and merchant profiles, and community/City resources
- 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

## Safety/Security

- Revised security contract for more responsive coverage and improved connectivity with surrounding residential areas.
- Initiated Block Ambassador program Phase 1

## 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	Vanessa	Bergmark	Director	Business Manager	Red Oak Realty	Jun-14
2	Aaron	Brown	Director	Real Estate Agent	The Grubb Company	Jun-14
3	Jeff	Diamond	Vice-President	Business Owner	Farmstead Cheeses & Wines	Jun-13
4	Linda	Foss	President	Business Manager	US Bank	Jun-13
5	Gayle	Langston	Director	Real Estate Agent	Coldwell Banker	Jun-13
6	Hana	Levin	Director	Business Owner	Melt Massage	Jun-14
7	Steve	Montgomery	Director	Business Co-owner	Italian Colors Neal & Associates	Jun-13
8	Howard	Neal	Director	Business Owner	Attorneys	Jun-14
9	John	Porras	Director	Business Co-owner	Crown Wine & Spirits	Jun-13
10	Tom	Revelli	Treasurer	Business Owner	Montclair Sports Montclair Veterinary Hospital	Jun-13
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