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Dan Kalb  
COUNCILMEMBER ~ DISTRICT 1

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## ***AGENDA REPORT***

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September 8, 2014

**COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**  
**Oakland City Council**  
**Oakland, CA**

**SUBJECT:** An ordinance amending Section 12 of Ordinance 12301 C.M.S. (that established the Rockridge Business Improvement District, granted approval of the management plan for the district, approved the assessment district boundary description, and approved the proposed assessment to the affected businesses), thereby modifying the requirement that the advisory board give notice of the right to seek disestablishment of the district to once every five years starting from the effective date of this ordinance.

**Chairperson Reid and Members of the Community and Economic Development Committee:**

### **SUMMARY**

Dear Chairperson Reid and Members of the Community and Economic Development Committee,

Councilmember Kalb hereby submits for your consideration an Ordinance amending Section 12 of Ordinance 12301 C.M.S. (that established the Rockridge Business Improvement District, granted approval of the management plan for the district, approved the assessment district boundary description, and approved the proposed assessment to the affected businesses), thereby modifying the requirement that the advisory board give notice of the right to seek disestablishment of the district to once every five years starting from the effective date of this ordinance.



## **BACKGROUND/LEGISLATIVE HISTORY**

According to the report from the Department of Economic and Workforce Development staff, "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 state law, 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. 12301 C.M.S. was passed by the City Council on November 28, 2000 to establish the Rockridge BID."

There are 10 Business Improvement Districts (BIDs) (also known as Community Benefit Districts, or, CBDs) in Oakland including 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), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), Downtown Oakland (established 2008) and Jack London (established 2013) commercial neighborhoods.

The Rockridge Business Improvement District (BID) was the first business improvement district formed with assistance from Oakland's NBID Program in 2000. Eight out of ten BIDs are assessed based on property ownership and two—Rockridge and Montclair—are merchant-based BIDs. The Rockridge BID encompasses approximately 360 businesses located in and around the Rockridge commercial area with annual budget of approximately \$158,400.

## **ANALYSIS**

At the time of Rockridge BID authorization, a handful of business owners were concerned about District formation. To ease the transition, the District One Councilmember at the time asked for Section 12 to be included into Ordinance 12301 C.M.S. to provide a frequent oversight component. None of the other BIDs have this annual noticing requirement.

Additionally, state law for merchant-based Business Improvement Districts (BIDs) requires annual approval from the City Council before levying each fiscal year's assessment. Prior to approving the levy, the City Council must first approve an Annual Report from the Rockridge BID Advisory Board, adopt a Resolution of Intention to levy next year's assessment and schedule a related public hearing. The Resolution of Intention to levy each year's assessment must be published in a newspaper of general circulation not less than seven (7) days before the related public hearing. This 7-day notice is in addition to the City Clerk's 10 day (Sunshine Ordinance) notice of the hearing.



Section 5.5 Reporting to affected business owners of the Disbursement Agreement between the City of Oakland and the Rockridge District Association of Oakland (RDA) also requires RDA (Rockridge BID's designated nonprofit management corporation) to distribute a statement of activities funded by BID moneys and the cost of each to every affected business owner either by e-mail or by U.S. mail once a year within 60 days of each fiscal year end. A copy of this statement may also be made available at a local public library and shall be posted on RDA's website within 60 days of each fiscal year end and a list of business owner names, addresses and/or e-mail addresses to which the notice was sent shall be made available to the City or the public upon request. RDA is also subject to CA Ralph M. Brown Act provisions when conducting Rockridge BID business.

Because RDA is administered by a volunteer board, and because in 14 years of RBID existence there were very few complaints and/or concerns expressed to City staff by participating businesses (representing approximately 1.7% of total RBID assessments), the additional requirement of preparing and sending annual disestablishment notices by regular mail to all RBID assesses puts unnecessary administrative and financial burden on RDA board members and associated City staff.

#### **COST SUMMARY/IMPLICATIONS**

No fiscal impact is anticipated to the City from adopting this amended Ordinance. The Rockridge BID is a self-funded, self-administered entity which pays its own operating and administrative costs, including costs for assessment collections and disbursements.

However, although there are no direct fiscal impacts to the City's budget resulting from passing this Ordinance, there is a positive fiscal impact from freed-up staff time. Currently, City staff has to review, approve and provide language for each year's notice and monitor its distribution on an annual basis. This ordinance would change that responsibility to once every five years.

Changing the annual notification requirement to every five years will save Rockridge BID several hundred dollars or more over five years. These dollars can be spent on community improvement projects.

#### **COORDINATION**

The Department of Economic and Workforce Development and Office of the City Attorney were consulted in the preparation of this report and/or its attachments and exhibits.

#### **OUTCOME**

Adoption of this Ordinance will allow Rockridge BID to be sending notices of the right to seek disestablishment of the district every five years instead of annually.

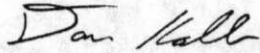
#### **RECOMMENDATION**





Councilmember Kalb recommends that the City Council adopt this Ordinance.

Respectfully submitted,



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Dan Kalb, Councilmember

Contact: Olga Bolotina  
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For questions regarding BIDs, please contact Maria Rocha, BID Program Coordinator, at 510-238-6176.

*Attorney Assigned:* Pelayo Llamas, Deputy City Attorney

cc: **Henry Gardner**, Interim City Administrator  
**Rachel Flynn**, Director of the Planning and Building Department and Economic and Workforce Development Department  
**Aliza Gallo**, Economic Development Manager, Economic and Workforce Development Department

