



CITY OF OAKLAND

AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Ashleigh Kanat
Director, Economic &
Workforce Development
Department

SUBJECT: Property BID Annual Reports And
Assessment Payment Approval

DATE: June 10, 2024

City Administrator Approval


Jestin Johnson (Jul 2, 2024 10:55 PDT)

Date:

Jul 2, 2024

RECOMMENDATION

Staff Recommends That The City Council And The Oakland Redevelopment Successor Agency (ORSA) Governing Body Adopt The Following Legislation:

- 1) **A City of Oakland Resolution (a) Approving The Fiscal Year 2023-24 Annual Reports Of The Lakeshore/Lake Park Business Improvement Management District Of 2022 (Lakeshore District), The Jack London Improvement District (Jack London District), The Temescal/Telegraph Business Improvement District 2015 (Temescal District), The Laurel Business Improvement District 2016 (Laurel District), The Koreatown/Northgate Community Benefit District 2017 (Koreatown District), The Oakland Tourism Business Improvement District 2018 (Oakland Tourism District), The Downtown Oakland Community Benefit District 2018 (Downtown Oakland District), The Lake Merritt-Uptown Community Benefit District 2018 (Lake Merritt-Uptown District), And The Chinatown Community Benefit District 2021 (Chinatown District) Advisory Boards; (b) Confirming The Continuing Annual Assessment For Each Said District And Levying Said Assessments, With The Exception Of The Temescal District and Oakland Tourism District That Are Expiring, For Fiscal Year 2024-25; (c) Increasing the Jack London District, Koreatown District, Lakeshore District, Chinatown District, Downtown Oakland District, and Lake Merritt-Uptown District By Five (5) Percent For The 2024-2025 Assessment; (d) Authorizing Payment Of The City of Oakland Cumulative Fiscal Year 2024-25 Fair Share Assessment In An Approximate Amount Of Four Hundred Fifty-Two Thousand Four Hundred Fifty-Five Dollars And Four Cents (\$452,455.04) For City of Oakland-Owned Properties In The Jack London District, The Koreatown District, The Downtown Oakland District, The Lake Merritt-Uptown District, And The Chinatown District; And (e) Renewing The Agreements With The Districts For Administration And Disbursement Of Funds; AND**
- 2) **Successor Agency Resolution Authorizing Payment Of The Oakland Redevelopment Successor Agency's Cumulative Fiscal Year 2024-25 Fair Share Assessment In An Approximate Amount Of Three Thousand One Hundred Sixty-Five Dollars And Fifty Cents (\$3,165.50) For One Oakland Redevelopment**

City Council
July 16, 2024

Successor Agency-Owned Property In The Downtown Oakland Community Benefit District 2018

EXECUTIVE SUMMARY

Pursuant to local enabling legislation (Ordinance No. 12190 C.M.S., 1999, codified as [Chapter 4.48 of the Oakland Municipal Code](#), subsequently amended by [Ordinance No. 13322 C.M.S.](#), July 21, 2015), City Council-appointed advisory boards for each property-based Business Improvement District (BID), also known as Community Benefit Districts, must submit annual reports to the City of Oakland (City) for review and approval. The reports include any proposed changes to the boundaries of the district, a description of improvements and activities to be provided in the upcoming fiscal year (FY), an estimate of the cost of providing the improvements and activities, the method and basis of levying the assessment, the amount of any surplus or deficit revenues to be carried over from a previous fiscal year, and any contribution to be made from sources other than the levied assessment.

Adoption of the proposed City resolution would approve the FY 2023-24 annual reports for the Lakeshore District, the Jack London District, the Temescal District, the Laurel District, the Koreatown District, the Oakland Tourism District, the Downtown Oakland District, the Lake Merritt District and the Chinatown District; confirm the continuing annual assessment for each district for FY 2024-25, with the exception of the Temescal District and the Oakland Tourism District that are expiring and are seeking renewal through separate City Council actions; and authorize payment of a cumulative fair share assessment of approximately \$452,455.04 on City property located within the above districts. Adoption of the proposed Oakland Redevelopment Successor Agency (ORSA) resolution would authorize payment of a cumulative fair share assessment of approximately \$3,165.50 on ORSA property located in the Downtown Oakland District.

In FY 2024-25 the above special assessment districts will collectively generate an estimated \$9,000,326 of special assessment revenues: \$239,462 from the Lakeshore District; \$1,698,690 from the Jack London District; \$229,524 from the Laurel District; \$702,206 from the Koreatown District; \$2,576,422 from the Downtown Oakland District; \$2,109,926 from the Lake Merritt District; and \$1,444,095 from the Chinatown District.

Funds generated will be used to pay for special benefit services outlined in each district's approved Management Plan (on file with the Office of the City Clerk) and annual report (contained in **Exhibit A** to the proposed City resolution). Services include, but are not limited to, security ambassadors, sidewalk cleaning, public right of way beautification, as well as marketing and promotions, including sponsorship of seasonal special events.

The FY 2023-24 annual reports indicate no changes to the boundaries of any of the districts or to the original method and basis of levying the assessments. The Lakeshore District, Jack London District, Koreatown District, Downtown Oakland District, Chinatown District and Lake Merritt District are each requesting a five percent increase to the assessments for FY 2024-25, all of which are increases within the allowable amount. The advisory board for the Laurel District has not requested an assessment increase for FY 2024-25.

BACKGROUND / LEGISLATIVE HISTORY

In 1999, the City Council approved Ordinance No. 12190, C.M.S., establishing the City of Oakland Business Improvement Management District Ordinance, which allows for the formation of property-based assessment districts to undertake a range of services within the assessment area, independent from government, to further the economic viability of affected commercial neighborhoods.

That same year, the City Council also authorized the initiation of the Neighborhood Business Improvement District Program (Resolution No. 75323 C.M.S.) to assist neighborhood representatives in their attempts to form business and property-based assessment districts.

Pursuant to the above legislative actions, the special assessment districts were formed as follows:

- The Lakeshore District on July 5, 2022, pursuant to [Resolution No. 89284 C.M.S.](#)
- The Jack London District, July 18, 2023, pursuant to [Resolution No. 89859 C.M.S.](#)
- The Temescal District, July 29, 2014, pursuant to [Resolution No. 85148 C.M.S.](#)
- The Laurel District, July 7, 2015, pursuant to [Resolution No. 85682 C.M.S.](#)
- The Koreatown District, July 18, 2017, pursuant to [Resolution No. 86864 C.M.S.](#)
- The Oakland Tourism District, June 19, 2018, pursuant to [Resolution No. 87242 C.M.S.](#)
- The Downtown Oakland District, July 24, 2018, pursuant to [Resolution No. 87323 C.M.S.](#)
- The Lake Merritt-Uptown District, July 24, 2018, pursuant to [Resolution No. 87324 C.M.S.](#)
- The Chinatown District, July 26, 2021, pursuant to [Resolution No. 88781 C.M.S.](#)

Each district was formed for a 10-year term, with the exception of the Oakland Tourism District which was formed for a 7-year term. The Temescal District is expiring this year, and the Oakland Tourism District is modifying its term to expire this year and renew a year early. On April 16, 2024, the City Council accepted petitions in favor of the renewal from over 80% of assessed lodging businesses and adopted [Resolution No. 90191 C.M.S.](#), which declared an intention to renew the Oakland Tourism BID for a term of nine years and eleven months, directed the distribution of a notice to all affected business owners, and scheduled a public hearing for June 4, 2024. On June 4, 2024 the City Council adopted [Resolution No. 90291 C.M.S.](#), and [Ordinance No. 13796 C.M.S.](#), approving the formation of the Tourism BID via Resolution and via Ordinance, and also adopted [Resolution No. 90265 C.M.S.](#), which declared an intention to modify the Oakland Tourism BID 2018 to end its current term a year early on July 31, 2024 in time for the new renewed District to begin its term on August 1, 2024. On May 21, 2024, the City Council adopted [Resolution No. 90256 C.M.S.](#), which declared an intention to renew the Temescal BID for an additional 10-year term, directed the distribution of a ballot to all affected property owners, and scheduled a public hearing for July 16, 2024.

ANALYSIS AND POLICY ALTERNATIVES

Adoption of the proposed resolutions will enable the above special assessment districts to continue providing special benefit services such as enhanced cleaning, district beautification, private security, and marketing and promotional activities. These services are intended to

improve the conditions and image of the affected business corridors and to stimulate ongoing economic revitalization within the surrounding commercial neighborhood.

The annual report form was redesigned in 2024 and converted to an online format, allowing for comparison of statistics across all BIDs reporting, including many new data points that are now being collected regarding the impact of BID activities. These new BID impact metrics include standardized cleaning, marketing and outreach metrics, as well as organizational information, such as updated BID board rosters.

In 2023, the Oakland Tourism BID and the 8 property-based BIDs utilized and leveraged \$10.5 million in property and business-based annual assessments to employ 92 full-time equivalent workers and utilize 374 volunteers throughout the year. Each week, the property-based BIDs provided 1,350 hours of cleaning services, with most BIDs cleaning their districts 7 days a week. Collectively in 2023, the BIDs removed 1.1 million pounds of trash from Oakland City streets, removed 132,613 stickers and pieces of graffiti, and provided 3,432 hours of power washing. 78% of the BIDs also support workforce development initiatives through their partners like Unity Council and District Works, providing a pathway to good quality jobs for those who face barriers to employment.

The eight property-based BIDs collectively employ 64 ambassadors and staff who walk the districts, doing business outreach, cleaning and providing hospitality and/or security services. During 2023, these ambassadors and staff provided 41,070 annual patrol hours by public safety officers, ambassadors, and other personnel as part of their safety programs, supporting the installation and maintenance of 300 cameras as well as use of camera footage in 139 incidents during the year. The BIDs made 76,603 merchant contacts during the year, holding 62 business support events, and in total supporting the 1,984 open ground floor businesses, 10,030 residents and the owners of 5,156 properties in the BID-represented areas. The BIDs installed and maintained 899 planters and hanging baskets in their districts, weeded and cleaned 1,553 tree wells, and installed and maintained 452 street pole banners.¹

In 2023, the 9 BIDs provided robust marketing, communications and events programs benefitting their assessed businesses, property owners and residents as well as Oakland as a whole. BIDs utilized place-based marketing strategies through media outreach, websites, email communications, social media platforms, print-based marketing materials, and more. Their email lists include 44,840 people, with regular email announcements reaching 226,761 people in 2023. The BIDs utilize a variety of social media platforms including Instagram, Facebook, TikTok, YouTube, WeChat and Twitter, and collectively reached 4.3 million people through social media communications in 2023. BIDs organized 156 of small and large scale community events, in addition to sponsoring 109 more events organized by other community orgs and residents, drawing approximately 400,000 people to the BID areas.

The City Council may approve the BID annual reports as filed by district Advisory Boards (contained in Exhibit A to the proposed City resolution) or may modify any particulars in the reports and approve them as modified.

¹ These statistics are compiled from the 2024 BID annual report form submissions contained in Exhibit A to the proposed City resolution.

There is no anticipated adverse impact related to the adoption of the attached resolutions; however, there would be a negative impact to the districts if the proposed resolutions are not adopted and the assessments are not levied. Without a new infusion of assessment funds in the upcoming fiscal year, special benefit services paid for by the assessments would be curtailed or terminated in FY 2024-25. However, if City Council adopts the attached City resolution, the FY 2024-25 assessment levy will be approved and special benefit services in each district will continue uninterrupted in FY 2024-25, as they have for the past 20 years.

Levying the BID assessments for special benefits services advances the Citywide Priority of **housing, economic and cultural security**. BIDs provide additional resources (e.g., public safety, marketing, and cleanliness) that help make commercial corridors vibrant places that are consistently active, better serving the needs of Oakland’s business owners and residents.

FISCAL IMPACT

BIDs are self-initiated, self-funded, and self-administered entities. There are limited fiscal impacts to the City associated with the continuance of the above-referenced BIDs other than the costs of staff time to manage the BID program that are only partially recovered by the City’s administrative fee, as well as payment of fair share assessments on City and ORSA property located within the districts (\$452,455.04 and \$3,165.50, respectively). Details of those payments appear below.

Pursuant to State Proposition 218, the City and ORSA must pay their fair share of assessments on City- and ORSA-owned property within the above-referenced special assessment districts. This is because public as well as private properties are considered to derive special benefits from the activities of the districts.

Given the approximate \$8,544,705 of private funds that will be leveraged, the above-mentioned City and ORSA payments of \$452,455.04 on City properties and approximately \$3,165.50 on ORSA properties may be considered a reasonable and productive expenditure of public funds.

Affected City and ORSA properties are listed in **Table 1** below.

Table 1: List of City and ORSA properties subject to FY 2024-25 BID Assessment Levies

District	APN	Legal Owner	Site Description	Annual Assessment	Fund Source No. *
Chinatown	1-177-1	City	163 9th St	\$9,039.93	1
Chinatown	1-179-1-1	City	822 Alice St	\$1,238.57	1
Chinatown	1-179-1-2	City	Alice St	\$381.93	1
Chinatown	1-183-1	City	640 Harrison St	\$15,661.28	1
Chinatown	2-71-1	City	250 10th St	\$16,269.09	1
Chinatown	2-89-1	City	125 14th St	\$13,743.22	1
Chinatown	2-91-1	City	Oak St	\$7,529.69	1
Chinatown	2-100-11	City	1220 Harrison St	\$4,455.32	1

District	APN	Legal Owner	Site Description	Annual Assessment	Fund Source No. *
Chinatown	18-450-4	City	1000 Oak St	\$47,655.56	1
Downtown Oakland	2-97-45	City	1327 Broadway	\$4,921.40	2
Downtown Oakland	3-65-9-2	City	250 Frank H. Ogawa Plz	\$30,964.59	1
Downtown Oakland	3-67-2	City	City Hall Plz	\$13,094.24	1
Downtown Oakland	3-67-3	City	1 Frank H Ogawa Plz	\$21,781.69	1
Downtown Oakland	3-67-4	City	1414 Clay (Garage)	\$13,090.27	1
Downtown Oakland	8-619-8-1	City	150 Frank H Ogawa Plz	\$30,176.83	1
Downtown Oakland	8-620-9-3	City	524 16 th St	\$2,383.79	2
Downtown Oakland	8-641-8-5	City	540 17 th St (Oakland Ice Center)	\$30,957.24	3
Downtown Oakland	1-199-1	City	620 Washington (Police Admin Bldg)	\$36,735.15	1
Downtown Oakland	2-98-1	City	Clay St (Scotland Convention Ctr)	\$36,603.17	1
Koreatown	8-648-16-3	City	2100 Telegraph	\$4,525.71	1
Koreatown	9-684-5-1	City	404 26 th Street	\$787.66	1
Koreatown	8-659-25	City	641 W. Grand Ave	\$514.69	1
Lake Merritt	8-623-6-1	City	1731 Franklin (Franklin St Garage)	\$21,968.98	1
Lake Merritt	8-635-1	City	274 19 th St (Snow Park)	\$24,787.52	1
Lake Merritt	8-649-5	City	2025 Broadway (Paramount Theater)	\$9,952.66	1
Lake Merritt	8-655-6	City	Grand Ave (foot of Valdez)	\$2,198.71	1
Lake Merritt	10-768-4	City	200 Grand Ave (Veterans Memorial Bldg)	\$12,303.40	1
Lake Merritt	8-673-1	City	2500 Broadway (Plaza)	\$1,472.66	1
Lake Merritt	8-716-58	City	1911 Telegraph (Vacant)	\$9,721.81	2
Lake Merritt	8-642-16	City	1807 Telegraph (Fox Theater)	\$27,411.13	4
Jack London	18-425-4-1	City	Embarcadero	\$ 127.16	1
			CITY TOTAL	\$452,455.04	
Downtown Oakland	2-101-1	ORSA	989 Franklin	\$ 3,165.50	5
			ORSA TOTAL	\$ 3,165.50	

District	APN	Legal Owner	Site Description	Annual Assessment	Fund Source No. *
			GRAND TOTAL	\$455,620.54	

*See **Table 2** for corresponding Fund Source Numbers.

Funds to pay FY 2024-25 assessments on City and ORSA properties include a combination of the following funding sources in the approximate amounts shown in **Table 2** below.

Table 2: List of Funding Sources for Payment of FY 2024-25 BID Assessments on City and ORSA Properties:

Fund Source No.	Coding Block	Amount
1) City General Fund	General Purpose Fund (1010)/Economic Development Organization (85411)/Taxes and Assessments Account (53511)/Business Improvement District Project (1000147)/Citywide Activities Program (IP50)	\$ 377,059.65
2) City	Central District Projects Fund (5610)/Central District Redevelopment Organization (85245)/Taxes and Assessments Account (53511)/Downtown Capital Project (1000169)/Downtown Program (SC13)	\$ 17,027.01
3) City	Central District Projects Fund (5610)/Central District Redevelopment Organization (85245)/Taxes and Assessments Account (53511)/Oakland Ice Center Project (1003244)/Downtown Program (SC13)	\$ 30,957.24
4) City	Central District TA Bonds Series 2006T Fund (5614)/Central District Redevelopment Organization (85245)/Taxes and Assessments Account (53511)/Fox Theater Operating Project (1005785)/Downtown Program (SC13)	\$ 27,411.13
5) ORSA	SRA Unrestricted Land Sales Proceeds Fund (9711)/Central District Redevelopment Organization (85245)/Rental: Miscellaneous Account (53219)/88 Franklin Garage - ROPS 84 Project (1001359)/Oakland Redevelopment Successor Agency Program (ORSA)	\$ 3,165.50

Other than the above assessments, as well as the staff costs associated with the BID program that are not covered by the City’s administrative fee, there is no further direct fiscal impact or cost anticipated with adoption of the proposed resolutions; however, going forward, the City and ORSA should be aware that each of the concerned districts may recommend annual assessment rate increases – up to 5 percent per year – for the remainder of their respective

terms per their District Management Plans, on file in the Office of the City Clerk. If City Council chooses to approve such future recommendations for assessment rate increases, it would also increase assessment obligations on City- and ORSA-owned properties. Staff will coordinate closely with the City's Finance Department to accommodate such potential increases.

Operations in the related business improvement districts are self-funded by the special assessments generated by the districts themselves.

Regarding the collection of the assessments, the Treasury Division of the City's Finance Department will directly bill tax-exempt entities not on the County Assessor's property tax roll. For taxable entities, the County of Alameda will add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected to the City, less the County's collection fee of approximately 1.7 percent of total assessments billed. The City, in turn, will disburse the funds to the district, less a City cost recovery administrative fee, to be deposited into the General Purpose Fund (1010) primarily to offset the cost of staffing support from the City's Finance Department and the Economic and Workforce Development Department. This administrative fee is pursuant to written agreements between the City and each applicable district's designated non-profit management corporation.

Until disbursed, the BID assessments will be held in special trust funds (one for each district) established by the City's Finance Department. The trust fund Oracle coding is: Miscellaneous Trusts Fund (7999)/Treasury Operations Unit Organization (08721)/Pass-Thru Assessments Account (24224)/DP080 Administrative Project (1000007), as well as Economic Development Organization (85411)/DP850 Administrative Project (1000019).

PUBLIC OUTREACH / INTEREST

For the City Council to adopt the proposed resolutions, 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 the outreach necessary to secure advisory board consensus sufficient to generate the proposed annual reports and proposed 2024 district budgets (contained in **Exhibit A** to the proposed City resolution), and proposed FY 2024-25 district assessments

COORDINATION

The Budget Bureau and the Office of the City Attorney were consulted in the preparation of this report, legislation, and exhibits.

SUSTAINABLE OPPORTUNITIES

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

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council and the Oakland Redevelopment Successor Agency (ORSA) Governing Body adopt the following legislation:

- 1) A City of Oakland Resolution (a) Approving The Fiscal Year 2023-24 Annual Reports Of The Lakeshore/Lake Park Business Improvement Management District Of 2022 (Lakeshore District), The Jack London Improvement District (Jack London District), The Temescal/Telegraph Business Improvement District 2015 (Temescal District), The Laurel Business Improvement District 2016 (Laurel District), The Koreatown/Northgate Community Benefit District 2017 (Koreatown District), The Oakland Tourism Business Improvement District 2018 (Oakland Tourism District), The Downtown Oakland Community Benefit District 2018 (Downtown Oakland District), The Lake Merritt-Uptown Community Benefit District 2018 (Lake Merritt-Uptown District), And The Chinatown Community Benefit District 2021 (Chinatown District) Advisory Boards; (b) Confirming The Continuing Annual Assessment For Each Said District And Levying Said Assessments, With The Exception Of The Temescal District and Oakland Tourism District That Are Expiring, For Fiscal Year 2024-25; (c) Increasing the Jack London District, Koreatown District, Lakeshore District, Chinatown District, Downtown Oakland District, and Lake Merritt-Uptown District By Five (5) Percent For The 2024-2025 Assessment; (d) Authorizing Payment Of The City of Oakland Cumulative Fiscal Year 2024-25 Fair Share Assessment In An Approximate Amount Of Four Hundred Fifty-Two Thousand Four Hundred Fifty-Five Dollars And Four Cents (\$452,455.04) For City of Oakland-Owned Properties In The Jack London District, The Koreatown District, The Downtown Oakland District, The Lake Merritt-Uptown District, And The Chinatown District; And (e) Renewing The Agreements With The Districts For Administration And Disbursement Of Funds; AND
- 2) Successor Agency Resolution Authorizing Payment Of The Oakland Redevelopment Successor Agency's Cumulative Fiscal Year 2024-25 Fair Share Assessment In An Approximate Amount Of Three Thousand One Hundred Sixty-Five Dollars And Fifty Cents (\$3,165.50) For One Oakland Redevelopment Successor Agency-Owned Property In The Downtown Oakland Community Benefit District 2018

For questions regarding this report, please contact Shifra de Benedictis-Kessner, Urban Economic Analyst III, at 510-238-6230.

Respectfully submitted,

Ashleigh Kanat

[Ashleigh Kanat \(Jul 1, 2024 18:42 PDT\)](#)

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