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**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: November 4, 2003
RE: RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT
OF THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT
DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL
ASSESSMENT FOR THE FRUITVALE BUSINESS IMPROVEMENT
MANAGEMENT DISTRICT FOR FISCAL YEARS 2003/04

SUMMARY

Pursuant to the City of Oakland's Business Improvement Management District Ordinance (Ordinance# 12190 C.M.S., 1999) and the Neighborhood Business Improvement District Program (Resolution# 75323 C.M.S., 1999) a resolution approving and confirming the annual report of the Fruitvale Business Improvement Management District advisory board and the continuing annual assessment for the Fruitvale Business Improvement Management District for fiscal year 2003/04 has been prepared.

The City Council must adopt the above resolution to approve on-going services within the district.

FISCAL IMPACTS

No new fiscal impact is anticipated.

Amounts associated with assessment collections and disbursements will be paid by the proposed assessment district. All other costs related to administration of the BID Program by City staff are already included in the Community and Economic Development Agency's current approved budget.

Due to the fact that the Fruitvale BIMD is a property-based BIMD, the City has already committed to paying a total assessment of \$64,830.33 over five years (Resolution #76128 C.M.S., 1999) at an average of approximately \$12,966 per year for City owned properties located within the Fruitvale BIMD. This amount is sufficient to cover the discretionary 3% increase per year that the district is legislatively allowed, but which it did not elect to take in the 2003/04 year. Funds for the assessment have been budgeted in the general fund Business Improvement District Program (Fund 1010 Org 88569 Project C138410).

Item 10.24cc
City Council
November 4, 2003

BACKGROUND

The Fruitvale BIMD was established on January, 9, 2001, (Resolution # 76205 C.M.S) for a period of five years.

The district encompasses approximately 39 blocks along International Boulevard, Fruitvale Avenue and Foothill Boulevard as well as portions of the Fruitvale Transit village along East 12th Street between 33rd and 35th Avenue.

Collections for the district are projected at approximately \$212,000 per year subject to a 3% per year maximum increase over the five-year period of the BIMD.

Assessments are collected by the County of Alameda as a line item to the annual property tax bill of each owner, and are remitted to the City minus the County's collection fee (approximately 1.7% of total assessment). An agreement between the City and the Spanish Speaking Unity Council, the non-profit Fruitvale BIMD management corporation, allows for the disbursement of funds less any City costs of processing the disbursement.

The BIMD model for economic development has been successfully used in other commercial neighborhoods throughout the country and throughout Oakland, including in the Lakeshore/Lake Park district (established 2002), the Montclair district (established 2001), and the Rockridge district (established 2000).

Revenues generated by BIMDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples include enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, capital improvements, and human services.

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the approval of the proposed resolution.

In terms of positive impacts, adoption of the resolution will enable the Fruitvale BIMD to continue providing enhanced district services which lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

PROGRAM DESCRIPTION

Planned services for FY 2003/04 are outlined in the annual report filed by the Fruitvale BIMD advisory board and include a security program to reduce street disorder and prevent

crime and a street maintenance program including trash removal, landscaping, installation of mosaic planter tops, graffiti cleanup, and street and sidewalk cleaning. Also planned is creation of a website to promote the district, installation of winter holiday decorations, two special events (Dia de los Muertos and a Cesar Chavez Festival/Day of Service and Learning), a Fruitvale street ambassador program, and continuation of a pedestrian safety campaign. These program activities build on the efforts and successes of the Fruitvale Main Street Program and the Unity Council in revitalizing the area.

SUSTAINABLE OPPORTUNITIES

Economic: The proposed levy will fund activities which are intended to support the eventual increase of property, sales, and business tax revenues as well as increased job opportunities and economic development of the Fruitvale commercial district.

Environmental: The proposed levy will enable the Fruitvale BIMD to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the use of enhanced sidewalk and street cleaning and maintenance. Attractive new banners, directional signage and holiday decorations will also uplift and unify the district's appearance.

Social Equity: BIMDs incorporate all members of a business community into a productive and proactive entity representing the interests of that community. Administration of the cash flow generated by the district itself contributes to local merchant self-empowerment and provides enhanced services for the overall physical and economic betterment of the district.

DISABILITY AND SENIOR ACCESS

Passage of the proposed resolution has no direct implications for disability and senior access. However, the BIMD's efforts toward revitalization may encourage businesses to continue to abide by applicable state, federal and local codes and legislation regarding disability and senior access. Improved public safety and security provided by the BIMD could also serve to make the area safer and more accessible to all visitors, including senior citizens and disabled persons.

RECOMMENDATION(S) AND RATIONALE

Adoption of the attached resolution will support the continuance of the Fruitvale BIMD and its planned activities.

Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the conditions and image of their area and to assist in the economic revitalization and physical maintenance of their respective commercial corridors.

Additionally, because BIMDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Fruitvale BIMD, other than those already provided for in previous legislation. Consequently, the Fruitvale BIMD should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution confirming the annual report of the Fruitvale BIMD advisory board and levying the annual assessment for the Fruitvale BIMD for fiscal year 2003/04.

ACTION REQUESTED OF THE CITY COUNCIL

The action requested of the City Council is to adopt the resolution confirming the annual report of the Fruitvale BIMD advisory board and the continuing annual assessment for the Fruitvale BIMD for fiscal year 2003/04.

Respectfully submitted,



Daniel Vanderpriem
Director of Redevelopment,
Economic Development, and Housing

Prepared by:
Maria Rocha, Urban Economic Analyst III
Neighborhood Commercial Revitalization

APPROVED AND FORWARDED TO THE
CITY COUNCIL


OFFICE OF THE CITY MANAGER

OAKLAND CITY COUNCIL

B. Plebale

OFFICE OF THE CITY CLERK
OAKLAND

RESOLUTION No. _____ C.M.S.

~~2003 OCT 23 PM 3:05~~

RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT DISTRICT ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE FRUITVALE BUSINESS IMPROVEMENT MANAGEMENT DISTRICT FOR FISCAL YEAR 2003/04

WHEREAS, the City of Oakland Business Improvement Management District Ordinance allows for the formation of business improvement management districts (Chapter 4.48, Ordinance 12190.1999); and

WHEREAS, the City Council approved a Neighborhood Business Improvement District ("NBID") Program pursuant to Oakland City Council Resolution No. 75323, dated November 9, 1999, to provide technical and financial assistance to stakeholder groups of business owners in the City to assist in the formation of such districts; and

WHEREAS, the property owners in the Fruitvale business district petitioned to form the Fruitvale Business Improvement Management 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, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, 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 Plan was prepared in accord with the provisions of the law overseeing the formation of the District as referenced above, and has been filed with the City; and

WHEREAS, pursuant to the requirements of the law the Fruitvale Business Improvement Management District was established by the City Council on January 9, 2001 pursuant to Ordinance Number 76205; and

WHEREAS, the Annual Report has been prepared by the Fruitvale Business Improvement Management District Advisory Board and filed with the City Clerk, and the City Council desires to approve and confirm the Report, and the continuing annual assessment for the Fruitvale Business Improvement Management District for fiscal year 2003/04;

10.24CC
ORA/COUNCIL

NOW, THEREFORE, the Council of the City of Oakland does hereby find and resolve as follows:

NOV - 4 2003

1. The Fruitvale Business Improvement Management District was established in the Fruitvale area of the City of Oakland, California as a Business Improvement Management District pursuant to the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190. 1999) with the boundaries as specified in the Plan on file with the City Clerk.
2. The Advisory Board for the District was duly appointed by Resolution of the City Council and has filed its Annual Report for the 2003/04 fiscal year as required by law.
3. The Annual Assessment Report and the continuing annual assessment for the District for the 2003/04 fiscal year is hereby approved, adopted, and confirmed.
4. The City Council confirms, adopts, and approves the continuing annual 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 2003/04 fiscal year as provided for in the Annual Report and the Plan 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 property in the District have not been changed, increased, or modified and are those specified in the Plan and Annual Report on file with the City Clerk which were previously adopted after holding a public meeting and a public hearing and protest procedure as provided for by law.
6. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases, as specified in the Plan, through a special municipal billing.
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 property in the area are those 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. The assessments for the entire District total approximately \$224,860.14 for the 2003/04 fiscal year of the District, and the amount chargeable to each parcel shall be as determined by the Plan and Annual Report on file in the office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

AYES- BRUNNER, CHANG, , BROOKS, NADEL, REID, QUAN, WAN and PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

10.24CC
ORA/COUNCIL

EXHIBIT A

(to resolution approving and confirming the Fruitvale BIMD annual report
and continuing assessment for FY 03/04)

**Fruitvale Business Improvement Management District
First Annual Report to City Council
Fiscal Year 2003-04 (July 1, 2003 – June 30, 2004)**

**1. Proposed Changes in the Boundaries of the BIMD or in any Benefits Zones
Within the District**

None.

2. Improvements and Activities Provided During Fiscal Year 2002-03

The following are the major improvements and activities provided:

- Neighborhood Cleanliness Crew: approximately 180 hours per week (every day except Sundays and holidays) of sidewalks sweeping, recycling, graffiti abatement, and landscaping
- Zero-Tolerance Graffiti Campaign (we paint over all reported graffiti on private property with property owner permission)
- Landscaping program conducted by an Americorps member and volunteers
- Purchased a hot water high pressure washer to clean sidewalks and façades in the district
- Fruitvale Ambassadors: approximately 100 hours per week (on weekdays) of safety patrol on bicycle and on foot
- Assisted the merchants in securing façade improvement funds to make repairs after the post Raider Game disturbances
- Assistance with City street improvement project on International Boulevard
- Worked with SBC to replace outdated phone lines in the streetscape improvement construction zone
- Cooperative advertising campaign for merchants in the streetscape improvement construction zone
- Completion of a new business directory
- Completion of a parking study for International Boulevard; collaboration with the City to install parking meters between 38th and 40th where they were requested by the merchants
- Seventh Annual Dia de los Muertos Festival
- Second Annual Cesar Chavez Festival and Day of Service and Learning
- Installation of winter holiday decorations throughout the district
- Installation of eight mosaic planter pots throughout the district
- Participation in the Shop Oakland Campaign
- Seven storefront and façade improvements
- Installation of eight commemorative markers on historical buildings in the district
- Fund raising and resource development (see item # 7 for details)
- Advocacy for the district through the Oakland Merchants Leadership Forum and the Oakland Business Improvement District Council

3. Improvements and Activities To Be Provided During Fiscal Year 2003-04

- Continuation of Neighborhood Cleanliness Crew Program
- Continuation of Zero-Tolerance Graffiti Campaign
- Installation of additional mosaic planter pots
- Painting of additional sidewalk trash receptacles with tile-inspired designs
- Eighth Annual Dia de los Muertos Festival
- Third Annual Cesar Chavez Festival and Day of Service and Learning
- Creation of a web site promoting the district
- Partnership with the City on an anti-blight campaign
- Installation of winter holiday decorations throughout the district
- Participation in the Shop Oakland Campaign
- Additional storefront and façade improvements
- Continuation of pedestrian safety campaign
- Fund raising and resource development
- Advocacy for the district through the Oakland Merchants Leadership Forum and the Oakland Business Improvement District Council

4. An Estimate of the Cost of Providing the Improvements and the Activities for Fiscal Year 2003-04

Please see attached budget.

5. Method and Basis of Levying the Assessment

Each property owner pays an assessment based on gross lot square footage. The district is divided into two zones. Zone One encompasses those "properties in the center of the commercial district with highest commercial activity."¹ Thus Zone One includes Fruitvale Avenue from Foothill Boulevard to International Boulevard and International Boulevard from Fruitvale Avenue to 42nd Avenue. The remainder of the district comprises Zone Two. Zone One properties are assessed at \$0.14 per square foot and Zone Two properties are assessed at \$0.066 per square foot. Properties owned by charitable tax-exempt organizations pay \$0.074 per square foot in Zone One and no assessment in Zone Two. Residential properties with four units or fewer are not assessed in either zone.

6. Surplus or Deficit for Fiscal Year 2003-04

The budget for Fiscal Year 2003-04 is \$444,645. The expected assessment to be collected for that year is \$212,000. Therefore, it is expected that there will be a deficit of \$232,645. This deficit will be covered through other funding sources listed below.

¹ Fruitvale Management District Plan, p. 21.

7. Contributions from Sources Other than Assessments

We project that the following sources of funds will be secured for Fiscal Year 2003-04:

- City of Oakland: \$50,000
- Local Initiatives Support Corporation: \$30,000 (secured)
- Federal Office of Community Services: \$523,083 (secured)

The total of these funds is \$603,083. Thus the projected deficit is expected to be offset by these funds.

Fruitvale BID Budget
2003-04

Safety & Cleanliness			
<i>Personnel</i>	<i>hrly rate</i>	<i>notes</i>	<i>total</i>
Main Street Manager		25% of time	13,750.00
Fruitvale Ambassador (lead)	12.00	FT	24,980.00
Fruitvale Ambassador	10.50	FT	21,840.00
Outreach Coordinator		PT Americorps	1,372.50 (half of time)
Gardening Coordinator		FT Americorps	8,585.00
Cleanliness Crew Supervisor		FT	32,000.00
Cleanliness Crew Member	11.00	FT	22,880.00
Cleanliness Crew Member	11.00	FT	22,880.00
Cleanliness Crew Member	10.50	PT	10,920.00
Cleanliness Crew Member	10.50	FT	21,840.00
Subtotal			181,027.50
Fringes/Taxes @ 30%			54,308.25
TOTAL FOR STAFF			235,335.75
Equipment Repair & Maint	(Includes service contract for Litter Hawk, gas)		10,000.00
Telephone	(Includes Nextel two-way radios)		4,500.00
Program Supplies & Equip.			9,000.00
Insurance			10,000.00
Utilities			400.00
Subtotal			33,900.00
TOTAL FOR SAFETY & CLEANLINESS			269,235.75
Administration, Design, Promotion, & Business Assistance			
<i>Personnel</i>	<i>hrly rate</i>	<i>notes</i>	<i>total</i>
Main Street Manager		75% of time	41,250.00
Assistant Manager		FT	39,000.00
Design Coordinator	14.30	90% of time	28,768.60
Outreach Coordinator		PT Americorps	1,372.50 (half of time)
Subtotal			108,392.10
Fringes/Taxes @ 30%			32,517.63
TOTAL FOR STAFF			140,909.73
Contract Services	(includes architectural services)		3,000.00
Office Supplies			750.00
Postage			1,000.00
Printing/Publication			2,000.00
Telephones			2,500.00
Training			1,000.00
Local Travel			250.00
Occupancy			3,600.00
Utilities			400.00
Admin/Fund Development			5,000.00
Accounting			15,000.00
Subtotal			34,500.00
TOTAL FOR ADMIN., DESIGN, PROMOTION, & BUS. ASSISTANCE			175,409.73
GRAND TOTAL			444,645.48
Expected Assessment			212,000.00
Projected Deficit			232,645.48

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8/28/03