

CITY OF OAKLAND
COUNCIL AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2005 APR 28 PM 3:29

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: May 10, 2005

RE: Resolution of intention to form the Laurel Property Business Improvement District of 2005, granting preliminary approval of the management plan, directing filing of the proposed assessment district boundary description, submitting a proposed assessment to the affected property owners for majority protest procedure approval; and scheduling a public hearing for July 19, 2005.

Resolution appointing the Laurel Property Business Improvement District Advisory Board as the advisory board for the Laurel Property Business Improvement District of 2005.

SUMMARY

Pursuant to the City of Oakland's Business Improvement Management District (BIMD) Ordinance (ORD 12190, 1999) two resolutions have been prepared: 1) a resolution of intention to form the Laurel Property Business Improvement District (PBID) of 2005; 2) a resolution appointing an advisory board for the proposed Laurel PBID.

For the proposed district to be formed the City Council must adopt the resolution of intention, and set a public hearing date not less than 45 days later. Upon approval of the resolution of intention, ballots will be mailed to each affected property owner pursuant to the Oakland BIMD ordinance and State Proposition 218. Formation of the district requires response from a weighted majority (50+%) in favor of the assessment. The results of the balloting will be heard at the public hearing scheduled for July 19, 2005, at which time the City Council will also hear public testimony and make a final decision regarding the formation of the district.

The estimated annual income of the district is \$157,607 subject to a 5% per year maximum increase over the proposed 10 year life of the district.

Monies generated will be used to implement the Laurel Management District Plan (Exhibit A to the attached resolution of intention). The Plan sets forth strategies for enhanced security, maintenance, economic development and marketing activities.

The Laurel PBID advisory board will oversee the implementation of the above district management plan. The board must also develop and submit to the City annual service plan reports, including budgets, and monitor service delivery within the district.

Item _____
Community and Economic Development Committee
May 10, 2005

FISCAL IMPACTS

Little or no fiscal impact is anticipated. Costs associated with assessment billings and fund transfers by the City will be paid for by the proposed assessment district. All other costs related to administration of the PBID Program by City staff are already included in the Community and Economic Development Agency's current approved budget. Additionally, there will be no City properties within the proposed district, and, therefore, no related assessment fees for the City.

If the district is formed, the County of Alameda will add the assessment as a line item to the annual property tax bill of each owner, and remit the amount collected minus the County's collection fee (approximately 1.7% of total assessment) to the City. An agreement between the City and the non-profit Laurel PBID management corporation will be executed to allow for the disbursement of funds less any City costs of processing the disbursement.

BACKGROUND

In November 1999 the City Council approved the Oakland Business Improvement Management District Ordinance (Ordinance 12190). The ordinance allows for the formation of property-based assessment districts to undertake a range of services independent from government to further the development and economic viability of an area. At the same time, the City Council authorized the initiation of the Neighborhood Business Improvement District Program (NBID) to assist interested parties in conducting feasibility studies and actions toward the establishment of business and property-based assessment districts. Under the City's new program the Laurel business district applied for and received a seed grant of \$7,500 (February 2004) and a subsequent BID loan of \$32,000 (October 2004). The seed grant was used to explore the preliminary feasibility of establishing a BID and the loan will enable the district to complete the BID formation process.

Both the seed grant monies and the loan funds have been administered by the City on behalf of the Laurel district to hire BID consultant, New City America, to assist the district in organizing its BID formation efforts.

Pursuant to those efforts, in March 2005, the Laurel stakeholders group filed evidence of support sufficient to trigger the present resolution of intention and to schedule a related public hearing for the proposed formation of the Laurel PBID. Sufficient evidence is comprised of petitions signed by affected property owners representing more than 30% of total projected assessments.

The Laurel PBID encompasses approximately 86 parcels located in and around the Laurel commercial area and projects an annual budget of approximately \$157,607. Assessments are based on lot size, building square footage, linear frontage and use of properties located within the proposed district and by law must be in proportion to the anticipated benefit received by each property.

The PBID model for economic development is also being used in the Rockridge (established 2000), Fruitvale and Montclair (both established 2001), Lakeshore/Lake Park (established July 2002) and

Temescal/Telegraph Avenue (established 2004) districts and in other commercial neighborhoods throughout the country.

KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the formation of the Laurel PBID. However, if the formation succeeds, program guidelines state that the City is expected to maintain a base level of service within the PBID area equivalent to the level prior to establishment of the assessment district. Reductions may occur only in the instance of proportional adjustments throughout the city resulting from changes in the City's overall financial condition.

In terms of positive impacts, authorizing the formation of the district will provide the Laurel PBID an ongoing private funding source for enhanced safety and security, beautified physical appearance, and organized economic development and marketing activities within the district. Accordingly, formation of the Laurel PBID will enable the district to serve as an ongoing self-help model for other Oakland business districts.

PROGRAM DESCRIPTION

The Laurel Property Business Improvement District will fund the Laurel Management District Plan, developed through a series of meetings with affected property owners over the last year. The plan sets forth actions which will establish various programs to attract business and improve the commercial climate within the district. Key aspects of this document include, but are not limited to, additional security; sidewalk cleanup; development of district marketing materials; sponsorship of special events; and organized district representation.

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 Laurel commercial district.

Environmental: The proposed levy will enable the Laurel PBID to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the implementation of services such as enhanced sidewalk cleaning to uplift the district's appearance.

Social Equity: PBIDs incorporate 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 entrepreneur self-empowerment and provides enhanced services for the overall physical and economic betterment of the district.

DISABILITY AND SENIOR ACCESS

The authorization of assessments for the PBID has no direct implications for disability and senior access. However, the PBID'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 PBID 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 resolutions will support the formation of the Laurel PBID 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 participate in the economic revitalization and beautification of their district.

Additionally, because PBIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with formation of the Laurel PBID. Consequently, the Laurel PBID should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution of intention to form the Laurel Property Business Improvement District and the resolution appointing an advisory board for the district.

ACTION REQUESTED OF THE CITY COUNCIL

The action requested of the City Council is to: 1) adopt the resolution of intention to form the Laurel Property Business Improvement District of 2005, granting preliminary approval of the management plan, directing filing of the proposed assessment district boundary description, submitting a proposed assessment to the affected property owners for majority protest procedure approval; and scheduling a public hearing for July 19, 2005; 2) adopt the resolution appointing the advisory board for the Laurel Property Business Improvement District of 2005.

Respectfully submitted,

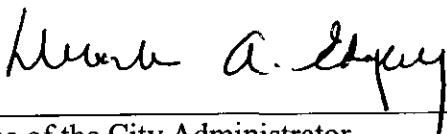


Daniel Vanderprieem

Director of Redevelopment,
Economic Development and Housing

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

APPROVED AND FORWARDED TO THE
COMMUNITY & ECONOMIC DEVELOPMENT
COMMITTEE:



Office of the City Administrator

OAKLAND CITY COUNCIL

B. P. Williams

RESOLUTION No. _____ C. M. F. I. S. E. OF THE CITY CLERK
OAKLAND

2005 APR 28 PM 3:29

RESOLUTION OF INTENTION TO FORM THE LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005, GRANTING PRELIMINARY APPROVAL OF THE MANAGEMENT PLAN, DIRECTING FILING OF THE PROPOSED ASSESSMENT DISTRICT BOUNDARY DESCRIPTION, SUBMITTING A PROPOSED ASSESSMENT TO THE AFFECTED PROPERTY OWNERS FOR MAJORITY PROTEST PROCEDURE APPROVAL; AND SCHEDULING A PUBLIC HEARING FOR JULY 19, 2005

WHEREAS, the City Council of the City of Oakland enacted the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) establishing the procedures for the formation of business improvement management districts; 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 and property owners in the City to assist in the formation of such districts; and

WHEREAS, the property owners in the Laurel district have duly petitioned to form the Laurel Property Business Improvement District of 2005 ("District") under the City of Oakland Business Improvement Management District Ordinance (the "BIMD Ordinance") and have proposed the Management Plan for the operation of the District ("Plan") (**Exhibit A**); and

WHEREAS, the Plan contains a detailed engineer's report prepared by a registered professional engineer recognized by the State of California; and

WHEREAS, the Plan was prepared in accordance with the provisions Article XIII of the California Constitution, and has been filed with the City Clerk for proceedings in formation of this district; and

WHEREAS, the Plan, incorporated by this reference, provides for new security, cleaning and beautification of public rights of way, promotional and marketing activities and improvements of particular benefit to the properties located within the District (as more specifically identified in the Plan); and

WHEREAS, the Plan was prepared in accord with the provisions of the BIMD Ordinance overseeing the formation of the District as referenced above, and has been filed with the City Clerk for proceedings in formation of this District;

NOW, THEREFORE, the City Council of the City of Oakland finds that the Management Plan for the District satisfies all the requirements of the BIMD Ordinance, the laws of the State of California and the California Constitution with regard to the formation of business improvement management districts, and does hereby resolve and give notice as follows:

1. A business improvement management district is proposed to be established pursuant to the BIMD Ordinance with the boundaries as specified in the Plan on file in the office of the City Clerk, a copy of which is attached hereto as **Exhibit A**.
2. A copy of the preliminary report of the City Clerk is on file in the office of the City Clerk relating to the formation of the District.
3. The Plan for the District is preliminarily approved and the assessments for the first year shall be as provided for in the Plan if the district is established.
4. The name of the District shall be the Laurel Property Business Improvement District of 2005.
5. The reasons for the assessments and the types of the improvements and activities proposed to be funded and acquired by the levy of assessments on property in the District and the time period for which the proposed improvements are to be made are those specified in the Plan on file in the office of the City Clerk and attached hereto (**Exhibit A**).
6. Except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.
7. The boundaries of the District and of each separate benefit zone within the district are delineated in the description contained in the Plan which is on file in the office of the City Clerk (**Exhibit A**).
8. The proposed method and basis of levying the assessments to be levied against each property in the District are based on the gross lot size, gross building square footage, building use, linear frontage of each property located within the District, and upon the benefit zone in which the property is located (as specified in the Plan - **Exhibit A**), and the assessments proposed for each property are contained in the appendix to the Plan and are incorporated herein by this reference (**Exhibit A**).
9. The assessments for the entire District total \$157,607.00 for the first year of the District, and the amount chargeable to each parcel are as shown in the Plan on file in the office of the City Clerk and on the appendix to Exhibit A attached hereto

10. The District shall be in existence for a period of ten (10) years (as provided for in the Plan) during which a maximum 5% increase per year in the amount of the assessment on each property shall be allowable as provided for in the Plan.
11. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases through a special municipal billing, and shall continue annually as provided for in the Plan for each year that the District is in existence unless modified by the City Council on the recommendation of the District Advisory Board.
12. The City Clerk is directed to mail a copy of the Resolution of Intention to form the District along with the ballots for the written protest procedure to all affected property owners in the District in compliance with the BIMD Ordinance and Article XIII of the California Constitution and to each local Chamber of Commerce and business organization known to be located within the District, give all other notices and take all other actions required by law, and give notice of the dates of the Public Hearing and Final Action on the Petition for Formation of the District to all affected property owners in the proposed District no later than forty five (45) days before the scheduled public hearing, and also publish the Resolution of Intention in a newspaper of general circulation in the City of Oakland once, at least seven (7) days before the public hearing. The ballots mailed to the affected property owners shall contain the procedures for the completion and return of the ballots.
13. A Public Hearing is set for July 19, 2005, (at 7:00 P.M. in the City Council Chambers in City Hall, located at 1 Frank H. Ogawa Plaza, Oakland California) to hear all public comments, protests, count the returned ballots as to the formation of the District, and take final action as to the formation of the District.
14. At the hearing the testimony of all interested persons for or against the establishment of the District, the proposed assessment, the boundaries of the District, or the furnishing of the specified types of improvements or activities will be heard.
15. A protest may be made in writing by any interested person through the ballot procedure. The procedures applicable to the completion and return of the ballots are as specified in the ballot, a copy of which is attached hereto and incorporated herein by this reference. 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.
16. Every written protest shall be filed with the City 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.

17. Each written protest shall contain a description of the property in which the person subscribing the protest is interested sufficient to identify the property and, if a person subscribing is not shown on the official records of the City as the owner of the property, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the property.
18. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
19. After the close of the Public Hearing, the ballots will be tabulated under the direction of the City Clerk and the results of the tabulation will be reported to the City Council. If written protests are received from the property owners 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 assessment will not be imposed. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

EXCUSED

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

OAKLAND CITY COUNCIL

RESOLUTION No. _____

OFFICE OF THE CITY CLERK
C.M.S.
OAKLAND

B. McLaughlin

2005 APR 28 PM 3:29

RESOLUTION APPOINTING THE LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AS THE ADVISORY BOARD FOR THE LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005

WHEREAS, the City Council of the City of Oakland enacted the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) establishing the procedures for the formation of business improvement management districts; 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 and property owners in the City to assist in the formation of such districts; and

WHEREAS, the property owners in the Laurel district have duly petitioned to form the Laurel Property Business Improvement District of 2005 ("District") under the City of Oakland Business Improvement Management District Ordinance (the "BIMD Ordinance") and have proposed the Management Plan for the operation of the District ("Plan"); and

WHEREAS, the Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) requires the appointment of an Advisory Board for Districts created pursuant to the Oakland Business Improvement Management District Ordinance;

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

1. In accordance with Section 4.48.190 of the Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) the City Council hereby appoints the Laurel Property Business Improvement District Advisory Board as the Advisory Board for the Laurel Property Business Improvement District of 2005.
2. The Advisory Board shall report to the City Council, at least annually, as provided for in Section 4.48.200 of the Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999).
3. In accordance with Section 4.48.190 A of the Oakland Business Improvement Management District Ordinance (Chapter 4.48,

Ordinance 12190, 1999), the Advisory Board shall include at least one member who is a business licensee within the District who is not also a property owner within the District.

4. In accordance with Section 4.48.190 B of the Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999), the Advisory Board shall comply with the provisions of the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division of Title 5 of the Government Code).

IN COUNCIL, OAKLAND, CALIFORNIA, _____, ____

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

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

EXHIBIT A
(TO RESOLUTION OF INTENTION)

FINAL PLAN

**MANAGEMENT DISTRICT PLAN FOR THE
LAUREL DISTRICT
PROPERTY BUSINESS IMPROVEMENT DISTRICT**

OAKLAND, CALIFORNIA

*Prepared pursuant to the City of Oakland's
Business Improvement Management District Ordinance of 1999
12190, Under Municipal Code Chapter 4.48
for the Laurel Business District*

Prepared for:

**Laurel Merchants' Association/P.B.I.D. Steering Committee
City Councilwoman Jean Quan
Neighborhood Commercial Revitalization Program
Community Economic Development Agency - City of Oakland**

by

**Marco Li Mandri, President
NEW CITY AMERICA INC.
(888) 356-2726**

MAY 1, 2005

**LAUREL DISTRICT MANAGEMENT DISTRICT PLAN FOR THE
NEW PROPERTY BUSINESS IMPROVEMENT DISTRICT –
FINAL PLAN – MAY 2005**

*(Formed under the Business Improvement Management District Ordinance
12190, Passed November 1999, Chapter 4.48 City of Oakland Municipal Code)*

**SECTION 6 -MANAGEMENT DISTRICT PLAN, PROPERTY
BUSINESS IMPROVEMENT DISTRICT**

- 1. MAP OF THE DISTRICT**
- 2. NAME OF THE PROPOSED DISTRICT**
- 3. DESCRIPTION OF BOUNDARIES OF THE DISTRICT**
- 4. THE IMPROVEMENT AND ACTIVITIES PROPOSED EACH YEAR**
- 5. TOTAL ANNUAL AMOUNT PROPOSED TO BE EXPENDED FOR IMPROVEMENT,
MAINTENANCE AND OPERATIONS**
- 6. THE PROPOSED SOURCE(S) OF FINANCING INCLUDING THE PROPOSED
METHOD AND BASIS OF LEVYING THE ASSESSMENTS**
- 7. THE TIME AND MANNER OF COLLECTING THE ASSESSMENTS – TERM AND
DISESTABLISHMENT PROCEDURES**
- 8. PROPOSED RULES AND REGULATIONS TO BE APPLICABLE IN THE DISTRICT**
- 9. ADVISORY BOARD AND MANAGEMENT OF THE DISTRICT**
- 10. ENGINEER’S REPORT**

APPENDIX:

PARCEL LIST

LAUREL DISTRICT PROPERTY BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN – ROUGH DRAFT EXECUTIVE SUMMARY

The Laurel business district is a vibrant place with a rich history and changing demographics. The architectural charm, the new improvements in the public rights of way, the reservoir of high disposable income in the peripheral blocks leading up the hillside, easy access to the freeway - are all assets which make this an attractive and desirable business district. All of the elements are present to expedite the revitalization process along MacArthur Blvd. What is needed now is the catalyst, or the power of the business and property owners to take the district to the next level.

This new catalyst would be known as the Laurel Property Business Improvement District (PBID). Any and all assessments generated from the formation of the district would, by law, be required to stay in the district's boundaries to fund special benefit services. The district's assessment revenues would be controlled by a new non-profit organization of the property owners paying into the district.

Background:

Over the past ten years, discussions were held by affected business and property owners regarding eliminating traffic lanes, installing bike lanes and doing a number of other things that might have had a negative impact on the business community. After a long and deliberative process, consensus was reached that the old sidewalks, streetlights and landscaping should be replaced and the area re-designed to be more pedestrian friendly.

Working with the City Council office, a Metropolitan Transportation Grant was applied for and given to the Laurel business district. After a competitive bidding process, a \$150,000 matching grant was awarded to improve the streetscape for MacArthur Blvd. After much excitement following the grant announcement, not much happened. It took renewed effort by Councilwoman Quan's office to get the right contractor to perform the streetscape improvements within budget. On June 11th, a letter was issued from the Oakland Public Works Dept. stating that construction on the streetscape improvements would be conducted by Ray's Electric and run from mid-June to this October. Signs of those improvements are everywhere on the street at this time.

The scope of the capital improvements are to include construction of new sidewalks, installation of crosswalks, curbs, gutters, driveways, curb boxes, traffic signals, storm drains and irrigation systems, installation of gateways and street furniture. This significant work should leave a permanent mark on the community. But once it is done, how will it be maintained? How will it look in six months?

Over the course of the last six to eight months, business and property owners have been considering the formation of a "*property business improvement district*" to strengthen the image of the business district, attract new retail businesses, fund beautification efforts, and maintain the integrity of the new streetscape improvements. As is normally the case throughout the State of

California, a city will fund the capital improvements in a business district and the affected property owners will maintain those capital improvements.

The purpose of this district would be to fund *special benefits* for the public rights of way, over and above the current level of services funded by the City of Oakland. This new district would be known as the Laurel Property Business Improvement District, (PBID). Any and all assessments generated from the formation of the district would, by law, be required to stay in the district’s boundaries to fund special benefit services. The district’s assessment revenues would be controlled by a new non-profit organization of the property owners paying into the district.

SURVEY OF THE LAUREL PROPERTY OWNERS:

In early 2004, a grant was secured through the City of Oakland’s Neighborhood Commercial Revitalization Program, which funded the investigation of the Laurel PBID. In the first six months of 2004, two separate surveys were mailed to property owners encouraging them to respond and demonstrate their level of support for the creation of the new district. Normally, such surveys of property owners are responded to by no more than 10% of the participants.

Property owners supporting the investigation of this special benefits district were divided up by those variables common to each parcel: lot size, building size and linear frontage. Due to Proposition 13, properties would not be assessed based upon their valuations, since they vary based upon the date of ownership. Rather, assessments that fund the special benefits, are derived from those factors that are common to each parcel. Therefore, the level of support or opposition to the district is based upon those common factors.

The survey results were quite impressive. It is clear that there appears to be significant support for the continued investigation and eventual formation of this new Laurel Property Business Improvement District. *The district would fund special benefits only, and by law, could not replace existing general fund Oakland City services to the community.* Thirty-six property owners, half of the property owners in the study area, responded to the survey representing the following factors.

Response from total database of property owners including all parcels along MacArthur Blvd. from 35th to High Street: (Database as of January 10, 2005)

Total Lot Size:	624,719 square feet
Total Linear Frontage:	8,016 linear feet
Total Building Square Feet:	350,874 square feet
Total number of parcels:	86
Total number of property owners:	72 property owners

<i>Property Variable</i>	<i>Support</i>	<i>Oppose</i>	<i>No Opinion</i>
Lot Size	314,109 sq. feet	47,000 sq. feet	39,259 sq. feet
Linear Frontage	3,077 linear feet	678 linear feet	613 linear feet
Building Size	158,746 sq. feet	38,105 sq. feet	15,838 sq. feet

Therefore, the results reveal that 80% of the responding property owners by total lot size, 71% of the responding property owners by total linear frontage and 93% of the responding property owners by total building size in the district boundaries supported continued formation efforts of the Laurel PBID. This is a significant show of support for the district's future.

The specific answers in the survey results revealed the following information and interests...

- *55% of the respondents have owned their property for 10 years or longer;*
- *77% of the respondents were sole proprietors or family owned parcels;*
- *59% of the respondents believe that the image of Oakland, over the past few years, has negatively impacted their property;*
- *88% of the respondents believe that the district is "unsafe" or "safe, however suffers an image as an unsafe district";*
- *69% of the respondents would support property owner funded enhanced security services;*
- *74% of the respondents would support property owner funded services which would prioritize dealing with people demonstrating questionable behavior in the public rights of way;*
- *59% of the respondents would support property owner funded sidewalk and gutter sweeping;*
- *58% of the respondents would support property owner funded enhanced tree maintenance to beautify the district;*
- *64% of the respondents would support property owner funded planning and economic development related services to give input to proposed planning and zoning changes that would impact this district;*
- *73% of the respondents would support property owner funded marketing and promotions to bring new business and attract new tenants to the area;*
- *69% of the respondents would support property owners funded special events to improve the identity of the district;*

Legal Description: The proposed Laurel PBID is an assessment District set up to fund "special benefits" as described in the Management Plan. The district is subject to rules of local enabling ordinance as well as the mail balloting procedure guidelines of Proposition 218 (Article XIID of California State Constitution).

Address Series:

3500 – 4276 MacArthur Blvd.
4011 Masterson
3535 - 3615 35th Avenue
3611 Loma Vista

Benefit Zones:

It is recommended that there be one benefit zone in the district. This would include all parcels fronting onto MacArthur from 35th to High Street. Thus lot size and linear frontage costs would be equally applied throughout the district. Only the land use (building) will determine whether this factor is assessed.

WHY IS THIS BEING CONSIDERED?

It is best when community dollars stay in the community. Dollars that leave the neighborhood and enrich other cities such as Berkeley, Emeryville and Alameda, are referred to as “leakage”, this is something neither the City nor the Laurel Business District can afford. The whole purpose of the PBID is to keep local dollars in the community, attract commerce from outside of the district, provide services for enhanced sidewalk sweeping and trash pick up, beautify the neighborhood and fund those special benefit services which are not and will not be funded by the City of Oakland.

Similar districts are currently functioning in the Rockridge, Montclair, Fruitvale and in the Lakeshore business districts. A PBID was recently overwhelmingly approved by Temescal/Telegraph Avenue property owners through a mail ballot vote of the property owners. Other district formations are underway on Webster Avenue in Alameda, Point Richmond and throughout the City of San Francisco.

WHY HERE, WHY NOW?

Business districts that have organized into BIDs, in fact, are able to extract a greater level of services from their City due to the fact that their management staff is in constant contact with City departments to ensure that the City is providing its committed level of general services.

The new proposed Laurel Property Business Improvement District, formed under a new City enabling ordinance, is a benefit assessment district proposed to *confer special benefit services* to real property owners in and around the commercial corridors of the business district. The district, also known as a *Management District*, will provide minor capital improvements, special improvements and activities in the combined business district. These special benefit services shall include landscaping, beautification, maintenance and sidewalk cleaning/steaming, installing decorations, marketing and promotions, improvement of the image of the district, business interest advocacy, and possibly security services, (above those currently provided by the City of Oakland).

The district is envisioned to be established for 10 years commencing January 1, 2006. Provisions for annual disestablishment are available if the property owners no longer desire to fund the special services articulated in this plan.

PROPERTY VARIABLES TO BE ASSESSED:

Three property variables will be used to fund the special benefit services of the district. Those variables will include: lot or parcel size, building square footage, and linear frontage. Each of these variables can be verified by County records. Building square footage will be further categorized by “use”, (retail, hotel, church, public building, office, etc). Use determines needs and therefore special benefit to be received. By law, the assessments within the district can only fund *special benefits*, not general benefit services.

Assessment Methodology:

In this Management District Plan, different special benefit services have their costs apportioned to the relevant and benefiting property variable, in this case 50% to lot size, 50% to linear frontage. For example, sidewalk sweeping, tree maintenance, graffiti removal and other services performed within the public rights of way are apportioned to a combination of linear

frontage and lot size. District Identity is apportioned to retail building uses. Administration and contingency are apportioned 50% to building square footage and 50% to lot size. Contingency/Reserve will be apportioned 100% to lot size.

Other land uses would be assessed differently based upon their classification as retail, professional, industrial/manufacturing/distribution, single-family homes, multi-unit residential. In addition, a “condo assessment” would be levied in the form of a flat fee cost for all future “for sale” mixed use developments in the district.

Condo owners, which currently don't exist in the district, would pay a flat fee, which would underwrite seven days per week services in the public rights of way. Their use of the district is qualitatively different than retail, professional or institutional. Condo units are to be assessed at an annual rate of \$240.00 flat fee, once the unit has been parceled. The parcels which have been converted to condos will have the individual property owners assessed only for the condo unit, and will be exempted from lot size, building size and linear frontage.

SERVICES TO BE FUNDED:

The primary special benefits to be funded by the creation of the district will be related to maintaining order and cleanliness in the public rights of way. After order and beautification, district identity and promotional programs will be funded. Finally, a component for administration/corporate affairs and contingency/reserve will be included in the budget. Consistent with local legislation, the district shall remain in place for ten years with provisions for annual CPI adjustments as well as annual disestablishments procedures.

ANNUAL BUDGET:

The annual first year budget is \$157,607. Each parcel has been analyzed to determine proper category of use and therefore benefit: (Internal parking built into structure will be credited to overall building size).

ADMINISTRATION:

The proposed Laurel Property Business Improvement District will be administered by a yet-to-be-formed non-profit management corporation comprised of all property owners within the district. Accommodations should be made on the Board of Directors to include large and small property owners, representatives from each land use, as well as business tenants based in the district. Once the district has been established, steps will be taken to establish this new corporation and enter into a contract for administration with the City of Oakland.

The management corporation, once formed, will create a number of policies which will help the Board of Directors to effectively manage the district. Such policies may include, but not be limited to: a decision making policy, use of banner policy, special event underwriters policy and an economic hardship policy.

Commencement, Termination and Disestablishment:

The district's first assessments will be collected with 2005-06 property tax cycle, with the first installments due in December 2005. The district would commence operations January 1, 2006 and expire on December 31, 2015. Provisions in the local enabling ordinance provide for annual disestablishment procedures, based upon the same method that establishes the district.

Establishment Process:

The district is established pursuant and in accordance with the local enabling ordinance, as well as assessment mail ballot procedures as laid out in the 218 Omnibus Act of 1998. In early March, the Laurel PBID Steering Committee adopted this Management District Plan. That plan lays out the special benefit services to be funded, the boundaries, the term of the district, costs, etc. A petition representing 30% of those who will pay into the district by weight, was submitted to the City in early April, triggering the mail ballot procedure. Once the ballots are mailed out, the district is established if the weighted majority of return ballots endorse the district's formation. Using the budget of \$157,607 per year, property owners representing at least \$47,282 in annual assessments (30%) were required to sign the petition to trigger the balloting.

ANNUAL ADJUSTMENTS:

The Board of Directors of the new Management Corporation *will be given the option to increase* the assessments annually based upon the Alameda County regional CPI indicator or by an amount not to exceed 5% from the previous year's assessments.

The Management Corporation shall have the right to shift allocations within the four categories as they feel appropriate and as long as it remains consistent with the intent of the plan. The Board shall also have the right to shift up to 10% per year from category to category, each year, as needs change with the priorities of special benefits.

December 2005

The PBID assessments appear for the first time on the 2005-06 property tax bills. The assessments are collected with the property taxes and sent to the City of Oakland. The City of Oakland then enters into a contract with a non-profit corporation of property owners within the Laurel PBID area to manage the district and deliver special benefit services to the assessed property owners.

1. MAP OF THE DISTRICT:

A map of the district will be found at the end of the text of this Management District Plan.

2. NAME OF THE PROPOSED DISTRICT:

The name of the proposed special benefits district is the “Laurel Property Business Improvement District of 2005”.

3. DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT

This district as envisioned is approximately square blocks. Its boundaries are primarily along the following streets:

<i>Street</i>	<i>Address Series</i>
MacArthur Blvd.	3500 - 4276
Masterson	4011
35 th Avenue	3535 – 3615
Loma Vista	3600

4. THE IMPROVEMENT AND ACTIVITIES PLANNED FOR EACH YEAR

Based upon the survey results of the property owners, and estimated costs and services, the preliminary special benefits funded by the Laurel Property Business Improvement District are as follows: (These are suggested programs or projects to be funded by the general line items)

Proposed Laurel PBID services plan:

- Public Rights of Way and Sidewalk Operations (P.R.O.W.S.O.)
 - Sidewalk sweeping;
 - Security;
 - Beautification;
 - Decorations and banners;
 - Enhanced trash receptacle placement and regular emptying;
 - Removal of bulky items;
 - Graffiti removal;
 - Work with City on hazardous issues;
 - Maintenance of public order in the sidewalks;
 - Equipment, supplies, tools;
 - Vehicle maintenance and operation;

- District Identity and Streetscape Improvements
 - Special events;
 - Web site;
 - Walking map;
 - Communications;

- Administration and Corporate Operations:
 - Staffing;
 - Insurance policies;
 - Office related expenses;
 - Misc.

- Contingency/Reserve:
 - Delinquencies;
 - City costs;
 - County costs;
 - Hardship;
 - Reserves;

These basic services, categorized by percentages of the overall budget shall form the basis for the special benefit services budget for the ten-year period the district is in place. The Management Corporation shall have the right, with concurrence of the Advisory Board to shift categories of expenses up to 10% per year, based upon determined need of the district. This ten per cent shift is allowable after any CPI or annual increase has been taken into account.

Consistent with the law, any property assessment district must confer a special benefit to real property owners paying into the assessment district.

Benefit Zones:

There will be one benefit zone in the district. All 86 parcels along MacArthur from High to 35th Avenue will be considered to derive equal benefit from the establishment of the PBID.

5. TOTAL ANNUAL AMOUNT PROPOSED TO BE EXPENDED FOR IMPROVEMENT, MAINTENANCE AND OPERATIONS, DISTRICT IDENTITY, ADMINISTRATION AND CONTINGENCY/RESERVE

BUDGET: The first year annual budget is projected to be \$157,607. Annual adjustments of up to a maximum of 5% over the previous year's gross assessment amount are allowable, subject to the approval of the Laurel Property Business Improvement District Management Corporation.

TABLE 1 – SPECIAL BENEFIT P.R.O.W.S.O. SERVICES BROKEN DOWN BY ESTIMATED COSTS:

<i>Public Rights of Way and Sidewalk Operations (PROWSO)</i>	<i>Task frequency</i>
Sidewalk Sweeping	As determined by Management Corporation
Trash Emptying	As needed, assumes a series of new trash receptacles and the current level of City baseline service of Monday through Saturday pick ups left intact
Security	As determined by Management Corporation
Banner installation and maintenance	Seasonally
Holiday decorations	Seasonally
Reporting hazards to City	As needed
Removal of bulky items	Within 24 hours - if desired above City standard of pickup within 72 hours
Graffiti removal	Within 24 hours if desired above City standard of 48 hours, (in public rights of way only)
Tree and shrub planting and maintenance	Weekly or as need
Miscellaneous	As needed

This is simply a tool for calculating costs of maintenance personnel. The free market, and competitive bidding may produce higher and better results. It is the job of the management corporation to maximize the delivery of special benefit services to the property owners based upon various category and line items of services. The function of this crew is to deal with *all services in the public rights of way, including but not limited to:* sweeping, beautification, decorations, security, etc.

TABLE 2 – TOTAL ESTIMATED P.R.O.W.S.O. ANNUAL COSTS

ITEM	ANNUAL ESTIMATED COSTS
<i>Total Estimated Annual Costs</i>	<i>\$ 95,000.00</i>

TABLE 3 – SPECIAL BENEFIT SERVICES/DISTRICT IDENTITY AND STREETSCAPE IMPROVEMENTS
SUGGESTED LINE ITEM ALLOCATION

POSSIBLE PROGRAM TO BE FUNDED	ESTIMATED FIRST YEAR ANNUAL COST
Special Events funded by Building Use Code “A”	
<i>Total Estimated Annual Costs</i>	<i>\$ 19,000.00</i>

TABLE 4 – SPECIAL BENEFIT SERVICES/ADMINISTRATION AND CORPORATE OPERATIONS
SUGGESTED LINE ITEM ALLOCATIONS

POSSIBLE PROGRAM TO BE FUNDED	ESTIMATED FIRST YEAR ANNUAL COST
<i>Total Estimated Annual Costs</i>	<i>\$ 35,000.00</i>

TABLE 5 – SPECIAL BENEFIT SERVICES/CONTINGENCY –
RESERVE ANTICIPATED NEED

<i>Possible Program or Set Costs to be Funded</i>	<i>Estimated First Year Cost</i>
<i>Total Estimated Annual Costs</i>	<i>\$8,607.00</i>

TABLE 6 – TOTAL FIRST YEAR SPECIAL BENEFIT SERVICES BUDGET
LINE ITEMS BASED UPON SUGGESTED PROGRAMS AND ALLOCATIONS

SERVICE OR CATEGORY OF SPECIAL BENEFIT TO BE FUNDED	ESTIMATED FIRST YEAR COST	% OF TOTAL FIRST YEAR BUDGET	APPORTIONED TO SPECIFIC PROPERTY VARIABLE
Public Rights of Way and Sidewalk Operations/Beautification (Personnel and Equipment)	\$ 95,000	60%	50% of costs to Linear Frontage 50% of costs to Lot Size Building Code H (Condos)*
District Identity and Streetscape Improvements	\$ 19,000	12%	50% to Lot size 50% to Building Square Footage, Building Use "A" retail, only
Administration and Corporate Operations	\$ 35,000	22%	50% to Lot Size 50% to Building Size, A, B, C, D, E, F
Contingency/Reserve	\$ 8,607	6%	100% to Lot Size
<i>Total Budget</i>	<i>\$ 157,607.00</i>	<i>100%</i>	

*No Condos currently exist in the district. Once condos have been parceled in the future mixed-use developments, the \$240.00 annual flat condo fee will be apportioned to the PROWSO portion of the budget to provide the new residents with seven day per week cleaning services and possible supplemental security.

LAUREL PBID PROPERTY VARIABLES – JANUARY 2005

<i>Property Variables</i>	<i>Total in District</i>
Lot Size	624,719 Square Feet
Building Size	346,619 Square Feet
Linear Feet	8,016 Linear Feet

BUILDING TYPE	A	B	C	D	E	F	G
BUILDING SQUARE FOOTAGE/DATABASE AS OF 2/25/05	248,851	32,034	2,416		12,598	49,293	1,427

TABLE 7 - APPORTIONMENT OF BUILDING USES:

(EACH PARCEL AND ITS BUILDING USE HAS BEEN CATEGORIZED IN THE DISTRICT. SOME SPECIAL BENEFIT SERVICES ARE ALLOCATED TO SPECIFIC BUILDING USES, OTHER BUILDING USES ARE EXEMPT FROM PAYMENT INTO THAT SPECIFIC SERVICE, BASED UPON ANTICIPATED BENEFIT)

<i>Building Use Code</i>	<i>Description of Use</i>
A	Retail space, hotels, motels, visitor related
B	Office and Commercial uses, Independent, free standing parking structures
C	Industrial/Manufacturing/Distribution
D	Institutional (City, County, Water District, School, public utility, parks, etc.)
E	Church, non-profit, tax-exempt
F	Multi-unit housing, apartments
G	Single Family housing units (used as residential, not to exceed \$240 per year)
H	Condo units - \$240.00 flat fee per year, once parceled. The parcels on which condos have been built, will have the individual property owners assessed only for the condo unit, and will be exempted from lot size, building size and linear frontage
I	Non-functional building structures, parking structures

ANNUAL COST:

TABLE 8 – LAUREL PBID FIRST YEAR COSTS BY PROPERTY VARIABLE

<i>Property Variable</i>	<i>Annual Cost</i>	<i>Building Use Code Applied</i>	<i>Total Generated by Variable</i>
Lot Square Footage	\$ 0.13365 per square foot per year	No	\$ 83,493.00 (53%)
Building Square Footage (range)	\$ 0.04976 through \$ 0.8743 per square foot per year based upon building type: Building type A: \$0.08743 Building type B - G: \$0.04968 Building type H: \$ 240.00 flat fee, no linear frontage or lot size assessment Building type I: \$0.0	Yes	\$ 26,614.00 (17%)
Linear Frontage	\$ 5.9256 per linear foot per year (assessed on all sides receiving PROWSO benefits)	No	\$ 47,500.00 (30%)
Single Family Home and Condo Annual Fee	\$ 240.00 (No condos currently exist in the district but are anticipated within 10 years)	Yes	\$ 0.0 (%)
TOTAL ANNUAL BUDGET			\$157,607.00 (100%)

SAMPLE ASSESSMENT FORMULATION ACCORDING TO THE PLAN:

The following represents three examples on calculation of the annual assessments:

<i>Type of Building</i>	<i>Lot Size</i>	<i>Building Size</i>	<i>Linear Frontage</i>	<i>Annual Costs</i>
Office	3,850 square feet x \$ 0.13366 = \$ 514.59	898 square feet x .04968 = \$ 44.61	35 linear feet x \$ 5.9256 = \$ 207.39	\$ 766.59
Burger Place	12,000 sq. ft x \$ 0.13365 = \$ 1,603.80	6,000 square feet x .08743 = \$ 524.58	120 linear feet x \$ 5.9256 = \$ 711.07	\$ 2,839.45
Church	11,650 sq. ft x \$ 0.13365 = \$ 1,557.02	8,000 square feet x .04968 = \$ 397.44	113 linear feet x \$ 5.9256 = \$ 669.59	\$ 2,624.05
Parking Lot	5,000 sq ft. x \$ 0.13365 = \$ 668.25	0	50 linear ft x \$ 5.9256 = \$ 296.28	\$ 964.53

COMPARISON OF LAUREL DISTRICT ASSESSMENT METHODOLOGY WITH SIMILAR BAY AREA PROPERTY BASED DISTRICTS

<i>District Name</i>	<i>Annual Lot square foot costs</i>	<i>Annual Building square foot costs</i>	<i>Annual Linear Front costs</i>	<i>1st year annual budget</i>
Union Square/SF	0	0	\$ 65.00	\$ 1,000,000.00
Lakeshore/Oakland	\$ 0.2543	0	\$ 21.86	\$ 137,000.00
Temescal/Telegraph (3 benefit zones)	\$.0472 – \$ 0.7811	\$0.0234 – \$ 0.0609	\$ 6.815	\$ 240,000.00
North Shattuck/Berkeley	\$.0898	\$ 0.0805 - \$0.1342	\$ 11.219	\$ 140,000.00
Proposed Laurel	\$ 0.13365	\$.04968– .08743	\$ 5.9256	\$ 157,607.00

6. THE PROPOSED SOURCE(S) OF FINANCING INCLUDING THE PROPOSED METHOD AND BASIS OF LEVYING THE ASSESSMENTS

METHOD OF FINANCING:

This method of financing the special services is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a “benefit assessment district” as defined in the California Streets and Highway Code. Assessed valuation cannot be used as the basis for special benefits assessments due to the introduction of Proposition 13 into the state constitution in 1978.

There are at least four basic factors that will be used in determining individual assessments. These factors include 1) linear frontage, 2) land area and 3) building floor space, 4) building use.

The assessments for the Laurel PBID are based upon these variables, which have been endorsed by the PBID Steering Committee as the most fair and equitable for apportionment of assessments to participating parcels. Linear frontage will be assessed on all sides of a parcel due to the allocation of special benefit services to those various sides.

Land use changes will lead to changes in the assessment formulation per parcel. As the district transitions to a mixed-use community, the assessment methodology will accommodate these changes by generating additional revenues to mitigate the impact of these new residents and businesses.

No Condos currently exist in the district. Once condos have been parceled in the future mixed-use developments, the \$240.00 annual flat condo fee will be apportioned to the PROWSO portion of the budget to provide the new residents with seven day per week cleaning services and possible supplemental security. The parcels on which condos have been built, will have the individual property owners assessed only for the condo unit, and will be exempted from lot size, building size and linear frontage

A P.B.I.D. is a practical “pay as you go” funding tool which allows property owners in a given designated area to be assessed, as part of the property tax collection tax process, to pay for supplemental or “special benefit services”. These special services are those, which are not normally provided by the City of Oakland. PBIDs are often associated with very visible and tangible program elements that, in turn, can produce very significant changes in the character and image of the district.

7. THE TIME AND MANNER OF COLLECTING THE ASSESSMENTS – TERM OF THE DISTRICT

The *Oakland Business Improvement Maintenance District mail ballot proceeding* is triggered with a successful petition drive by more than 30% of the property owners who *must pay* into the district. These petitions demonstrate stakeholder support for the district and trigger a Proposition 218 mail ballot procedure. The Property Business Improvement District will be established and function for a maximum of 10 years and must be re-established through a similar petitioning and balloting process at the end of its pre-designated life.

THE LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT STEERING COMMITTEE HAS ELECTED TO ESTABLISH THE DISTRICT FOR THE MAXIMUM PERIOD OF 10 YEARS COMMENCING JANUARY 1, 2006 TO SAVE ON THE COSTS AND TIME REQUIRED TO RE-ESTABLISH THE DISTRICT WITHIN 4 - 5 YEARS.

As provided by local ordinance, the Laurel Property Business Improvement District (PBID), will appear as a separate line item on the annual property tax bills prepared by Alameda County tax collector. Property tax bills are generally distributed in the Fall and payment is expected by lump sum or in two installments. The County tax assessor shall distribute the assessments collected to the City of Oakland who will in turn then forward them to the designated Management Corporation pursuant to the authorization of this plan. Existing laws for enforcement and appeal of property taxes apply to the Management District assessments.

Disestablishment:

Local ordinance provides for the disestablishment of the PBID pursuant to an annual review process. Each year that the Laurel PBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary date that the district was first established by the City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 30% or more of the assessments levied, the PBID may be considered for disestablishment. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so. (Section 4.48.220)

Due to its long term nature, (10 years), the local enabling ordinance allows for the growth of landscaping, its maintenance as well as economic development strategies related to revitalization that create a more permanent improvement to the area. If there is debt against the District, the District cannot be disestablished, until all of the debt has been repaid. All financial obligations in the form of bonds or loans for capital improvements, must be paid off before the district can be disestablished.

Exemptions:

Consistent with Article XIII(d) of the state constitution, it has been determined that all parcels within the proposed district will derive special benefits from the district. Therefore, no parcels will be exempted from payment into the Laurel Property Business Improvement District, regardless of use or ownership. (see attached Engineer's Report).

8. PROPOSED RULES AND REGULATIONS TO BE APPLICABLE TO THE DISTRICT:

CITY BASELINE SERVICES AGREEMENT AND CONTINUATION OF CITY SERVICES

Throughout the process of establishing the new Laurel PBID, business and property owners have voiced concerns that the City of Oakland maintain existing services at verifiable "baseline" service levels. A formal base level of services policy ensures that existing City Services are enhanced, not replaced by the new PBID services.

Pursuant to the Business Improvement Maintenance District Ordinance of the City of Oakland, a Management District may establish rules and regulations that uniquely apply to the District. A few initial rules and regulations should be employed by the Laurel PBID Steering Committee in the administration of the district.

Competitive Bidding:

Following the formation of the Management District, the Management Corporation Board should consider developing a policy for competitive bidding as it pertains to contracted services for the Laurel PBID. The policy will aim to maximize service quality, efficiency and cost effectiveness.

Conflict of Interest:

Any stakeholder who serves on the Laurel PBID Management Corporation Board shall recuse themselves from any vote in which a potential conflict of interest is apparent. Such potential conflicts include, but are not limited to, prioritizing capital improvement projects which result in special benefit to specific property owners, prioritization of services to benefit a particular owner or group of owners, hiring or selecting the relatives of Board members.

Open Door Policy:

Meetings of the Board of the corporation administering the district shall be open to all stakeholders paying into the district. Regular financial reports shall be submitted to the Board members and made available upon request by the membership. Sub-Committee meetings of the Management corporation shall be open and encourage participation among various stakeholders, business owners and community members. The Board shall retain the right to enter into executive session for reasons including, but not limited to strategic planning, legal matters, personnel issues, etc.

Group Advocacy:

It should be a policy of the Laurel PBID Management Corporation to be committed to working with other citywide Business Improvement Districts. The true success of the PBID's efforts in the City of Oakland will be seen in the shaping of City policies and ordinances towards its various business districts.

Policy Development:

The management corporation, once formed, will create a number of policies which will help the Board of Directors to effectively manage the district. Such policies may include, but not be limited to: a decision making policy, use of banner policy, special event underwriters policy, use of logo policy and an economic hardship policy.

9. ADVISORY BOARD AND MANAGEMENT OF THE DISTRICT:

The Laurel PBID Management Corporation is charged with the day-to-day operations of the Management District. The entity will include all property owners paying into the district and include representation from business owners and various sectors of the assessment district. The non-profit corporation should be set up as a public benefit corporation and file for application to the IRS once the district has been adopted by the City Council of Oakland.

MANAGEMENT CORPORATION AND THE ADVISORY BOARD:

The final management structure will include the Laurel PBID assessed property owners who will organize themselves into a new non-profit corporation whose Board will serve in the capacity of the contracted management corporation.

"The City Council may designate existing advisory boards or commissions to serve as the advisory board for the district or may create a new advisory board for that purpose. At least one member of the advisory board shall be a business

licensee within the district who is not also a property owner within the district.....The advisory board shall cause to be prepared a report of each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report.” (Section 4.48.190)

Members of the proposed Advisory Board will be recommended by the new non-profit PBID Management Corporation Board of Directors. The Advisory Board will be distinct from the Management Corporation and shall meet at least once per year to advise the City Council on any changes to the district.

A mix of large and small property owners will be sought to fill the non-profit corporation Board of Directors. The Board of Directors, shall make recommendations to the Advisory Board, who in turn shall adopt an annual service plan, including budgets and monitor the services delivery, as presented. The Advisory Board submits its report annually to the City Council on the anniversary of the district’s renewal. The Management Corporation, shall aim to meet the following operational objectives for the Laurel PBID:

- X Create and manage programs that best respond to the top priorities of Laurel PBID stakeholders;*
- X Maximize coordination of the City government to avoid duplication of services and to leverage resources;*
- X Deliver services through a cost-effective, non-bureaucratic and easy to access organizational structure;*
- X Provide accountability and responsiveness to those who pay.*

10. ENGINEER’S REPORT

Property owners in the Laurel PBID have emphasized that an assessment formula for the PBID be fair, balanced and commensurate with special benefits received.

NEW CITY AMERICA has contracted with Ed Henning and Associates to compile the required engineer’s report under the guidelines of Proposition 218, Article XIID of the California State Constitution.

In preparing the engineer’s report for the Laurel PBID Management District Plan, the engineer concluded that the special benefit to each parcel in the various benefit zones was found to be proportional to the property variable and their apportionment.

An Engineer’s report for the PBID is provided in the Appendix.

APPENDIX I

LIST OF PARCELS TO BE ASSESSED

Laurel District PBID Assessment Estimate Based on Final Draft Management Plan

<u>Individual/Legal</u>		<u>Annual Assessment</u>	<u>Percentage</u>
3530 Macarthur Blvd Gas Station		\$3,780.29	2.39%
3530	Macarthur Blvd	\$3,780.29	
ALEXANDER BRUCE J		\$4,250.53	2.69%
4025	MACARTHUR BLVD	\$4,250.53	
BANTA DESIGN		\$2,187.75	1.38%
3615	35TH AVE	\$2,187.75	
Bomberger Robert B, Sophia W		\$2,094.11	1.33%
3700	MACARTHUR BLVD	\$2,094.11	
BORAAS EDWARD		\$759.65	0.48%
4006-40	MACARTHUR BLVD	\$759.65	
CHANG BARBARA		\$1,563.50	0.99%
3625,36	MACARTHUR BLVD	\$1,563.50	
CHENG BETTY & WONG WANDA		\$1,096.45	0.69%
3726	MACARTHUR BLVD	\$1,096.45	
CHIN JACK H & LOUIE MAN D		\$1,664.53	1.05%
4000-40	MACARTHUR BLVD	\$1,664.53	
COOC COONG T & YIM ELIZABETH		\$1,666.97	1.06%
	MACARTHUR BL	\$965.47	
4139	MACARTHUR BLVD	\$701.50	
CORNERSTONE MISSIONARY BAPTIST		\$7,819.27	4.95%
3900	MACARTHUR BLVD	\$1,899.17	
3725	MACARTHUR BLVD	\$1,016.43	
3731	MACARTHUR BLVD	\$981.18	
3845-38	MACARTHUR BLVD	\$1,035.34	
3845	MACARTHUR BLVD	\$1,330.06	
3925	MACARTHUR BLVD	\$1,557.09	
DAVARI NADER & ELLEN TRS		\$983.03	0.62%
4009-40	MACARTHUR BLVD	\$983.03	
Diakhate Cheikh		\$1,474.27	0.93%
3840	MACARTHUR BLVD	\$1,474.27	
DO HONG LIZHEN C		\$728.70	0.46%
3910-39	MACARTHUR BLVD	\$728.70	
DOLAN FOSTER ENTERPRISES LLC		\$3,294.93	2.09%
3535	35TH AVE	\$3,294.93	

Laurel District PBID Assessment Estimate Based on Final Draft Management Plan

<u>Individual/Legal</u>		<u>Annual Assessment</u>	<u>Percentage</u>
DORSEY MAUREEN P		\$1,128.17	0.71%
	4258 MACARTHUR BLVD	\$1,128.17	
FENG ALEXANDER & OSSLER CHARLE		\$1,082.33	0.69%
	3820-38 MACARTHUR BLVD	\$1,082.33	
FOSTER LUCILLE K		\$608.45	0.39%
	4125 MACARTHUR BLVD	\$608.45	
GAVAZZA J A & CELESTINE R TRS		\$990.05	0.63%
	3830-38 MACARTHUR BLVD	\$990.05	
GEORGES ELIAS A		\$1,889.24	1.20%
	3624,36 MACARTHUR BLVD	\$1,889.24	
GREER GREG & JAFFE JILL		\$1,727.48	1.09%
	4143 MACARTHUR BLVD	\$594.05	
	MACARTHUR BL	\$482.67	
	4153-41 MACARTHUR BLVD	\$650.77	
HALL HENRY HEIRS OF EST		\$2,560.95	1.62%
	3600 MACARTHUR BLVD	\$2,560.95	
HANDO AND CHARLEY KIM		\$2,305.85	1.46%
	4215 MACARTHUR BLVD	\$2,305.85	
HOANG VI C & KIET N		\$1,245.27	0.79%
	4001-40 MACARTHUR BLVD	\$1,245.27	
JESKALIAN STELLA H TR		\$1,865.59	1.18%
	3643-36 MACARTHUR BLVD	\$1,865.59	
JOYCE & ROBERT HIRSCHFELD		\$1,186.97	0.75%
	3623 MACARTHUR BLVD	\$1,186.97	
Jung Kil H		\$1,481.48	0.94%
	3930-39 MACARTHUR BLVD	\$1,481.48	
KINDER CO.		\$6,100.79	3.86%
	3501 MACARTHUR BLVD	\$2,589.50	
	3511 MACARTHUR BLVD	\$1,937.55	
	3915 MACARTHUR BLVD	\$1,573.74	
KITAJIMA R & H PROPERTIES		\$2,779.12	1.76%
	4011 MASTERSON ST	\$2,779.12	
KONG SUN K & YONG Y		\$700.84	0.44%
	3836 MACARTHUR BLVD	\$700.84	

Laurel District PBID Assessment Estimate Based on Final Draft Management Plan

<u>Individual/Legal</u>	<u>Annual Assessment</u>	<u>Percentage</u>
Kurzman Howard M Tr & Marjorie 4054 MACARTHUR BLVD	\$2,727.98 \$2,727.98	1.73%
LANGFORD RICHARD L & DUNPHY MA 4203 MACARTHUR BLVD	\$1,149.35 \$1,149.35	0.73%
LAUREL COMMERCIAL DEVELOPMENT 3533 MACARTHUR BLVD	\$9,104.43 \$9,104.43	5.76%
LEE PAUL K & CYNTHIA H 3805 MACARTHUR BLVD	\$1,320.06 \$1,320.06	0.84%
LEE SOON H & MILDRED TRS 3829-38 MACARTHUR BLVD	\$1,320.06 \$1,320.06	0.84%
LIM TREVINA N TR & ENG EDWARD 3500 MACARTHUR BLVD	\$1,503.65 \$1,503.65	0.95%
LO HO S & CHENG YING 3618 MACARTHUR BLVD	\$829.33 \$829.33	0.52%
LY HUY B & TON LIEN N 4100-41 MACARTHUR BLVD	\$1,713.90 \$1,713.90	1.08%
MACARTHUR LTD LIABILITY CO 4138-41 MACARTHUR BLVD	\$1,962.35 \$1,962.35	1.24%
MALONE ROLAND C JR 4233 MACARTHUR BLVD	\$6,206.50 \$2,761.48	3.93%
	4251 MACARTHUR BLVD	\$849.05
	4255 MACARTHUR BLVD	\$2,595.97
MANOS DEVELOPMENT CORP. 4171-41 MACARTHUR BLVD	\$3,414.29 \$3,414.29	2.16%
MARINAI KENNETH P 4248 MACARTHUR BLVD	\$2,469.85 \$2,469.85	1.56%
MARINAI MARIO TR 4232 MACARTHUR BLVD	\$1,658.10 \$1,658.10	1.05%
MARQUARDT JUDI / KONECNY BARBARA 4162-41 MACARTHUR BLVD	\$3,607.99 \$1,676.96	2.28%
	4152-41 MACARTHUR BLVD	\$1,931.03
MARTIN CLARENCE J & DOROTHY F 4245-42 MACARTHUR BLVD	\$1,180.82 \$1,180.82	0.75%
MUNICH WILLIAM & CAROLA G 4276 MACARTHUR BLVD	\$3,293.21 \$3,293.21	2.08%

Laurel District PBID Assessment Estimate Based on Final Draft Management Plan

<u>Individual/Legal</u>		<u>Annual Assessment</u>	<u>Percentage</u>
NICOLA NICK S JR & R S		\$2,125.77	1.35%
3734	MACARTHUR BLVD	\$1,373.88	
3730	MACARTHUR BLVD	\$751.89	
NICOLA RONALD S & NANCY R TRS		\$3,274.48	2.07%
4200	MACARTHUR BLVD	\$3,274.48	
OKAMOTO DOROTHY		\$835.92	0.53%
3714	MACARTHUR BLVD	\$835.92	
PAULSICH DOUGLAS J		\$1,166.22	0.74%
3720 ,	MACARTHUR BLVD	\$1,166.22	
RISHWAIN DARRON R TR & TANYA N		\$874.61	0.55%
3908	MACARTHUR BLVD	\$874.61	
SCHOENFELD NORMAN & BARBARA N		\$2,788.99	1.77%
4120-41	MACARTHUR BLVD	\$2,788.99	
Seventeen One / Albertson's Inc.		\$14,528.98	9.20%
4055	MACARTHUR BLVD	\$14,528.98	
SHERRER CATHERINE V		\$902.77	0.57%
3639	MACARTHUR BLVD	\$902.77	
SINGH JAMES	<i>3411</i> 3600	\$1,346.52	0.85%
	LOMA VISTA AVE	\$1,346.52	
SLOVER JOHN J & RITAMARIE TRS		\$2,132.34	1.35%
3835-38	MACARTHUR BLVD	\$2,132.34	
STRANG JOANN		\$701.06	0.44%
4148	MACARTHUR BLVD	\$701.06	
TANG WI R & PO L		\$1,113.36	0.70%
3506	MACARTHUR BLVD	\$1,113.36	
TOW YAU K & MAY J		\$2,634.72	1.67%
3711-37	MACARTHUR BLVD	\$2,634.72	
TYDUS SEDRICK A & JAIN W TRS		\$766.56	0.49%
4222	MACARTHUR BLVD	\$766.56	
UNG CISSY S		\$661.53	0.42%
3924-39	MACARTHUR BLVD	\$661.53	
VAHLSTROM JOHN J & MARGARET A		\$3,801.47	2.41%
	MACARTHUR BLVD	\$1,115.69	
4024	MACARTHUR BLVD	\$2,685.78	

Laurel District PBID Assessment Estimate Based on Final Draft Management Plan

<u>Individual/Legal</u>	<u>Annual Assessment</u>	<u>Percentage</u>
VICTORY OUTREACH OAKLAND 3810-38 MACARTHUR BLVD	\$3,534.54 \$3,534.54	2.24%
WASHINGTON LINDA 3512 MACARTHUR BLVD	\$826.17 \$826.17	0.52%
WEINSTEIN RICHARD L & LINDA M 3715-37 MACARTHUR BLVD	\$1,810.49 \$1,810.49	1.15%
WONG FRED S & NANCY L TRS 3920 MACARTHUR BLVD	\$1,718.31 \$859.16	1.09%
3914-39 MACARTHUR BLVD	\$859.16	
WONG JACK M & MAY S 4116-41 MACARTHUR BLVD	\$981.18 \$981.18	0.62%
WOO WAYNE & JEANNETTE L 3801-38 MACARTHUR BLVD	\$1,234.60 \$1,234.60	0.78%
YOUNG TOMMY L/ BRENDA CAMPBELL 3807-38 MACARTHUR BLVD	\$1,401.68 \$1,401.68	0.89%
YU EDDY G & CHANG FREDA Y 3737 MACARTHUR BLVD	\$1,227.74 \$1,227.74	0.78%
YU ZI H & SALLY X 4110-41 MACARTHUR BLVD	\$1,123.28 \$1,123.28	0.71%

SAMPLE BALLOT FORMAT

**CITY OF OAKLAND
LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005
PROPERTY OWNER BALLOT**

This ballot is for the property owners of the parcel(s) identified below by Assessment Parcel Numbers (APN), which parcel(s) are located within the proposed Laurel Property Business Improvement District (PBID) of 2005, in the City of Oakland. Please advise the City of Oakland as soon as possible at (510) 238-6176 if the information set forth below is incorrect.

This ballot may be used to express either support for or opposition to the proposed Laurel PBID assessment. In order to be counted, this ballot must be completed, signed, and dated below by an owner of the identified parcel(s) or by an authorized representative of the owner. The ballot must be returned to the City Clerk of Oakland either by mail or in person to: Office of the City Clerk, Oakland City Hall, One Frank H. Ogawa Plaza, First Floor, Oakland, CA, 94612, Attn: Laurel PBID. If a majority of ballots received (as weighted by assessment) oppose the Laurel PBID assessment, the Laurel PBID will not be established and the Laurel PBID assessment will not be levied.

Mail Delivery: If by mail, fold and insert the ballot in the enclosed self-addressed stamped envelope, seal the envelope, and deposit in the U.S. mail.

Personal Delivery: If in person, fold and insert the ballot in the enclosed self-addressed envelope, seal the envelope provided and deliver to the City Clerk's office (address shown above) or deliver to the City Clerk at the public hearing on the Laurel PBID.

The assessment shall not be imposed if the ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment, with the ballots weighted according to the proportional financial obligation of the affected property.

IN ORDER TO BE COUNTED, THIS BALLOT MUST BE RECEIVED BY THE CITY CLERK PRIOR TO THE CLOSE OF THE PUBLIC INPUT PORTION OF THE PUBLIC HEARING ON THE LAUREL PBID, WHICH IS SCHEDULED FOR JULY 19, 2005, AT 7:01 PM IN THE CITY COUNCIL CHAMBERS, OAKLAND CITY HALL, 1 FRANK OGAWA PLAZA, OAKLAND, CALIFORNIA 94612. To cast this ballot, check the appropriate box below (either yes or no), sign the ballot at the bottom, and return either this entire page or the portion below this line.

BALLOT

Please mark in the box below to cast your vote:

YES, I am in favor of the formation of the district and the proposed assessments against the parcel(s) identified on this ballot.

NO, I oppose the formation of the district and the proposed assessment against the parcel(s) identified on this ballot.

Owner

APN

Assessment

Total Laurel PBID Assessment Amount (Votes Cast)

XXXXXXX

NAME (PRINTED)

SIGNATURE DATE