

CITY OF OAKLAND

AGENDA REPORT

2010 FEB -4 PM 6:13

TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: February 16, 2010

RE: **A Public Hearing And The Adoption Of A Resolution Confirming The Annual Report Of The Rockridge Business Improvement District Advisory Board And Levying The Annual Assessment For The Rockridge Business Improvement District For Fiscal Year 2010/11**

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**SUMMARY**

A resolution to confirm the annual report of the Rockridge Business Improvement District (BID) advisory board and to levy the annual assessment for fiscal year 2010/11 for the Rockridge Business Improvement District (BID) has been prepared pursuant to Streets and Highways Code Section 36500 *et seq.* and the City of Oakland's Neighborhood Business Improvement District program.

State law requires that business-based BIDs receive the City Council's approval before levying the upcoming fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its FY 2010/11 assessment City Council must adopt the attached resolution. Assessment funds will be used to pay for economic development and beautification activities outlined in the district management plan on file with the Office of the City Clerk and the annual report submitted by the Rockridge BID advisory board (*Exhibit A* to the attached resolution).

A public hearing and majority protest procedure must precede the City Council's consideration of the attached resolution. A majority protest exists if owners of affected businesses which will pay fifty percent (50%) or more of the proposed assessments to be levied submit qualifying written protests on or before the public hearing date of February 16, 2010, for this matter.

If no majority protest exists, then City Council may adopt the attached resolution. If, however, a majority protest exists, then City Council cannot adopt the resolution to levy the FY 2010/11 assessments for the Rockridge BID and no further proceedings to levy the proposed assessment shall be taken for a period of one year.

**FISCAL IMPACTS**

No fiscal impact is anticipated to the City. The Rockridge BID is a self-funded, self-administered entity which will pay all of its own operating costs and will be cost neutral to the City budget.

Item: \_\_\_\_\_  
City Council  
February 16, 2010

If the FY 2010/11 levy is approved, the City will conduct a special billing, at or around the same time as the annual business tax billing, to collect the assessment and will remit the amount collected (less the City's costs of collections) to designated BID administrators.

Until disbursed, BID assessments will be held in a special pass-through account established by the Finance and Management Agency on behalf of the Rockridge BID in Miscellaneous Trusts Fund (7999), Neighborhood Commercial Revitalization & Service Delivery System Organization (88569), Pass Thru Assessments Account (24224), Undetermined Project (0000000), Rockridge BID Program (RBID).

## **BACKGROUND**

On November 9, 1999, the City Council approved Resolution No. 75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) Program. This program is authorized by Section 36500 *et seq.* of the California Streets and Highway Code which allows for the establishment of local business improvement districts throughout the state.

Pursuant to the above legislation Ordinance No. 12301 was passed by City Council on November 28, 2000, to establish the Rockridge BID. Subsequently, a resolution was adopted on February 2, 2010, which stated the City Council's intent to levy a FY 2010/11 assessment for the district, to approve the district's annual report, and to schedule a related public hearing for February 16, 2010.

The BID model for economic development is also being used in the Montclair (established 2001), Fruitvale (established 2001 and renewed 2006), Lakeshore/Lake Park (established 2002), Temescal (established 2004), Laurel (established 2005), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), and the Downtown Oakland (established 2008) districts.

BIDs seek to create both a stable cash flow and to incorporate all of the members of a business community into a productive and proactive entity representing the interests of that community.

Revenues generated by BIDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples of BID-funded services include, but are not limited to, enhanced maintenance services, security, marketing and promotions, special events, parking and transportation services, economic development activities, capital improvements, and human services. These types of enhanced services lead to increased property, sales and business tax revenues as well as increased job opportunities and the improved economic development of commercial neighborhoods.

## KEY ISSUES AND IMPACTS

There is no anticipated adverse impact associated with the authorization to levy FY 2010/11 assessments for Rockridge BID.

In terms of positive impacts, authorizing the continued collection of assessments for the district will provide the Rockridge BID an ongoing private funding source for enhanced safety and security, beautified physical appearance, and organized economic development and marketing activities within the district. This model for economic development has been successfully used in other commercial neighborhoods throughout the state and country. Accordingly, reauthorization of assessments for the Rockridge BID will enable the district to continue serving as an effective self-help model for other Oakland business districts.

## PROGRAM DESCRIPTION

The Rockridge BID encompasses approximately 396 businesses located in and around the Rockridge commercial area and estimates a fiscal year 2010/11 budget of approximately \$235,250 of which \$120,000 represents BID assessments to be collected in FY 2010/11.

If the City Council approves the FY 2010/11 levy for the Rockridge BID, assessments of \$60 to \$2,500 per year per business license will be collected based on business classification and level of annual gross receipts, calculated in accordance with an approved assessment methodology table contained in the district's management plan on file with the Office of the City Clerk.

*Key aspects of the district's BID service program include, but are not limited to, enhanced safety and security; beautified physical appearance; special events such as the Rockridge Out & About; holiday decorations; and other organized economic development and marketing activities within the district as further outlined in the annual report (*Exhibit A* to the attached resolution).*

The annual report indicates no changes in the boundaries of the business improvement district or in any benefit zones in the area. There is also no change in the original method and basis of levying the assessment. However, a new sub-classification is proposed to be temporarily added to the current business classifications. This adjustment is in response to feedback from business license holders earning annual gross receipts of \$25,000 or less. The proposed temporarily reduced assessment for these businesses will now be \$60 for the 2010/2011 assessment year. Otherwise, the concerned businesses must pay \$120 per year, but are eligible to apply for a reduced assessment (i.e., \$60) by submitting a hardship waiver request. Consequently, each year district administrators devote substantial time to processing multiple waiver applications from low earning businesses. To reduce the administrative costs of processing multiple hardship waivers and to better respond to the stated needs of affected district businesses, the new sub-classification is proposed to be temporarily created for fiscal year 2010/11. The sub-classification will only be applied in future years if requested and approved in the future annual reports and assessment resolutions.

## **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 Rockridge commercial district.

**Environmental:** The proposed levy will enable the Rockridge BID 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:** BIDs 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**

The reauthorization of assessments for the BID has no direct implications for disability and senior access. However, the BID'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 BID could also serve to make the area safer and more accessible to all visitors, including senior citizens and disabled persons.

## **RECOMMENDATION(S) AND RATIONALE**

Staff recommends that the City Council adopt the resolution confirming the annual report of the Rockridge BID advisory board and levying the annual assessment for the Rockridge BID for fiscal year 2010/11.

Adoption of the attached resolution will support continued operations in the Rockridge BID and the delivery of related special services outlined in the district's annual report (*Exhibit A* to the attached resolution). Such business improvement districts represent a proactive effort on the part of neighborhood business owners to improve the conditions and image of their area which assists in the economic revitalization and physical maintenance of the concerned commercial district.

Additionally, because BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Rockridge BID. Consequently, the Rockridge BID might also be viewed as a positive self-help model for other neighborhood commercial areas.


**ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the Resolution Confirming The Annual Report Of The Rockridge BID Advisory Board And Levying The Annual Assessment For The Rockridge BID For Fiscal Year 2010/11.

Respectfully submitted,



Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:   
Gregory Hunter, Deputy Director  
Economic Development and Redevelopment

Aliza Gallo, Coordinator  
Economic Development/Business Development Services

Prepared by:  
Maria Rocha, Urban Economic Analyst  
Economic Development/Business Development Services

APPROVED AND FORWARDED TO THE  
CITY COUNCIL:

  
Office of the City Administrator

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 FEB -4 PM 6:12

Approved as to form and legality

  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

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

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**RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2010/11**

**WHEREAS**, the State of California allows for the formation of business assessment districts under Street and Highways Code Section 36500 *et seq.* [Senate Bill 1424]; and

**WHEREAS**, the business license holders in the Rockridge business district petitioned to form the Rockridge Business Improvement District ("District") under said legislation to undertake the Management Plan for the District ("Plan") which is on file with the City Clerk; and

**WHEREAS**, the Plan provides for services such as enhanced security, beautification, sidewalk sweeping, and economic development, and marketing activities with the intent of creating a positive atmosphere in the District area (as more specifically identified in the Plan); and

**WHEREAS**, pursuant to the requirements of the law the Rockridge Business Improvement District was established by the City Council on November 28, 2000 pursuant to Ordinance No. 12301; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, the Annual Report (attached **Exhibit A**) has been prepared by the Rockridge Business Improvement District Advisory Board and filed with the City Clerk, and the City Council desires to confirm the Report, and levy the annual assessment for the Rockridge Business Improvement District for fiscal year 2010/11; now therefore be it

**RESOLVED**: that the Council of the City of Oakland does hereby find and determine as follows:

1. The Rockridge Business Improvement District was established in the Rockridge area of the City of Oakland, California as a parking and business improvement area pursuant to Street and Highways Code section 36500 *et seq.* with the boundaries as specified in the Plan on file with the City Clerk.
2. Pursuant to Streets and Highways Code Section 36535, a Public Hearing was held on February 16, 2010, to hear all public comments, protests, and take final action as to the levying of the proposed assessments for the District for the fiscal year 2010/11. The City Council finds that there was no majority protest as defined in the Street and Highways Code Section 36500 *et seq.*
3. The Annual Assessment Report for the District is approved and confirmed.
4. The City Council approves and adopts the 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 2010/11 fiscal year as provided for in the Annual Report 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 business in the District are those specified in the Plan and Annual Assessment Report on file with the City Clerk. For the fiscal year 2010/11 assessment a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a temporarily reduced fee for that assessment year of \$60. Such sub-classification is proposed to be temporarily created to reduce the number and expense of processing hardship partial fee waiver requests, and the reduced fee amount would not apply to future assessment years unless renewed in the annual assessment resolution for such future years.
6. The time and manner of collecting assessments shall be at the same time and in the same manner as for the annual business tax billings and may provide for the same penalties for delinquent payment. The City may use the same process and procedures for the collection of delinquent assessments as it uses to collect delinquent business tax billings or such other processes and procedures as are convenient to complete such collection and may reimburse itself out of the proceeds collected for the costs of such collection. The assessments shall be coordinated with the City of Oakland's annual business tax billing cycle, and shall be included along with the annual business tax notifications, or in a supplemental notice following thereafter if, for any reason, they are not ready or cannot be included along with the business tax notices. Supplemental notices shall be permissible for new businesses or for correction or supplementation of prior notices.
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 businesses in the area are those specified above in this Resolution and more specifically as 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. Until disbursed, BID assessments will be held in a special trust fund established by the Finance and Management Agency on behalf of the Rockridge Business Improvement District in: Miscellaneous Trusts Fund (7999), Neighborhood Commercial Revitalization & Service Delivery System Organization (88569), Pass Thru Assessments Account (24224), Undetermined Project (0000000), Rockridge Business Improvement District Program (RBID).
10. The City Administrator is hereby authorized to enter into a disbursement agreement with the Rockridge District Association of Oakland to coordinate the collection of the annual assessment through the City's Revenue Division, and to provide for the proper implementation of the Plan.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California



**EXHIBIT A**

(To the Resolution to Levy the FY 2010/11 Rockridge BID Assessment)

**Rockridge Business Improvement District  
Annual Report To The City Of Oakland  
For The Fiscal Year 2009-2010**

Pursuant to California Streets and Highways Code Part 6  
Parking and Business Improvement Area Law of 1989  
Chapter 3, Section 36533

**I. Proposed changes in the boundaries of the parking and business improvement area or in any benefit zones within the area.**

There are no proposed changes to the boundaries of the Rockridge Business Improvement District.

**II. Improvements and activities to be provided for in fiscal year 2010/11.**

Please see the attached budget, which will outline the improvements and activities to be funded, and provided in the upcoming fiscal year through February 28, 2011.

**III. Estimate of the cost of providing the improvements and activities for fiscal year 2010/11.**

Please see attached budget.

**IV. Method and basis of levying the assessment.**

The fee structure for assessments will remain as previously approved, including the change in classifications of businesses by temporarily creating a subclassification for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this subclassification would pay an annual assessment fee of \$60.00.

**V. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.**

The district anticipates a carryforward of approximately \$63,250 into the 2010/11 fiscal year.

**VI. The amount of any contributions to be made from sources other than assessments levied.**

The Rockridge District Association will seek funds from corporations for sponsorship of the annual street festival and holiday promotional activities.

**VII. Annual Renewal Notice.**

"Per council adoption of the Rockridge ordinance in November 2000, the Governing Council (Advisory Board) of the Rockridge BID shall annually 45 days before the anniversary of the establishment of the Rockridge Business Improvement Management District Ordinance give the assesseees of the District written notice of their rights to disestablish the district and the process therefore, and shall report that they have done so each year in the annual report to the Council." The notice will be given as required by the ordinance.

Please contact Henry C. Levy, Treasurer of the Rockridge District Association, should you have any questions regarding this report.

September 22, 2009

**Rockridge District Association  
Proposed Budget Overview  
March 1, 2010 - February 28, 2011**

Income

BID Revenues (Estimated)	\$120,000.00
Prior Year Carryforward	\$63,250.00
Other Income	\$2,000.00
Event Income and Sponsorships (Estimated)	\$50,000.00

**Total Income** \$235,250.00

Expense

Organization Committee	
Insurance - E&O, Liability, Work Comp	\$2,000.00
Board Meeting Expense/Annual Meeting	\$500.00
Professional Services - Accounting, Legal	
Bookkeeping, Payroll/Tax Preparation	\$4,500.00
Professional Administration	\$50,000.00
Postage/Printing/Photocopying	\$1,000.00
Office Supplies/Storage	\$4,500.00
Telecommunications	\$2,500.00
City of Oakland Collection Costs	\$4,000.00

**\$69,000.00**

Marketing and Promotion Committee	
Equipment Rental/Storage	\$1,000.00
Web Design/Communications/Advertising	\$9,700.00
Events	\$70,000.00
Streetscape Amenities	\$9,000.00
Marketing/Materials	\$6,000.00

**\$95,700.00**

Streetscape and Security Committee	
Security/Public Safety	\$32,050.00
Street Cleaning	\$31,000.00
Beautification	\$4,200.00

**\$67,250.00**

Land Use Committee	
Landscape, Public Space, Design	\$750.00

**\$750.00**

Other Expenses	
City of Oakland Loan Payment	\$2,550.00

**\$2,550.00**

**Total Expenses** \$235,250.00

Net Revenue Over Expenses \$0.00