



AGENDA REPORT

TO: Steven Falk,
Interim City Administrator

FROM: Sofia Navarro
Interim Director, Economic
& Workforce Development
Department

SUBJECT: Dimond Business Improvement
District 2023 – Resolution of Intention

DATE: April 21, 2023

City Administrator Approval

Date: May 4, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution (1) Declaring An Intention To Form The Dimond Business Improvement District 2023 (Dimond BID 2023); (2) Granting Preliminary Approval Of The Dimond BID 2023 Management Plan; (3) Directing Filing Of The Proposed Dimond BID 2023 Assessment District Boundary Description With The City Clerk; (4) Directing Distribution Of A Ballot To All Affected Property Owners In The Proposed Dimond BID 2023 To Determine Whether A Majority Protest Exists; And (5) Scheduling A Public Hearing For July 18, 2023.

EXECUTIVE SUMMARY

Adoption of the attached Resolution of Intention (**Attachment A**) will initiate a special election and legislative process to determine whether the proposed Dimond Business Improvement District 2023 (Dimond BID 2023) can be formed. Property-based Business Improvement Districts (BIDs) provide opportunities for property owners to support the vitality of their commercial neighborhoods. The Dimond District is one of Oakland's most dynamic neighborhoods, home to many small businesses and a noted hub for public art and community events. The Dimond District community has been contemplating a BID formation for many years and has conducted outreach and engagement with Dimond stakeholders through the Dimond Improvement Association.

The proposed Dimond BID would generate special assessment revenues of approximately \$274,400 per year, with possible annual increases up to five (5) percent, for a period of 10 years, or up to approximately \$3 million over the life of the district. Effective dates of the assessment will be July 1, 2023, through June 30, 2033, and related special benefit services will be provided January 1, 2024, through December 31, 2033. The use of these funds would be consistent with the Management Plan & Engineer's Report (**Attachment B**) drafted by district representatives and could include but is not limited to: safety ambassador services, special benefit cleaning and maintenance, marketing, business development, beautification and other economic development services within the district.

BACKGROUND / LEGISLATIVE HISTORY

City Council
May 16, 2023

In 1999, the City Council adopted the City of Oakland (City) Business Improvement Management District Ordinance (Ordinance No. 12190 C.M.S., codified as Chapter 4.48 of the Oakland Municipal Code (OMC), subsequently amended by [Ordinance No. 13322 C.M.S.](#), July 21, 2015) which allows for the formation of property-based special assessment areas, called business improvement districts (BIDs). BIDs are geographically defined and are managed through a private/public partnership which administers and oversees enhancement services, activities and programs above the existing municipal services. The management of the BID services are paid for through the special assessment charged to all property members within the district.

The Oakland City Council also authorized initiation of the Neighborhood Business Improvement District Program in 1999 (Resolution No. 75323 C.M.S.) to assist neighborhood representatives in their efforts to form such districts.

In Fall of 2022, the Dimond Improvement Association led a BID steering committee comprised of community residents and property stakeholders, who hired private BID consultants Kristin Lowell, Inc. and Hormann & Associates to assist with the feasibility study and formation of a proposed Dimond Business Improvement District 2023.

Geographic Boundaries, Assessments and Benefits

The proposed boundaries of the Dimond BID 2023 include approximately 30 block faces consisting of 154 assessed parcels owned by 117 property owners, including parcels owned by the City, with projected first year revenues of \$280,000. The proposed Dimond BID 2023 generally includes parcels:

- That front MacArthur Boulevard from E 38th Street to Coolidge Avenue
- On Fruitvale Avenue from Coloma Street to School Street, and
- On Dimond Avenue from MacArthur Boulevard to Bienati Way

A map of the proposed Dimond BID 2023 boundaries appears in Section 2 of the attached Management Plan (**Attachment B**), and a full list of parcels in the proposed assessment roll is included in Attachment A to the attached Management Plan.

The assessed parcels in the proposed Dimond BID 2023 district will have different assessments based upon the ownership and use of the parcel(s).

Activities completed by the Dimond BID 2023 will be detailed in the annual report to the City Council on or before August 1 of each year, and could include but are not limited to: special benefit cleaning, hospitality ambassadors, enhanced public safety efforts and various marketing and promotional activities.

Approval Process

To adopt the attached Resolution of Intention, the City Council would need to first receive a petition in favor of forming the Dimond BID 2023, endorsed by more than 30 percent of the weighted value of the property assessments that would be imposed if the Dimond BID 2023 is established. If the petition is duly endorsed, the City Council may adopt the attached proposed Resolution of Intention and conduct a public hearing not less than 45 days after notice of the public hearing is published.

The City Council shall approve formation of the Dimond BID 2023 and the assessment if, at the close of the public hearing, a majority protest is not established. A majority protest exists if, upon the conclusion of the public hearing, ballots submitted in opposition to the establishment of the Dimond BID 2023 and corresponding property assessment exceed the ballots submitted in favor of the Dimond BID 2023 and corresponding property assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation upon the affected property. The results of the balloting will be heard at a public hearing to be scheduled for July 18, 2023, at which time the City Council will also hear public testimony and make a final decision regarding the Dimond BID 2023 formation.

Upon passage of the Resolution of Intention, ballots will be mailed to each affected property owner (a sample ballot is included as **Attachment C**) pursuant to the City's Business Improvement Management District Ordinance, OMC Chapter 4.48 (Ordinance No. 12190 C.M.S., 1999, as amended by [Ordinance No.13322 C.M.S.](#), 2015) and State Proposition 218.

ANALYSIS AND POLICY ALTERNATIVES

Formation of the proposed Dimond BID 2023 would represent the tenth property-based BID in Oakland. Collectively, these districts have contributed significantly to Oakland's economic development and continue to contribute approximately \$9.6 million per year in property tax assessments that are spent on enhanced services and activities. As more mixed-use development occurs in Oakland commercial zones, residential property owners have also begun to benefit from special benefit services provided by BID special assessment districts. As such the cumulative impact of BIDs continues to grow, making them an increasingly useful tool for supporting broader revitalization efforts in Oakland's commercial neighborhoods.

Because BIDs are self-initiated, self-funded, and self-administered, there is limited fiscal impact to the City associated with the proposed district formation beyond any assessment on City-owned property and the cost of staff time to provide technical assistance to the formation effort and ongoing administration of the citywide BID program.

The initiative taken by district stakeholders to form the proposed special assessment district also represents a productive step towards community self-empowerment as well as a viable opportunity to cultivate additional public-private investment partnerships.

If approved by affected property owners under the procedure set forth primarily in [OMC Section 4.48.070](#), the proposed Dimond BID 2023 will generate approximately \$274,400 in special assessment revenues in year one and up to approximately \$3 million over the 10-year term of the district (if allowable five percent annual increases to the assessments are taken).

Since the proposed Dimond BID 2023 area includes nine City-owned parcels, the City would owe approximately \$12,963.02 in Fiscal Year (FY) 2023-24 and an estimated maximum of \$163,047.47 over the 10-year life of the district for assessments on 9 City-owned properties located within the Dimond BID 2023 boundaries. See **Table 1** below for complete list of City-owned properties in the Dimond BID assessment area.

Given the limitations on municipal funding and a growing need to identify alternate economic development revenue sources, the proposed special assessment district and corresponding City assessment could be considered a reasonable leveraging of public funds. Special benefit

services to be provided by the proposed district are intended to improve the conditions of the affected commercial corridor and to stimulate ongoing economic revitalization consistent with City Council goals and objectives, which advances the Citywide Priority of **housing, economic and cultural security**.

FISCAL IMPACT

There is no fiscal impact from the approval of this legislation for the intention to form a Dimond Business Improvement District.

There are costs of City staff time to provide technical assistance to the BID formation effort and to ongoing administration of the citywide BID Program which is part of the adopted City's Budget supporting the BID Program. As the program continues to grow, additional resources or revenue offset from the BID agreements may need to be evaluated as part of the City agreements with the business improvement districts and would also need to be included in future budget development processes.

If after the public hearing a majority protest does not exist and the Dimond BID 2023 is formed, a cumulative and approximate annual assessment of \$12,963.02 would be levied on 9 City-owned properties located within the proposed district as follows in **Table 1**.

Table 1: List of City properties subject to FY 2023-24 Dimond BID 2023 Assessment

APN	Site Description	FY 2023-24 Assessment	Owner
26-836-11-2	Sloan St	\$770.66	CITY
26-836-13	3400 Dimond Ave	\$1,538.58	CITY
26-836-14-1	3408 Dimond Ave	\$174.41	CITY
26-836-14-2	3408 Dimond Ave	\$650.66	CITY
26-836-15	3416 Dimond Ave	\$4,088.75	CITY
28-906-35	Lincoln Ave	\$1,654.90	CITY
28-906-36	Lincoln Ave	\$1,418.11	CITY
29A-1302-13	3571 Fruitvale Ave	\$827.00	CITY
29A-1302-14	3565 Fruitvale Ave	\$1,839.95	CITY
	Grand Total	\$12,963.02	

Funds to pay FY 2023-24 assessments on City properties will be included in the City's FY 2023-25 Biennial Budget and would also be included in future budget development processes for an estimated maximum of \$163,047.47 over the 10-year life of the district, considering the possible five percent annual rate increase. Payment of the Dimond BID assessments would be funded from the General Purpose Fund (Fund 1010). A resolution to approve payment of the City's assessments will be included in the upcoming July 18, 2023 public hearing agenda materials.

Per the proposed Management Plan, assessment rates may increase by up to five percent per year beginning in year two of the district's 10-year term and contingent upon a recommendation

by the Dimond BID 2023 Advisory Board and City Council approval. If the City acquires additional affected properties during the BID's proposed 10-year term, funding sources for related assessments owed will be identified as part of the City's ongoing budget development processes.

If the Dimond BID 2023 and corresponding special property assessments are approved, the City Treasury Bureau will provide invoices to tax exempt entities that are not on the County of Alameda's property tax roll, which also includes one property owned by the Oakland Housing Authority and one owned by Pacific Gas & Electric. For taxable entities, the County of Alameda will add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected (less the County's collection fee of approximately 1.7 percent of total assessment) to the City. The City, in turn, will disburse the funds to the district, pursuant to a written agreement between the City and the district's designated non-profit management corporation.

The written agreement between the City and the designated non-profit BID management corporation also provides for an administrative fee to be charged to the Dimond BID 2023 to recover the City's costs of administering the district, including costs incurred by the Treasury Bureau for providing the services described above.

Lastly, if the Dimond BID 2023 is formed, program guidelines state that the City is expected to maintain a baseline level of service within the district equivalent to the level prior to formation of the assessment district. Maintaining baseline services, however, commits no additional City funds beyond what already exists. Proportional reductions to baseline services may occur resulting from changes in the City's overall financial condition.

PUBLIC OUTREACH / INTEREST

For the City Council to adopt the attached Resolution of Intention, enabling legislation does not require City staff to conduct public outreach other than the required posting on the City's website. However, district stakeholders, including the Dimond Improvement Association, did perform outreach. In Fall of 2022, the Oakland Dimond Improvement Association led a BID steering committee comprised of community residents and property stakeholders.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: The proposed assessment 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 on-going economic development in the Dimond District. One of Oakland's most dynamic neighborhood commercial districts, the Dimond District is a noted hub for public art and community events in the City and enhancements are vital for economic sustainability and growth.

Environmental: The proposed levy will fund special benefit services such as enhanced sidewalk cleaning, graffiti removal, and trash removal within the district, which are intended to increase cleanliness of the district and contribute to the provision of a safe walkable commercial corridor.

Race & Equity: The proposed special assessment district will incorporate members of the affected commercial neighborhood into a participatory and proactive entity with sustainable and transparent financing that represents the interests of that community. Stakeholders themselves will be responsible for administering district revenues which contributes to community self-empowerment which, in turn, supports social equity. In addition, BID funding supports neighborhood revitalization through safety and cleaning programs and community identity through marketing and special event programs. The City historically has provided grants for business corridor groups to fund BID feasibility studies. In 2022, the City entered into a contract with Urban Place Consulting (UPC) to provide organizational assistance to underserved commercial corridors, which may include performing BID feasibility studies. With direction from the City, UPC has been engaging groups of business owners and property owners in underserved commercial corridors throughout the City, providing education not just on BID formation, but on alternative means of formal organization, such as establishing nonprofit status or a merchant's organization, that can accomplish many goals of a commercial district while serving as interim steps to BID formation.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution (1) Declaring An Intention To Form The Dimond Business Improvement District 2023 (Dimond BID 2023); (2) Granting Preliminary Approval Of The Dimond BID 2023 Management Plan; (3) Directing Filing Of The Proposed Dimond BID 2023 Assessment District Boundary Description With The City Clerk; (4) Directing Distribution Of A Ballot To All Affected Property Owners In The Proposed Dimond BID 2023 To Determine Whether A Majority Protest Exists; And (5) Scheduling A Public Hearing For July 18, 2023.

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

Respectfully submitted,



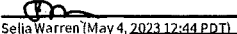
SOFIA NAVARRO
Interim Director, Economic & Workforce
Development Department

Reviewed by:
Eric Simundza
Acting Manager, Business Development
Economic & Workforce Development
Department

Prepared by: Shifra de Benedictis-Kessner,
Urban Economic Analyst III,
Economic & Workforce Development
Department

Attachments (3):

- A. Dimond BID 2023 Resolution of Intention
- B. Dimond BID 2023 Management Plan & Engineer's Report
- C. Dimond BID 2023 Sample Ballot


Sella Warren (May 4, 2023 12:44 PDT)
CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION:

- 1) **DECLARING AN INTENTION TO FORM THE DIMOND BUSINESS IMPROVEMENT DISTRICT OF 2023 (DIMOND BID 2023);**
- 2) **GRANTING PRELIMINARY APPROVAL OF THE DIMOND BID 2023 MANAGEMENT PLAN;**
- 3) **DIRECTING FILING OF THE PROPOSED DIMOND BID 2023 ASSESSMENT DISTRICT BOUNDARY DESCRIPTION WITH THE CITY CLERK;**
- 4) **DIRECTING DISTRIBUTION OF A BALLOT TO ALL AFFECTED PROPERTY OWNERS IN THE PROPOSED DIMOND BID 2023 TO DETERMINE WHETHER A MAJORITY PROTEST EXISTS; AND**
- 5) **SCHEDULING A PUBLIC HEARING FOR JULY 18, 2023**

WHEREAS, the City Council of the City of Oakland enacted the City of Oakland Business Improvement Management District Ordinance (BIMD Ordinance) pursuant to Ordinance No. 12190 C.M.S. (1999), as codified in Chapter 4.48 of the Oakland Municipal Code (O.M.C.), establishing the procedures for the formation of business improvement management districts; and

WHEREAS, the City Council approved a Neighborhood Business Improvement District Program pursuant to Oakland City Council Resolution No. 75323 C.M.S., 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 affected property owners in the Dimond area are submitting a petition under the BIMD Ordinance (O.M.C. section 4.48.050.A.) to form the Dimond Business Improvement District of 2023 (Proposed District) and seek qualification as a Business Improvement Management District under Oakland's BIMD Ordinance; and

WHEREAS, a management plan for the operation of the Proposed District (Dimond BID 2023 Management Plan), which is attached hereto and incorporated by reference as **Exhibit A**, has been prepared in accordance with the provisions of Article XIII of the California Constitution and the BIMD Ordinance, and has been placed on file with the Office of the City Clerk for proceedings in formation of the Dimond BID 2023; and

WHEREAS, the Proposed District consists of 154 assessed parcels on approximately 30 block faces, owned by 117 property owners, including parcels owned by the City of Oakland, as described in the Boundary Map found in Section 2 of the Dimond BID 2023 Management Plan; and

WHEREAS, the Dimond BID 2023 Management Plan contains a detailed engineer's report prepared by a registered professional engineer recognized by the State of California (see **Attachment B** of the Dimond BID 2023 Management Plan called "Engineer's Report"); and

WHEREAS, the Dimond BID 2023 Management Plan provides for enhanced cleaning, ambassador services, special benefit cleaning, marketing, hospitality, public right of way beautification, promotional activities, and improvements of particular benefit to the properties located within the Proposed District; and

WHEREAS, the Dimond BID 2023 Management Plan was prepared in accord with the provisions of the BIMD Ordinance overseeing the formation of the Proposed District as referenced above; and

WHEREAS, the preliminary report, a staff report of the City Administrator containing all information required by the BIMD Ordinance, has been prepared and was filed with the office of the City Clerk on May 16, 2023; and

WHEREAS, the proposed method and basis of levying the assessments to be levied against each property in the Proposed District is based on lot square footage, building square footage, linear frontage, and land use of each parcel located within the Proposed District, and the assessments proposed for each property are contained in the Assessment Roll (see **Attachment A** of the Dimond BID 2023 Management Plan called "Assessment Roll"); and

WHEREAS, the Proposed District's assessment shall be effective for a period of ten (10) years (beginning July 1, 2023 through June 30, 2033 as provided for in the Dimond BID 2023 Management 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 Dimond BID 2023 Management Plan. Related special benefit services will begin January 1, 2024 and end December 31, 2033; and

WHEREAS, the assessments that will be collected for the Proposed District equal Two Hundred Seventy-Four Thousand Four Hundred dollars and Zero cents (\$274,400.00) for the first year of the Proposed District and the amount chargeable to each parcel are as shown in the Dimond BID 2023 Assessment Roll; and

WHEREAS, 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 Dimond BID 2023 Management Plan for each year that the Proposed District is in existence unless modified by the City Council on the recommendation of the Dimond BID 2023 Advisory Board;

NOW, THEREFORE BE IT

RESOLVED: The City Council declares its intention to form a Dimond Business Improvement Management District pursuant to Chapter 4.48 of the Oakland Municipal Code; and be it

FURTHER RESOLVED: That the name of the Proposed District will be the Dimond Business Improvement District of 2023; and be it

FURTHER RESOLVED: That the proposed assessments to be levied against each property in the Proposed District is based on lot square footage, building square footage, linear frontage, and land use of each parcel located within the Proposed District; and be it

FURTHER RESOLVED: That the total amount in assessments that will be collected for the Proposed District in the first year is Two Hundred Seventy-Four Thousand Four Hundred dollars and Zero cents (\$274,400.00) and that the amount chargeable to each parcel shall be the amount shown in the Engineer's Report of the Dimond BID 2023 Management Plan if the Proposed District is established; and be it

FURTHER RESOLVED: That any increase in the amount of the assessment upon affected properties shall not exceed five percent (5%) per year starting July 1, 2024 for the duration of the Proposed District; and be it

FURTHER RESOLVED: That the boundaries of the Proposed District shall be those set forth in the Boundary Map found in Section 2 of the Dimond BID 2023 Management Plan; and be it

FURTHER RESOLVED: That a public hearing on formation of the Proposed District will be held on July 18, 2023, at 4:00 p.m. in the City Council Chambers in City Hall, located at 1 Frank H. Ogawa Plaza, Oakland California.

FURTHER RESOLVED: That, at any time prior to the date of the public hearing, any person affected by the proposed assessment, may submit a written protest describing their objections to formation of the Proposed District, the boundaries of the Proposed District, the proposed assessment, or the types of improvements and activities proposed to be funded by the assessments, or describing any other alleged irregularity or insufficiency in these proceedings; and be it

FURTHER RESOLVED: That any written protest shall be filed with the Office of the City Clerk and shall, in addition to describing all objections to and alleged defects in formation of the Proposed District, contain the following information:

1. A description of the property, by address or Assessor Parcel Number (APN), that will be affected by the proposed assessment,
2. The amount of the proposed assessment upon said property,
3. The full name of the owner of the property that will be subject to the assessment, and
4. The full name of the person submitting the written protest if different from the owner of the property, and their relationship to the owner of the property

; and be it

FURTHER RESOLVED: That written protests that do not comply with the requirements stated above will not be considered; and be it

FURTHER RESOLVED: That at the public hearing all written protest and the testimony of all interested persons for or against the establishment of the Proposed District, the proposed assessment, the boundaries of the Proposed District, or the furnishing of the specified types of improvements or activities will be heard; and be it

FURTHER RESOLVED: That at the conclusion of the public hearing all ballots cast in favor of and against the Proposed District shall be tabulated, and the results of the tabulation shall be reported to the City Council; and be it

FURTHER RESOLVED: That if a majority protest exists the proposed assessment will not be imposed; and be it

FURTHER RESOLVED: That, pursuant to O.M.C. section 4.48.070(G), a majority protest exists if, upon the conclusion of the public hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted in proportion to the assessment upon the affected property; and be it

FURTHER RESOLVED: That if a majority protest does not exist, a resolution establishing the Dimond Business Improvement District of 2023 and levying the assessment will be adopted by the City Council, at the conclusion of the public hearing; and be it

FURTHER RESOLVED: That the City Clerk is directed to mail by first-class mail a copy of this Resolution of Intention to form the Proposed District along with the ballot attached hereto as **Exhibit B** to each property owner in the Proposed District, and to each local chamber of commerce and business organization known to be located within the Proposed District not less than forty-five (45) days before the scheduled public hearing; and be it

FURTHER RESOLVED: That the City Clerk is directed to publish this Resolution of Intention to form the Dimond Business Improvement District of 2023 in a newspaper of general circulation in the City at least (7) seven days before the public hearing; and be it

FURTHER RESOLVED: That following adoption of this resolution of intention, the City Clerk shall record a notice and map describing the assessment district pursuant to California Streets and Highways Code Division 4.5 (commencing with Section 3100).

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - FIFE, GALLO, JENKINS, KALB, KAPLAN, RAMACHANDRAN, REID, AND
PRESIDENT FORTUNATO BAS

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

ASHA REED

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

Dimond Business Improvement District

Management District Plan



City of Oakland, California

March 2023

Prepared by:
Kristin Lowell, Inc.

*Prepared pursuant to the City of Oakland
Business Improvement District Management Ordinance 12190,
Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015,
and Article XIID of the California Constitution.*

**DIMOND
Business Improvement District
Management District Plan**

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ATTACHMENTS

- A. Assessment Roll
- B. Engineer's Report

SECTION 1: EXECUTIVE SUMMARY

The Dimond Business Improvement District (“DBID”) is being developed by a coalition of property and business owners, as well as area residents, to improve both district vibrancy and the environmental aesthetics of the Dimond commercial corridor. The DBID Management District Plan responds to today’s market opportunities, district challenges, and local efforts from the Dimond Improvement Association (“DIA”) to vitalize the community. The DBID Management District Plan describes how the DBID will improve and convey special benefits to assessed parcels located within the district boundary.

Summary Management Plan

Pursuant to the City of Oakland Business Improvement District Management Ordinance 12190, Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015, (“Oakland BMD Ordinance”) the DBID is being formed for an initial term of 10 years. Upon receipt of petitions signed by property owners representing 30% or more of assessments proposed to be levied for the District, the City of Oakland will initiate a ballot procedure to officially form the DBID.

The DBID will provide enhanced improvements and activities, such as property and district maintenance, beautification, safety enhancements, and initiatives to make the area more welcoming to those living, working, shopping, and dining in the Dimond and improve district vibrancy and business development. Each of the activities is designed to meet the goals of the District, to improve the appearance and safety of the DBID, increase building occupancy and property values, encourage business retention and new business development and attract ancillary merchants and services that support a vital commercial neighborhood.

Location	The DBID generally includes parcels that front MacArthur Boulevard from E 38 th Street to Coolidge Avenue, on Fruitvale Avenue from Coloma Street to School Street, and on Dimond Avenue from MacArthur Boulevard to Bienati Way. (See Section 3 for full boundary description and map.)
Services & Activities	<p>The DBID will annually finance services that will enhance the experience within the District for property owners, businesses, residents, employees, and visitors. Below is a multi-dimensional approach of services that the Board of Directors may select from on an annual basis to provide a safer, cleaner, and more aesthetically appealing community.</p> <p>Clean, Safe, Beautiful and Welcoming Services:</p> <ul style="list-style-type: none">• <u>Safe and Welcoming</u> services that support property owners and businesses in overall crime prevention efforts, above what the City currently provides. Ambassadors will provide concierge services to customers, residents, business owners, and employees while in the district, conduct wellness checks on the unhouesd and coordinate with law enforcement, when appropriate.• <u>Maintenance</u> services, including removing litter, trash and graffiti; sweeping, scrubbing and pressure washing sidewalks and public spaces; and installing and maintaining common area landscaping.

	<ul style="list-style-type: none"> • <u>Beautification</u> initiatives, such as installing and maintaining streetscape furniture, bike racks, tree lighting, information kiosks, public art, banners, holiday décor and placemaking activities. <p>Dimond Business Development and Vitality:</p> <ul style="list-style-type: none"> • <u>Business Development</u> that improves the business climate for existing and targeted new storefront businesses and restaurant users, including activities to assist property owners in recruiting and retaining businesses, assisting business and property owners in navigating City processes, and supporting the marketing of new real estate investment and redevelopment opportunities to the broader public. • <u>Marketing and Promotions</u> activities that proactively promote a positive image of the District to those in Oakland and around the region. <p>District Management and Advocacy:</p> <ul style="list-style-type: none"> • <u>Management</u> activities that administer the DBID programs, including communicating with stakeholders and serving as a resource and representative of the Dimond neighborhood community to advocate for policies and resources that further the growth of the neighborhood. 																														
Method of Financing	Levy of assessments upon real property that receive a special benefit from enhanced services.																														
Budget	<p>The DBID budget for its first year of operations is \$280,000, as follows:</p> <table border="1" data-bbox="480 1167 1398 1608"> <thead> <tr> <th>EXPENDITURES</th> <th>TOTAL BUDGET</th> <th>% of Budget</th> </tr> </thead> <tbody> <tr> <td>Clean, Safe, Beautiful and Welcoming Services</td> <td>\$160,000</td> <td>57.14%</td> </tr> <tr> <td>Dimond Business Development & Vitality</td> <td>\$40,000</td> <td>14.29%</td> </tr> <tr> <td>District Management & Advocacy</td> <td>\$70,000</td> <td>25.00%</td> </tr> <tr> <td>District Fees & Reserves</td> <td>\$10,000</td> <td>3.57%</td> </tr> <tr> <td>Total Expenditures</td> <td>\$280,000</td> <td>100.00%</td> </tr> <tr> <th>REVENUES</th> <th></th> <th></th> </tr> <tr> <td>Assessment Revenues</td> <td>\$274,400</td> <td>98.00%</td> </tr> <tr> <td>Other Revenues</td> <td>\$5,600</td> <td>2.00%</td> </tr> <tr> <td>Total Revenues</td> <td>\$280,000</td> <td>100.00%</td> </tr> </tbody> </table>	EXPENDITURES	TOTAL BUDGET	% of Budget	Clean, Safe, Beautiful and Welcoming Services	\$160,000	57.14%	Dimond Business Development & Vitality	\$40,000	14.29%	District Management & Advocacy	\$70,000	25.00%	District Fees & Reserves	\$10,000	3.57%	Total Expenditures	\$280,000	100.00%	REVENUES			Assessment Revenues	\$274,400	98.00%	Other Revenues	\$5,600	2.00%	Total Revenues	\$280,000	100.00%
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Other Revenues	\$5,600	2.00%																													
Total Revenues	\$280,000	100.00%																													

<p>Assessments</p>	<p>All assessed parcels' annual assessments are based upon an allocation of program costs and a calculation of lot + building square footage plus linear street frontage. Estimated annual maximum assessment rates for the first year of the DBID are as follows:</p> <table border="1" data-bbox="511 388 1372 625"> <thead> <tr> <th>Land Use</th> <th>Per Lot+Bldg SgFt</th> <th>Per Linear Foot</th> </tr> </thead> <tbody> <tr> <td>Commercial</td> <td>\$0.07808</td> <td>\$11.23718</td> </tr> <tr> <td>Residential 4+ units</td> <td>\$0.07808</td> <td>\$11.23718</td> </tr> <tr> <td>Government</td> <td>\$0.06460</td> <td>\$9.29152</td> </tr> <tr> <td>Non-Profit</td> <td>\$0.06460</td> <td>\$9.29152</td> </tr> <tr> <td>Residential 1-3 units</td> <td>\$0.06460</td> <td>\$9.29152</td> </tr> </tbody> </table>	Land Use	Per Lot+Bldg SgFt	Per Linear Foot	Commercial	\$0.07808	\$11.23718	Residential 4+ units	\$0.07808	\$11.23718	Government	\$0.06460	\$9.29152	Non-Profit	\$0.06460	\$9.29152	Residential 1-3 units	\$0.06460	\$9.29152
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<p>Increases</p>	<p>Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the DBID Board of Directors and City Council and will be subject to the requirements of the Ordinance. The Board will develop annual budgets and service programs each year, which will be presented to the City Council for approval.</p>																		
<p>City Services</p>	<p>The City has established the base level of pre-existing City services. The DBID will not replace any pre-existing general City services.</p>																		
<p>Collection</p>	<p>DBID assessments appear as a separate line item on the annual Alameda County property tax bills.</p>																		
<p>District Governance</p>	<p>The DBID will be managed by a nonprofit organization that will act as the DBID Board of Directors. The Board, which is comprised primarily of property owners, shall be elected by property owners within the District and will determine DBID annual services and budgets.</p>																		
<p>District Formation</p>	<p>The Ordinance requires the submission of petitions signed by property owners in the proposed district who will pay more than 30% of the total assessments (i.e., petitions must represent 30% or more of the \$274,400 to be assessed). Petitions are submitted to the City, which then mails ballots to all assessed property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the DBID for the City Council to approve formation.</p>																		
<p>Duration</p>	<p>The DBID will have an initial 10-year term that will run from January 1, 2024, through December 31, 2033. Any subsequent renewal of the DBID will require a new Management District Plan, petition, and ballot process.</p>																		

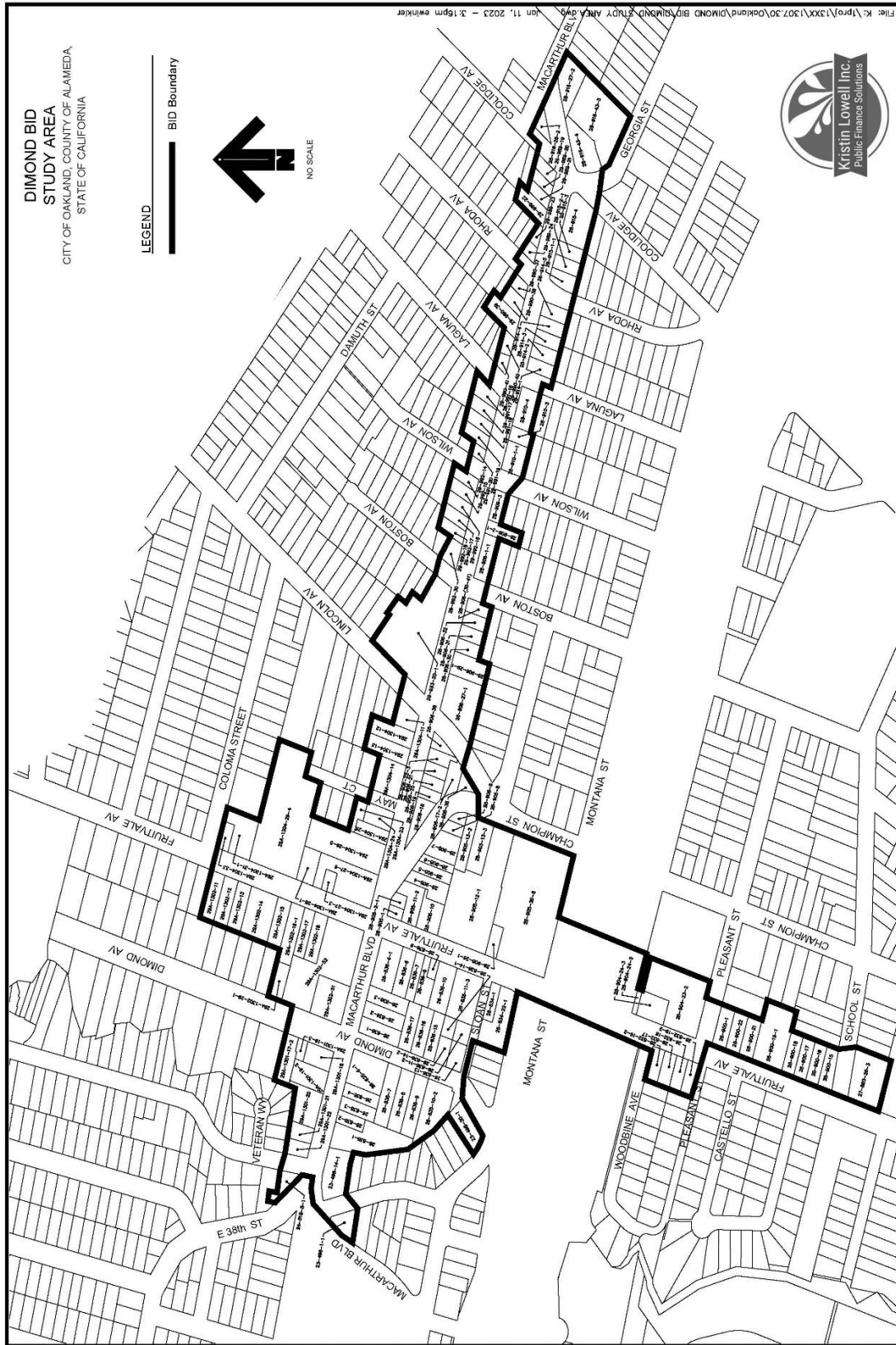
SECTION 2: DBID BOUNDARY

DBID Boundary

The DBID boundary generally includes parcels that front MacArthur Boulevard from E 38th Street to Coolidge Avenue, on Fruitvale Avenue from Coloma Street to School Street, and on Dimond Avenue from MacArthur Boulevard to Bienati Way. The boundaries are as follows:

Beginning at the northwest corner of APN 24-518-8-1 east along the north property lines to APN 29A-1301-20; thence north along the west property line of APN 29A-1301-7-2; thence east across Dimond Avenue; thence north along west property lines to APN 29A-1302-29-1; thence east along north property line to APN 29A-1302-15; thence north along west property lines to APN 29A-1302-11; thence east along north property line across Fruitvale Avenue to east property line of APN 29A-1304-31-1; thence south along east property line to APN 29A-1304-29-4; thence follow the east property to the northeast corner of APN 29A-1304-26-5; thence south along east property line to APN 29A-1304-23; thence east along north property line; thence south along east property line to APN 29A-1304-24; thence east across May Court to the northern property line of APN 29A-1304-14; thence east along north property lines of all parcels fronting MacArthur Boulevard to APN 28-916-72-2; thence south along east property lines to the southeast corner of APN 28-916-413-5; thence west along the south property line of all parcels fronting MacArthur Boulevard to the east property line of APN 28-906-35; thence south along the east property line across Champion Street; thence south along the east property lines of parcels fronting Champion Street to Montana Street; thence west along the south property line of APN 28-905-26-8 to the midway point; thence south under the I580 Freeway to the east property line of APN 28-904-24-2; thence south along east property lines of all parcels fronting Fruitvale Avenue to the southeast corner of APN 27-860-26-3; thence west to the southwest corner of said parcel; thence north along the west property lines of all parcels fronting Fruitvale Avenue to Pleasant Street; thence west across Pleasant Street to the southwest corner of APN 26-832-19-2; thence north along west property lines of parcels fronting Fruitvale Avenue; thence north under the I580 freeway to the southeast corner of APN 26-834-22-1; thence west to the southwest corner of said parcel; thence north along west property line to Bienati Way; thence west along centerline of Bienati Way to the northeast corner of APN 23-498-30-1; thence south, west, and then north of said parcel to the southern parcel line of APN 26-835-10-2; thence northwest along west property lines to the southeast corner of APN 23-498-14-1; thence west along south property line across Adell Court to the southeast corner of APN 23-498-1-1; thence west and north of said property lines to the centerline of MacArthur Boulevard; thence north to the southeast corner of APN 24-518-8-1; thence northwest of the south property line to the point of beginning.

A map of the proposed district boundary is on the following page



SECTION 3: DBID ACTIVITY AND IMPROVEMENT PLAN

Background and Feasibility

The Dimond District is one of Oakland's most dynamic neighborhoods, home to many small businesses and a noted hub for public art and community events. For more than 75 years, the Dimond Improvement Association (DIA) –a community-based, 501(c)(3) non-profit organization – has worked to make the Dimond neighborhood a vibrant, safe, and beautiful place for everyone to live, work, shop, and play.

Through leadership in numerous community efforts, public forums, and programs like Keep Dimond Clean, Dimond Public Art, and Oaktobfest – as well by providing financial support for other local initiatives through its Community Grants Program – the DIA has demonstrated that the Dimond commercial corridor and the greater neighborhood can be significantly improved through focused efforts that align the priorities of residents, property owners, and businesses in pursuit of a common goal.

What has limited the impact of the DIA's programs is access to a consistent, sustainable funding source. While tasked with performing numerous services that the City does not provide, the DIA relies solely on membership dues, donations and event revenues to sustain itself and build momentum for its community investments and initiatives. However, these funds have not proven sufficient to provide the community with all the services it has increasingly come to rely upon.

The DIA is now engaged in the formation of the Dimond Business Improvement District (DBID). The DBID is a public-private partnership—made up of property owners, residents, and businesses—dedicated to improving Dimond's quality of life through economic and community development. The DBID will fund programs similar to those of the DIA, but rather than rely on dues, grants, and event proceeds to sustain those programs, the DBID will be funded by an assessment on properties within the defined district, thus ensuring a long-term, sustainable revenue stream.

Based upon these findings, the following service and activity categories will be funded by the DBID. The following narrative provides recommendations for the first year of the DBID's operation. District activities may be amended in subsequent years within the following general categories. Final activities and budgets will be subject to review and approval by the DBID Board of Directors prior to City Council approval.

Clean, Safe, Beautiful, and Welcoming

To respond to stakeholder priorities and guiding principles to make the Dimond community safer, cleaner, more beautiful and welcoming, the DBID will fund services that support property owners and businesses in overall crime prevention efforts and increase maintenance and beautification activities in the neighborhood. These activities are intended to improve commerce and quality of life by making each individually assessed parcel safer, cleaner, and more attractive, which will encourage investment dollars and generate additional pedestrian traffic. The following is a multi-dimensional approach of services that the Board of Directors may select from on an annual basis to provide a safer, cleaner, and more aesthetically appealing community.

Safety Ambassadors:

The Safety Ambassadors will provide safety services for the individual parcels located within the DBID in the form of walking or bike patrols. The purpose of the Safety Ambassadors is to prevent,

deter and report illegal activities taking place on the streets, sidewalks, storefronts, and parking lots. The presence of the Safety Ambassadors is intended to deter such illegal activities as vandalism, graffiti, narcotic use or sales, public urination, trespassing, drinking in public, illegal panhandling, and illegal dumping. The safety activities will supplement, not replace, other ongoing City police, security, and patrol efforts within the DBID.



In addition, the Safety Ambassadors may engage people who are participating in aggressive panhandling to suggest and coordinate support services and will document each incident and activity to track the frequency of illegal and threatening behaviors to mobilize enforcement efforts of those people resisting services.

The Safety Ambassadors will continually circulate through the district to identify the population that is engaged in illegal or threatening behaviors, engage homeless people to build relationships and encourage assistance from social service providers to coordinate service delivery, triage the needs of homeless people to encourage appropriate services from provider agencies, and will document all interactions so that these individuals can be prioritized based on need.

Maintenance Services:

The Clean Team will consistently deal with maintenance issues within the DBID by providing services that may consist of:

Sidewalk Maintenance: Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks, gutters, and public spaces in the DBID, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

Trash Collection: Collector truck personnel to top off trashcans and collect large bulky items illegally dumped in the DBID, as needed.

Graffiti Removal: The Clean Team may remove graffiti using solvent, pressure washing and/or color matching. The DBID's goal is to have a zero-tolerance graffiti policy with removing tags within 48 hours.

Sidewalk Pressure Washing: Pressure wash sidewalks and public spaces on an as-needed basis. (During drought years pressure washing may not be permitted.)

Landscape Maintenance: Public landscape areas including tree wells and planters may be maintained and kept free of litter and weeds. In addition, trees may be planted throughout the DBID to enhance the urban canopy.



Beautification & Placemaking:

In addition to clean and safe services, the DBID budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the District, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Street furniture and amenities, such as benches, kiosks and lighting
- Design and installation of flowering planters and baskets
- Design and installation of art and decorative elements
- Holiday décor or tree lighting
- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the DBID's appearance

Special Projects/Project Collaboration:

Special projects may be initiated to tackle issues that are overlooked or items that can leave a lasting impression on stakeholders in the District. Special project opportunities may include security cameras, special lighting, painting of street fixtures such as utility boxes, benches, light poles, etc. The DBID may also use funds to collaborate with the City or any other organization on projects that benefit the District.



Dimond Business Development and Vitality

The DBID will provide market information and will establish a variety of key economic metrics to be researched, packaged and maintained over time. DBID staff will work with property owners, real estate professionals, and City staff to coordinate and leverage business retention and attraction efforts. Some Business Development and Vitality activities may include:

- Compile and maintain up-to-date market information, including a variety of indicators that will be of interest to potential investors and community influencers
- Recruit and retain new businesses with an emphasis on local independent concepts and new services that benefit the properties in the DBID
- One-stop point of contact for all potential new businesses
- Assist with new business planning activities

Marketing and Promotions:

It is important to not only provide the services needed in the DBID, but to tell the story of improvement in the DBID. Some of the marketing programs being considered are:

- The development of neighborhood brand and marketing materials
- Social media advertising and marketing
- Website development
- Meetings and workshops to promote community engagement
- Special events (potentially in collaboration with the DIA) that activate the retail district
- Newsletter development and distribution
- Maintenance and mapping of restaurant and retail listings and locations

Management/Advocacy/Reserve/City Fees

All ratepayers within the proposed DBID would share in supporting a variety of activities aimed to influence policies, civic investments, business attraction, public space activation and other improvements and activities that benefit the entire district. A new self-sustaining private/public management organization will be the entity that implements the district-wide improvements. The new organization may undertake activities that could include:

- Advocate on behalf of property and business owners to advance policy responses that are advantageous to the DBID.
- Advance public improvements that can improve the Dimond for a variety of investment sectors, including efforts to improve transportation modes.

Like any business, the DBID will require a professional staff to properly manage programs, communicate with stakeholders and provide overall district leadership. The DBID supports a professional staff that delivers programs and advocates on behalf of the parcels within the District.

Additional administrative costs will include:

- Accounting and annual financial audit
- Insurance
- Program support costs including supplies, equipment and rent
- Other administration costs associated with the overhead and administrative support of the program
- City and County assessment collection fees

A reserve is also budgeted to provide a contingency for unforeseen program needs and to provide

a cushion for assessment delinquencies. Reserve funds can also be utilized to pay for costs associated with DBID renewal.

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SECTION 4: DBID ASSESSMENT BUDGET

2024 DBID Assessment Budget

The following table outlines the DBID maximum assessment budget for 2024.

EXPENDITURES	TOTAL BUDGET	% of Budget
Clean, Safe, Beautiful, Welcoming Services	\$160,000	57.14%
Dimond Business Development & Vitality	\$40,000	14.29%
District Management & Advocacy	\$70,000	25.00%
District Fees & Reserves	\$10,000	3.57%
Total Expenditures	\$280,000	100.00%
REVENUES		
Assessment Revenues	\$274,400	98.00%
Other Revenues (1)	\$5,600	2.00%
Total Revenues	\$280,000	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Adjustments

The services proposed for year one of the initial term are the same services that are proposed for subsequent years. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the DBID Board of Directors and the City Council and will be subject to the requirements of the Ordinance.

10-Year Maximum Budget

The following table illustrates the DBID's maximum annual budget for the 10-year term based on the Year 1 of inventory of development and adjusting it by the maximum 5% increase. In subsequent years, the addition of new development will add assessable square footage that will likely increase the DBID budget to account for additional services needed.

	Clean, Safe, Beautiful	Business Development	Management	Fees, Reserves	Total
Year 1	\$160,000	\$40,000	\$70,000	\$10,000	\$280,000
Year 2	\$168,000	\$42,000	\$73,500	\$10,500	\$294,000
Year 3	\$176,400	\$44,100	\$77,175	\$11,025	\$308,700
Year 4	\$185,220	\$46,305	\$81,034	\$11,576	\$324,135
Year 5	\$194,481	\$48,620	\$85,085	\$12,155	\$340,342
Year 6	\$204,205	\$51,051	\$89,340	\$12,763	\$357,359
Year 7	\$214,415	\$53,604	\$93,807	\$13,401	\$375,227
Year 8	\$225,136	\$56,284	\$98,497	\$14,071	\$393,988
Year 9	\$236,393	\$59,098	\$103,422	\$14,775	\$413,688
Year 10	\$248,213	\$62,053	\$108,593	\$15,513	\$434,372

Any accrued interest or delinquent payments will be expended in the above categories.

The cost of DBID improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 10% between them to continue the same level of service. The Board of Directors shall make such determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the DBID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Board of Directors and submitted in the annual report, pursuant to the Oakland BIMD Ordinance.

DBID Renewal

DBID funds, which may consist of rollover funds may be used for the cost of renewing the district.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION 5: ASSESSMENT METHODOLOGY

General

This Management District Plan provides for the levy of assessments for the purpose of providing services and activities that specially benefit real property in the DBID. These assessments are not taxes for the general benefit of the City but are assessments for the services and activities which confer special benefits upon the real property for which the services and activities are provided.

Land Use Considerations

Each assessed parcel within the DBID specially benefits from the DBID activities but not to the same degree. The proportional special benefit and assessment methodology provides the following land use considerations for Commercial, Residential 4+ units, Government, Non-Profit, and Residential 1-3 units.

- **Commercial:** These parcels benefit from all the DBID activities that are designed to increase pedestrian traffic, increase sales, enhance the business climate, retain existing businesses as well as attract new businesses, and increase business investment. Commercial parcels specially benefit from all the DBID activities, and thus will be assessed in direct relationship to the special benefits received.
- **Residential 4+ units:** Residential parcels with 4 or more units, like commercial parcels, specially benefit from all the DBID activities. These parcels are typically income producing and will benefit from a cleaner, safer, and welcoming environment as well as a more vibrant destination that in turn attracts renters.
- **Government:** All publicly owned parcels specially benefit from the Clean, Safe, Beautiful, and Welcoming services as it makes each assessed parcel cleaner and safer. Specifically, these parcels specially benefit from DBID activities, such as, removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, or cleaning up any debris or trash and power washing their sidewalks. However, government parcels, unlike commercial and residential parcels with 4+ units will not benefit from the Business Development and Vitality services as they are not intended for commercial use or income generation and therefore, will not be assessed for those services.
- **Non-Profit and Residential 1-3 units:** Residential with 1-3 units and non-profit parcels receive the same level of service and special benefit from Clean, Safe, Beautiful, and Welcoming service as all other parcels in the DBID by making each of these parcels cleaner and safer and more welcoming. Specifically, these parcels specially benefit from DBID activities, such as removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris, and power washing their sidewalks. Thus, each of these parcels is assessed for the special benefits received from these services. However, these parcels will not receive special benefit from Business Development and Vitality services (i.e., business development) because those uses are not engaged in commercial or customer attraction activities and will not specially benefit from the increased economic activities. Therefore, they will not be assessed for the Business Development and Vitality services.

Mixed use parcels that have more than one land use as identified above will be assessed for each portion of that land uses square footage multiplied by the appropriate assessment rate for that land use. *Note: The County Assessor's records are used to determine each parcel's land use type and building square footage. If a parcel is incorrectly categorized, the property owner may petition for an assessment adjustment pursuant to the Assessment Appeal Procedure in this section.*

Change in Property Use: If at any time a parcel within the district boundary changes its use, based on a change in zoning designation, entitlement process or otherwise, it will be subject to the assessment methodology for the new use of that property. For example, if a residential parcel with 1-3 units changes to a commercial use, then that parcel in subsequent years shall be assessed at the commercial rate. As a result, the DBID may experience the addition or subtraction of assessable lot or building square footage for parcels included and assessed within the DBID boundaries. The modification of use for an assessed parcel within the DBID may then change upwards or downwards the amount of total lot and building square footage assessment for that parcel. In future years, determination of the special benefits bestowed upon individual assessed parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer's Report.

Assessment Factors

Each parcel's proportional special benefit from the DBID activities is determined by analyzing three parcel characteristics: Building Square Footage plus Lot Square Footage, and Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Building square footage is relevant to the current use of a property and is also closely correlated to the potential pedestrian traffic from each parcel and the demand for DBID activities. The lot square footage reflects the long-term value implications of the improvement district. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for DBID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which then is the basis to proportionately allocate the cost of the special benefits. The assessable budget is allocated 50% to lot + building square footage, and 50% to linear street frontage.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the DBID activities. Corner lots or whole block parcels will be assessed for each side of the parcels' street frontage that will receive the DBID services.

Each one of these characteristics represents the benefit units allocated to each specially benefitted parcel. The total number of assessable benefit units per land use type in the DBID are as follows:

Land Use	Lot + Bldg Benefit Units	Linear Feet Benefit Units
Commercial	1,208,503	8,976
Residential 4+ units	244,657	1,098
Government	112,931	918
Non-Profit	51,818	356
Residential 1-3 units	202,642	1,309
TOTAL	1,820,551	12,657

Assessment Methodology

The proportionate special benefit each assessed parcel receives shall be determined in relationship to the entirety of the cost of the DBID services and activities, as noted above. Parcels will be assessed at a rate which is proportionate to the amount of special benefits received from DBID services. Only special benefits are assessable, and these benefits must be separated from any general benefits. As required by the California Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the DBID services and activities that are not: special in nature, "particular and distinct," or over and above the benefits that other parcels receive. The attached Engineer's Report has calculated that 2.0% of the DBID activities is general in nature and will be funded from sources other than special assessments (see Section E of the Engineer's Report for discussion of special and general benefits).

Calculation of Assessments

The DBID services and activities will be provided uniformly throughout the district. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's lot + building square frontage and linear street frontage as discussed above. Each parcel is assigned a proportionate Benefit Unit for each lot + building square foot and linear street frontage. The budget is then allocated 50% to lot + building square footage, and 50% to linear street frontage, and then divided by the number of Benefit Units for each assessment factor to determine the assessment rate per foot.

Specifically, the assessment rates are calculated as follows:

Total Budget – (Business Development & Vitality + Other Revenues) = \$235,200

Assessed to all parcels in the District.

$$\begin{aligned} & 50\% \text{ of Budget / sum of building + lot SF} \\ & (\$235,200 / 1,820,551) = \$0.06046 \text{ per building + lot square foot} \end{aligned}$$

$$\begin{aligned} & 50\% \text{ of Budget / linear frontage} \\ & (\$235,200 / 12,657) = \$9.29152 \text{ per linear foot} \end{aligned}$$

Business Development & Vitality – Other Revenues = \$39,200

Assessed to only Commercial and Residential 4+ units parcels.

50% of Budget / sum of building + lot SF
 $(\$235,200 / 1,453,160) = \0.01349 per building + lot square foot

50% of Budget / linear frontage
 $(\$235,200 / 10,074) = \1.94566 per linear foot

The total Commercial and Residential 4+ units' assessment:
 Per building + lot square foot = \$0.07808 (\$0.06046 + \$0.01349)
 Per linear foot = \$11.23718 (\$9.29152 + \$1.94566)

The first year's maximum assessment rates are as follows:

Land Use	Per Lot + Bldg	Per Linear
Commercial	\$0.07808	\$11.23718
Residential 4+ units	\$0.07808	\$11.23718
Government	\$0.06460	\$9.29152
Non-Profit	\$0.06460	\$9.29152
Residential 1-3 units	\$0.06460	\$9.29152

The following table illustrates the DBID's maximum annual assessment rates per foot for the 10-year life term, adjusting it by the maximum 5% annual increase.

	Commercial Residential 4+ Units		Government Non-Profit Residential 1-3 Units	
	Lot + Bldg SF	Linear Feet	Lot + Bldg SF	Linear Feet
Year 1	\$0.07808	\$11.23718	\$0.06460	\$9.29152
Year 2	\$0.08199	\$11.79904	\$0.06783	\$9.75610
Year 3	\$0.08609	\$12.38899	\$0.07122	\$10.24390
Year 4	\$0.09039	\$13.00844	\$0.07478	\$10.75610
Year 5	\$0.09491	\$13.65886	\$0.07852	\$11.29390
Year 6	\$0.09966	\$14.34181	\$0.08244	\$11.85860
Year 7	\$0.10464	\$15.05890	\$0.08656	\$12.45153
Year 8	\$0.10987	\$15.81184	\$0.09089	\$13.07410
Year 9	\$0.11537	\$16.60244	\$0.09544	\$13.72781
Year 10	\$0.12113	\$17.43256	\$0.10021	\$14.41420

Sample Parcel Assessments

The first year's assessment for a Commercial parcel with 5,000 lot square feet + 5,000 building square feet, and 50 linear feet is calculated as follows:

Lot+Building square footage x the assessment rate (10,000 x \$0.07808) =	\$ 780.80
Linear feet x the assessment rate (50 x \$11.23718) =	<u>\$ 561.86</u>
Initial annual parcel assessment	\$1,342.66

The first year's assessment for a Residential 1-3 units parcel with 5,000 lot square feet + 2,500 building square feet, and 50 linear feet is calculated as follows:

Lot+Building square footage x the assessment rate (7,500 x \$0.06460) =	\$ 484.50
Linear feet x the assessment rate (50 x \$9.29152) =	<u>\$ 464.58</u>
Initial annual parcel assessment	\$ 949.08

Annual Assessment Adjustments

Budget Process

Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the DBID Board of Directors and City Council and will be subject to the requirements of the Ordinance.

A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked by program. Prior year surpluses may be used as deemed necessary by the Board of Directors based on the allocations described in the Management District Plan and subsequent annual reports (Oakland Municipal Code 4.48.200) to the City of Oakland and approved by the Oakland City Council. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners, if one is not established, in accordance with the Streets and Highways (S&H) Code section 36671. However, pursuant to S&H Code section 36660, any excess funds can only be used to benefit the properties which paid them.

DBID Guidelines

Time and Manner for Collecting Assessments

As provided by state law, the DBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Alameda. The Oakland City Clerk's Office may directly bill any property owners whose special assessment does not appear on the tax rolls for each year of the DBID term. The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Alameda. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City of Oakland for the first fiscal year of operation or for changes to assessments that occur during an assessment year and are prorated for a part of the year, and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise

known to be the owner/taxpayer by the County. The City of Oakland is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

Disestablishment

State law and the Oakland Municipal Code provide for the disestablishment of the DBID pursuant to an annual review process. Each year that the DBID 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 day that the District was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay more than 30 percent (30%) of the assessments levied, the DBID may be disestablished. The City Council will hold a public hearing on disestablishing the DBID prior to doing so.

Duration and Renewal

The DBID will have a ten-year term commencing January 1, 2024, through December 31, 2033. Any major modifications or new or increased assessments during the term of the DBID that are not consistent with the provisions of this Management District Plan will require a new mail ballot process. At the end of the term, the DBID may use district funds and/or rollover funds to fund the DBID renewal.

Future Development

As a result of continued development, the DBID may experience the addition or subtraction of assessable footage for parcels included and assessed within the DBID boundaries. The modification of parcel improvements assessed within the DBID may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750(h)(3), and such change will be prorated to the date the parcel receives the temporary certificate of occupancy.

In future years, the assessments for the special benefits bestowed upon the included DBID parcels may change in accordance with the assessment methodology formula identified in the Management District Plan and Engineer's Report provided the assessment rate does not change. The assessment formula can only be changed in accordance with the provisions of the Ordinance and any other applicable laws.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Board of Directors prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case, appeals will only be considered for the current year and shall not be retroactive.

SECTION 6: DBID GOVERNANCE

City Council

Following the submission of petitions from property owners representing more than 30% of the assessments to be paid, the City Council, upon holding a public hearing on the proposed DBID, may renew the DBID. The DBID is renewed by a City Council resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

DBID Governance

Prior to adopting a resolution establishing the DBID, the Oakland City Council shall appoint a BID Board of Directors (“Board of Directors”), as outlined in Section 4.48.190 of the Oakland BMD Ordinance. The Board of Directors shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of properties applicable, and on the method and basis of levying the assessments. The Board of Directors shall be comprised of property owners (or their designee), and at least three (3), community member(s) who are not also a property owner within the District. *At no point shall more than 30% of the Board be comprised by non-property owners or their designees.*

The Board of Directors determines budgets, assessment adjustments and monitors service delivery. The Board of Directors shall also prepare an annual report for each fiscal year, except the first year, for which assessments are to be levied (Oakland Municipal Code 4.48.200). Each annual report must be filed with the City Clerk. The City Council may approve the annual report as filed, or may modify any particulars contained in the report, and then approve it as modified (Oakland Municipal Code 4.48.200 (C)).

Pursuant to the Ordinance, the Board of Directors is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act when conducting DBID business.

SECTION 7: IMPLEMENTATION TIMELINE

For the DBID to meet the start-up date of January 1, 2024, the formation process needs to adhere to the following schedule:

Renewal Schedule	Dates
Draft Management District Plan and Engineer's Report - City Review	February 2023
Petitions distributed to property owners	Early March 2023
Education campaign to obtain signed petitions: 30% weighted vote targeting	March – April 2023
City Council accepts petitions; adopts resolution of intention to consider establishment; sets a public hearing; accepts the Engineer's Report; authorizes the mailing of ballots	May 16, 2023
City Council holds public hearing and tabulates assessment ballots, adopts resolution approving the district formation and levying of the assessments	July 18, 2023

ATTACHMENT A: ASSESSMENT ROLL

APN	Owner Name	Site Address	Land Use	Lot + Bldg	Linear Frontage	Parcel Assmt
23-498-1-1	1853-1855 Macarthur Blvd Llc	1853 Macarthur Blvd	Comm	9,902	120	\$2,121.65
29A-1302-51	2114 Macarthur Llc	2114 Macarthur Blvd	Comm	13,108	229	\$3,596.84
28-906-20	2257 Mac Arthur Boulevard Llc	2257 Macarthur Blvd	Res 1-3 units	4,760	38	\$655.91
29-990-38	2630 Mac Llc	2630 Macarthur Blvd	Res 4+ units	6,930	52	\$1,125.45
28-900-15	2706 School Street Llc	3100 Fruitvale Ave	Comm	11,507	53	\$1,494.08
29A-1301-20	Alawdi Abdo A & Alawdi Ali M T	2020 Macarthur Blvd	Comm	14,107	104	\$2,270.19
28-914-1	Alicia Mcdaniel	2601 Macarthur Blvd	Res 1-3 units	4,944	39	\$681.73
29-990-39	Angela & Yeira Howell	2620 Macarthur Blvd	Res 1-3 units	8,964	63	\$1,164.40
26-835-10-2	Aventis Dimond Llc	3405 Dimond Ave	Res 4+ units	16,406	165	\$3,135.18
29A-1302-52	Bank Of America N T & S A	2154 Macarthur Blvd	Comm	45,051	411	\$8,136.23
26-834-1	Bansal Inc	3333 Fruitvale Ave	Comm	3,857	144	\$1,919.32
26-834-22-1	Bansal Inc	2120 Montana St	Comm	14,214	66	\$1,851.54
26-836-6	Barnett Bonnie & Wallerstein E	3443 Fruitvale Ave	Comm	7,000	50	\$1,108.44
29A-1301-22	Bell Phillip R Tr	2000 Macarthur Blvd	Comm	5,757	43	\$927.11
28-905-13-2	Bombera Llc	3455 Champion St	Comm	6,530	40	\$959.37
28-905-9	Bombera Llc	3461 Champion St	Comm	1,712	81	\$1,043.89
26-836-9	Bouabane Go & Khamphoui Tasoulinh	3425 Fruitvale Ave	Comm	3,465	30	\$607.68
28-914-2	Can Duong	2609 Macarthur Blvd	Res 1-3 units	5,663	43	\$765.34
28-910-4	Chen Jerry & Betty Trs	2575 Macarthur Blvd	Comm	13,164	117	\$2,342.64
29A-1304-26-5	Chin Vincent Y & Grace L Trs	2216 Macarthur Blvd	Comm	31,570	90	\$3,470.83
29A-1304-23	Chin Vincent Y & Grace L Trs	May Ct	Comm	3,271	42	\$727.37
29A-1304-25	Chin Vincent Y & Grace L Trs	Macarthur Blvd	Comm	4,800	40	\$824.29
29A-1304-27-3	Chin Vincent Y & Grace L Trs	3530 Fruitvale Ave	Comm	4,850	41	\$839.43
29A-1304-27-6	Chin Vincent Y & Grace L Trs	3510 Fruitvale Ave	Comm	30,477	274	\$5,460.99
29A-1304-28-1	Chin Vincent Y & Grace L Trs	3544 Fruitvale Ave	Comm	9,538	62	\$1,441.47
29-991-20	Chuong Robert & Christina L Tr	3504 Wilson Ave	Res 1-3 units	4,240	38	\$626.96
29-991-19	Church Of Living God The Pilla	2578 Macarthur Blvd	Non-Profit	7,472	40	\$854.32
26-836-3	Cindy Le & Linda Thai	2117 Macarthur Blvd	Comm	8,809	46	\$1,204.75
26-836-11-2	City Of Oakland	Sloan St	Govt	3,300	60	\$770.66
26-836-13	City Of Oakland	3400 Dimond Ave	Govt	4,400	135	\$1,538.58

APN	Owner Name	Site Address	Land Use	Lot + Bldg	Linear Frontage	Parcel Assmt
26-836-14-1	City Of Oakland	3408 Dimond Ave	Govt	2,700	0	\$174.41
26-836-14-2	City Of Oakland	3408 Dimond Ave	Govt	3,600	45	\$650.66
26-836-15	City Of Oakland	3416 Dimond Ave	Govt	57,400	41	\$4,088.75
28-906-35	City Of Oakland	Lincoln Ave	Govt	2,317	162	\$1,654.90
28-906-36	City Of Oakland	Lincoln Ave	Govt	2,535	135	\$1,418.11
29A-1302-13	City Of Oakland	3571 Fruitvale Ave	Govt	7,049	40	\$827.00
29A-1302-14	City Of Oakland	3565 Fruitvale Ave	Govt	14,100	100	\$1,839.95
26-835-1	Craycroft Corner Llc	2011 Macarthur Blvd	Comm	23,134	80	\$2,705.36
28-914-5	Daisy & Nancy Wu	2629 Macarthur Blvd	Res 1-3 units	5,456	40	\$724.10
29A-1302-18	Dimond Alley Llc	3525 Fruitvale Ave	Comm	14,400	48	\$1,663.79
28-900-1	Donald Busk	3166 Fruitvale Ave	Comm	10,576	50	\$1,387.67
28-900-18	Donald Busk	3124 Fruitvale Ave	Comm	8,845	45	\$1,196.32
28-900-22	Donald Busk	3154 Fruitvale Ave	Comm	6,250	50	\$1,049.88
28-900-21	Donald Busk	3148 Fruitvale Ave	Res 1-3 units	8,785	50	\$1,032.05
28-906-18	Douglas Freitas	2251 Macarthur Blvd	Comm	8,465	335	\$4,425.43
29A-1302-17	Enrique & Nancy Ham	3537 Fruitvale Ave	Comm	14,738	42	\$1,622.76
26-835-2	Esha Hamid	2025 Macarthur Blvd	Comm	5,536	32	\$791.86
28-906-38	Evan Fortin & Allyson Dearman	2453 Macarthur Blvd #1	Res 1-3 units	4,583	10	\$388.96
28-906-17-2	Ever Wisdom Llc	3464 Champion St	Res 4+ units	11,060	90	\$1,874.95
29-991-16	Farzaneh Hamid & Niloufar Trs	3511 Laguna Ave	Res 1-3 units	6,168	39	\$756.15
29-990-37	Federico Ramos	3503 Rhoda Ave	Res 4+ units	4,552	43	\$838.64
28-915-4	Fruitvale Presby Church	2735 Macarthur Blvd	Non-Profit	13,595	143	\$2,206.87
28-905-10	Fruitvale Properties Inc	3438 Fruitvale Ave	Comm	14,400	80	\$2,023.38
28-900-19-1	Fv I Llc	3136 Fruitvale Ave	Comm	34,237	110	\$3,909.44
28-916-26-2	George Dy	2818 Macarthur Blvd	Comm	3,846	194	\$2,480.32
29-991-17	Gerontides Maria Tr	2596 Macarthur Blvd	Res 1-3 units	4,920	40	\$689.47
26-832-17	Gibbons Family Trust	3215 Fruitvale Ave	Res 1-3 units	5,785	45	\$791.81
28-905-12-1	Goodhue Neil B & Diane C Trs &	3426 Fruitvale Ave	Comm	66,354	256	\$8,057.88
28-905-8	Grsk Developments Llc	3463 Champion St	Comm	2,444	38	\$617.85
29A-1301-19-2	Gsd Withholdings Llc	2024 Macarthur Blvd	Comm	12,834	65	\$1,732.54
28-906-32	Guide Gerlitz & Gillian Bailey	2447 Macarthur Blvd	Res 1-3 units	4,186	40	\$642.06
28-910-1-1	Harold Koojoolian	2551 Macarthur Blvd	Comm	8,288	87	\$1,624.79
28-909-2-1	Ho & Miu Wong	2525 Macarthur Blvd	Res 1-3 units	6,248	46	\$831.00

APN	Owner Name	Site Address	Land Use	Lot + Bldg	Linear Frontage	Parcel Assmt
29A-1304-24	Hoey Janis G Tr & Richards Che	2240 Macarthur Blvd	Res 4+ units	19,900	157	\$3,318.10
23-498-14-1	Housing Authority Of The City	2003 Macarthur Blvd	Govt	12,195	162	\$2,292.97
28-906-30	Jackman William E & Rosa I Trs	2433 Macarthur Blvd	Comm	4,290	40	\$784.47
27-860-26-3	Jamee Inc	3066 Fruitvale Ave	Comm	19,750	151	\$3,238.97
28-905-13-3	Jean Smith & Randy Riggins	3451 Champion St	Res 4+ units	12,526	60	\$1,652.31
29-989-24	Jian Shen	2700 Macarthur Blvd	Comm	4,200	45	\$833.62
29-991-18	John Konstantin	2584 Macarthur Blvd	Comm	3,933	40	\$756.59
26-832-18	John Thompson	3207 Fruitvale Ave	Res 1-3 units	5,376	42	\$737.51
28-906-40	Johnny Tan	3475 Boston Ave #3	Res 1-3 units	4,592	10	\$389.54
26-835-9	Joyce Olson Trust	3415 Dimond Ave	Res 4+ units	13,772	50	\$1,637.23
29-992-16	Julian Geaga & Maria Nocedal	2536 Macarthur Blvd	Res 1-3 units	4,724	38	\$658.23
26-836-8	Kayl Sherry M Tr	3431 Fruitvale Ave	Comm	5,485	21	\$664.27
26-836-16	Kayl Sherry M Tr	3424 Dimond Ave	Res 4+ units	9,693	47	\$1,285.01
28-904-24-2	Kerwood Apartments Llc	2401 Harold St	Comm	3,054	19	\$451.97
28-904-24-3	Kerwood Apartments Llc	3220 Fruitvale Ave	Comm	19,550	100	\$2,650.25
28-915-3	Khatibi Mo Tr	2715 Macarthur Blvd	Res 1-3 units	5,056	40	\$698.26
26-835-6-1	Ki & Sarah Chung	2055 Macarthur Blvd	Comm	13,664	228	\$3,629.01
28-905-2-1	Kim In N & Hyun T Trs	2205 Macarthur Blvd	Comm	5,524	39	\$869.58
26-836-10	Kinder Co	3417 Fruitvale Ave	Comm	13,200	66	\$1,772.36
26-836-11-3	Kinder Co	3401 Fruitvale Ave	Comm	21,500	240	\$4,375.72
29A-1304-29-4	Kinder Co	3550 Fruitvale Ave	Comm	82,098	171	\$8,332.07
29A-1304-31-1	Kinder Co	3550 Fruitvale Ave	Comm	11,200	80	\$1,773.51
29A-1304-33	Kinder Co	3550 Fruitvale Ave	Comm	3,200	40	\$699.36
29-992-17	Konstantin Karl & Vasiliki Trs	2526 Macarthur Blvd	Comm	3,733	38	\$718.50
29A-1304-12	L Z East Bay Commercial Enterp	2276 Macarthur Blvd	Res 4+ units	13,940	50	\$1,650.35
29A-1301-17-2	Las Lomas Llc	3519 Dimond Ave	Comm	7,210	50	\$1,124.84
29A-1301-18	Las Lomas Llc	2042 Macarthur Blvd	Comm	11,400	155	\$2,631.92
28-905-4	Leavenworth Evilo Tr	2225 Macarthur Blvd	Comm	7,176	39	\$998.58
26-835-8	Lee Trenton H & Ling Ming C Tr	3429 Dimond Ave	Res 1-3 units	11,105	50	\$1,181.91
29-993-20-1	Lincoln Court Associates	2400 Macarthur Blvd	Res 4+ units	109,000	317	\$12,073.31
28-905-26-8	Longs Drug Stores Inc	3320 Fruitvale Ave	Comm	110,732	767	\$17,265.28
24-518-8-1	Lum Dale N & Po Y Trs	1940 E 38th St	Comm	4,987	124	\$1,782.81
29A-1301-19-3	Madison Huey P Jr & Taras W Tr	3511 Dimond Ave	Comm	3,326	35	\$653.01

APN	Owner Name	Site Address	Land Use	Lot + Bldg	Linear Frontage	Parcel Assmt
29A-1301-21	Magwili Emilia L Tr	2010 Macarthur Blvd	Comm	6,968	45	\$1,044.14
29-992-18	Marr Michael W & Catrina L Trs	2518 Macarthur Blvd	Res 1-3 units	4,622	38	\$651.64
23-498-30-1	Martin & Rebecca Deltoro	2002 Montana St	Comm	7,820	47	\$1,138.76
28-915-1-1	Mayorga Danilo Tr	2701 Macarthur Blvd	Comm	4,658	40	\$813.20
29-992-30	Mejvm Llc	2500 Macarthur Blvd	Comm	5,150	78	\$1,278.63
29A-1302-12	Mejvm Llc	3577 Fruitvale Ave	Comm	8,382	40	\$1,103.98
26-832-19-2	Mendoza Carlos M & Teresa Trs	2580 Pleasant St	Res 1-3 units	5,996	42	\$777.56
26-836-1	Mendoza Carlos M & Teresa Trs	2101 Macarthur Blvd	Comm	13,036	193	\$3,186.67
26-836-2	Mendoza Magdalena & Gerardo Tr	2109 Macarthur Blvd	Comm	11,684	46	\$1,429.24
28-905-7	Mirmalek Mohamad R & Rafsanjan	3475 Champion St	Comm	15,926	90	\$2,254.91
28-906-39	Miyoko Miyata	3473 Boston Ave #2	Res 1-3 units	4,132	10	\$359.83
28-906-41	Miyoko Miyata & Alesandro Ratti	3477 Boston Ave #4	Res 1-3 units	4,592	10	\$389.54
29A-1304-14	Mohamed Ahmed	2258 Macarthur Blvd	Comm	14,378	100	\$2,246.41
29-989-19	Mulberri House Llc	2734 Macarthur Blvd	Res 1-3 units	4,483	37	\$633.37
26-836-7	Nguyen Loan Phuc	3435 Fruitvale Ave	Comm	6,816	32	\$891.81
26-836-17	Nguyen Loan Phuc	3432 Dimond Ave	Res 1-3 units	8,628	47	\$994.03
26-835-7	Nima Gabbay	3435 Dimond Ave	Res 1-3 units	10,178	50	\$1,122.03
28-900-16	Nobe Re Llc	3116 Fruitvale Ave	Comm	9,193	45	\$1,223.50
28-900-17	Nobe Re Llc	3120 Fruitvale Ave	Comm	8,144	45	\$1,141.59
28-906-19	Noe & Martha Juarez	2255 Macarthur Blvd	Res 1-3 units	4,601	33	\$603.83
28-906-22-3	P G & E Co 135-1-24a-1	Macarthur Blvd	Govt	3,335	38	\$568.50
26-832-16-2	Patino Jose & Aurora Y Trs	3221 Fruitvale Ave	Comm	6,224	45	\$991.67
29-990-40	Peter & Ana Holtz	2612 Macarthur Blvd	Comm	5,584	52	\$1,020.35
29-990-41	Peter & Ana Holtz	2600 Macarthur Blvd	Comm	4,521	56	\$982.30
29A-1302-11	Ping Leung & Gung Wong	3589 Fruitvale Ave	Res 1-3 units	8,950	40	\$949.79
29-989-20	Rebecca Courry & Daniel Zamani	2728 Macarthur Blvd	Res 1-3 units	4,250	35	\$599.74
29A-1304-13	Regan John A & Regan Pauline T	2264 Macarthur Blvd	Res 1-3 units	9,207	50	\$1,059.31
28-906-29-1	Regent 140 Llc	2425 Macarthur Blvd	Res 4+ units	26,878	67	\$2,851.62
28-904-23-2	Roman Catholic Bishop Of Oakla	2620 Pleasant St	Non Profit	30,751	173	\$3,593.82
29-989-23	Ruth Carano	2712 Macarthur Blvd	Comm	1,831	62	\$839.68
28-906-21	Sacramento Ceferino M & Letici	2261 Macarthur Blvd	Comm	4,590	38	\$779.80
28-905-6	Sakkis Theodore J & Maria Trs	3483 Champion St	Comm	4,356	27	\$643.54
29-992-14	Schleicher Robert E Jr & Joyce	2548 Macarthur Blvd	Comm	3,733	38	\$718.50

APN	Owner Name	Site Address	Land Use	Lot + Bldg	Linear Frontage	Parcel Assmt
28-906-27-1	Sej Asset Management & Investm	2411 Macarthur Blvd	Comm	20,178	249	\$4,373.63
28-905-26-1	Shin Sung J & Teressa Trs	3400 Fruitvale Ave	Comm	7,616	40	\$1,044.17
28-909-3	Shun Mei & Amy Xu	3483 Wilson Ave	Comm	6,329	130	\$1,955.03
29A-1304-11	Siri & Karl Jacobs	3505 Lincoln Ave	Res 1-3 units	7,739	49	\$955.19
29A-1302-15	Slvc Incorporated	3553 Fruitvale Ave	Comm	7,000	40	\$996.07
29A-1302-16-1	Slvc Incorporated	3545 Fruitvale Ave	Comm	14,769	40	\$1,602.71
29A-1302-29-1	Slvc Incorporated	3530 Dimond Ave	Comm	5,250	40	\$859.43
26-835-4	Sophie Chen & Doug Lin	2039 Macarthur Blvd	Comm	11,975	40	\$1,384.54
26-836-4-1	Stanton A Silver Revocable Trust	3465 Fruitvale Ave	Comm	17,466	220	\$3,835.99
28-914-4	Tai & Bik Tam	2621 Macarthur Blvd	Res 1-3 units	5,133	40	\$703.23
28-910-3	Tam Alice Tr & Yin Xiu Q	2565 Macarthur Blvd	Comm	3,913	43	\$788.74
29-992-15	Tam Cheung S & Lan M Trs	2542 Macarthur Blvd	Res 1-3 units	4,991	38	\$675.48
28-915-2-1	The Maria A Alonso Living Trus	2707 Macarthur Blvd	Res 1-3 units	4,981	40	\$693.41
28-906-31	Tselentis Sofia M & Jordan Eva	2441 Macarthur Blvd	Res 1-3 units	4,604	40	\$669.06
28-905-11-2	Wells Fargo Bank	2215 Champion St	Comm	12,727	98	\$2,095.01
28-905-1	Wells Fargo Bank	3450 Fruitvale Ave	Comm	3,434	87	\$1,245.77
28-905-5	Wells Fargo Bank	2229 Macarthur Blvd	Comm	4,464	35	\$741.87
29-989-21	Wendy Holm	2724 Macarthur Blvd	Comm	7,172	35	\$953.32
29-989-22	Wendy Holm	2716 Macarthur Blvd	Comm	8,020	54	\$1,227.42
28-909-1-1	West 10th Macarthur Llc	2501 Macarthur Blvd	Comm	8,189	130	\$2,100.26
26-835-3	Woo Robert C & Liu Susie Trs	2033 Macarthur Blvd	Comm	8,856	40	\$1,141.00
28-914-3	Ying Tao	2615 Macarthur Blvd	Comm	5,742	40	\$897.84
28-916-27-2	Yu Raymond W & Grace S Trs	2833 Macarthur Blvd	Comm	19,238	177	\$3,491.15
28-916-43-4	Yu Raymond W & Grace S Trs	2800 Georgia St	Comm	12,402	238	\$3,642.84
28-916-43-5	Yu Raymond W & Grace S Trs	2844 Georgia St	Comm	44,521	0	\$3,476.36
TOTAL ASSESSMENT:				1,820,551	12,657	\$274,400.00

ATTACHMENT B

Dimond Business Improvement District Engineer's Report



**Oakland, California
February 24, 2023**

***Prepared by:*
Kristin Lowell Inc.**

Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 and augmented by the City of Oakland Business Improvement Management District Ordinance 12190, Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015, to authorize a Community Benefit District

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ENGINEER'S STATEMENT

This Engineer's Report is prepared pursuant to Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 (California Streets and Highways Code § 36600 et seq.) (the "Ordinance").

The Dimond Business Improvement District ("DBID") will provide activities either currently not provided or above and beyond what the City of Oakland ("City") provides. These activities will specially benefit each individual assessable parcel in the DBID. Every individual assessed parcel within the DBID receives special benefit from the activities identified under Section B of this Engineer's Report. Only those individual assessed parcels within the DBID receive the special benefit of these proposed activities; parcels contiguous to and outside the DBID and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the DBID renewal is ten (10) years, commencing January 1, 2024. An estimated budget for the DBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 5% per year as determined by the DBID Board of Directors. Assessment increases must stay between 0% and 5% in any given year. Funding for the DBID services and activities shall be derived from a property-based assessment of each specially benefitted parcel in the DBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the DBID will receive a special benefit which is a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than, the special benefits received.



Respectfully submitted,

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Ordinance is the legislation that authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the DBID. The purpose of the DBID is to encourage commerce, investment, and business activities. In order to meet these goals BIDs typically fund activities and improvements, such as, enhanced safety and cleaning. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, BIDs provide activities and improvements “to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.” (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the DBID are over and above those already provided by the City within the DBID’s boundaries. Each of the DBID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract businesses that benefit the parcels, and improve the economic vitality of parcels.

Specifically, the State Law defines “Improvements” and “Activities” as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years..."¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

The State Law also defines special benefit as “...for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general.”³

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: “‘Special benefit’ also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefit does not make the benefits general.”

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

³ California Streets and Highways Code, Section 36615.5(b)

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements, Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.⁴

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁵

Judicial Guidance

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portion of a case that applies to BIDs in particular is noted below.

"The engineer's report describes the services to be provided by the BID [i.e. the BID]; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the BID. And they are particular and distinct benefits to be provided only to the properties within the BID, not to the public at large—they 'affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share."⁶

The contents of this Engineer's Report are prepared in compliance with the above noted authorizing Ordinance, the State Constitution and the judicial opinion.

⁴ Section 4, Article XIID of the State Constitution.

⁵ Section 2 (j), Article XIID of the State Constitution.

⁶ *Dahms v. Downtown Pomona Property and Business Improvement District* (2009) 174 Cal.App. 4th 708, 722.

SECTION B: IMPROVEMENTS AND ACTIVITIES

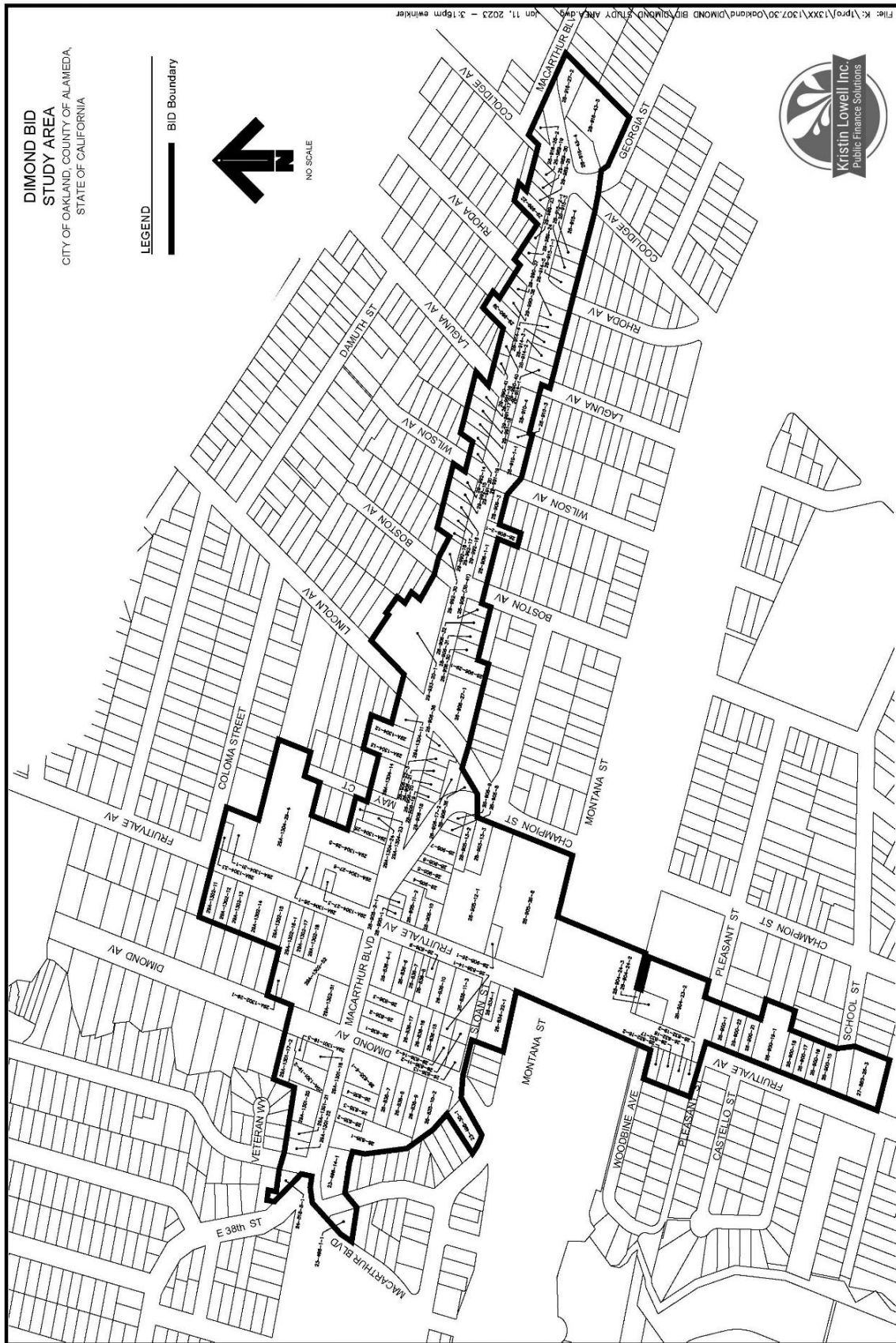
The DBID Steering Committee collectively determined the priority for improvements and activities that the DBID will deliver. Accordingly, the DBID will provide the services, as described in greater detail in Section 3 of this Management District Plan: Clean, Safe, Beautiful & Welcoming; Dimond Business Development and Vitality; and Management/Reserve/City Fees.

SECTION C: BENEFITTING PARCELS

DBID Boundary Description

The DBID generally includes parcels that front MacArthur Boulevard from E 38th Street to Coolidge Avenue, on Fruitvale Avenue from Coloma Street to School Street, and on Dimond Avenue from MacArthur Boulevard to Bienati Way, as described in detail in Section 2 of this Management District Plan.

A map of the proposed district boundary is on the following page.



SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIID Section 4(a) of the State Constitution states that "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided."

Determining the proportionate special benefit for the parcels of real property within the proposed assessment district which benefit from the proposed improvements, services, and activities is the result of a four-step process:

1. Defining the proposed activities,
2. Determining which parcels specially benefit from the proposed activities,
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the DBID receive after subtracting any general benefit.

Each identified parcel within the DBID will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the DBID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factor

Each parcel's proportional special benefit from the DBID activities is determined by analyzing three parcel characteristics: Building Square Footage plus Lot Square Footage, and Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Building square footage is relevant to the current use of a property and is also closely correlated to the potential pedestrian traffic from each parcel and the demand for DBID activities. The lot square footage reflects the long-term value implications of the improvement district. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for DBID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which then is the basis to proportionately allocate the cost of the special benefits. The assessable budget is allocated 50% to lot + building square footage, and 50% to linear street frontage.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the DBID activities. Corner lots or whole block parcels will be assessed for each side of the parcels' street frontage that will receive the DBID services.

Each one of these characteristics represents the benefit units allocated to each specially benefitted parcel. The total number of assessable benefit units per land use type in the DBID are

as follows:

Land Use	Lot + Bldg Benefit Units	Linear Feet Benefit Units
Commercial	1,208,503	8,976
Residential 4+ units	244,657	1,098
Government	112,931	918
Non-Profit	51,818	356
Residential 1-3 units	202,642	1,309
TOTAL	1,820,551	12,657

Property Use Considerations

Each assessed parcel within the DBID specially benefits from the DBID activities but not to the same degree. The proportional special benefit and assessment methodology provides the following land use considerations for Commercial, Residential 4+ units, Government, Non-Profit, and Residential 1-3 units.

- **Commercial:** These parcels benefit from all the DBID activities that are designed to increase pedestrian traffic, increase sales, enhance the business climate, retain existing businesses as well as attract new businesses, and increase business investment. Commercial parcels specially benefit from all the DBID activities, and thus will be assessed in direct relationship to the special benefits received.
- **Residential 4+ units:** Residential parcels with 4 or more units, like commercial parcels, specially benefit from all the DBID activities. These parcels are typically income producing and will benefit from a cleaner, safer, and welcoming environment as well as a more vibrant destination that in turn attracts renters.
- **Government:** All publicly owned parcels specially benefit from the Clean, Safe, Beautiful, and Welcoming services as it makes each assessed parcel cleaner and safer. Specifically, these parcels specially benefit from DBID activities, such as, removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, or cleaning up any debris or trash and power washing their sidewalks. However, government parcels, unlike commercial and residential parcels with 4+ units will not benefit from the Business Development and Vitality services as they are not intended for commercial use or income generation and therefore, will not be assessed for those services.
- **Non-Profit and Residential 1-3 units:** Residential with 1-3 units and non-profit parcels receive the same level of service and special benefit from Clean, Safe, Beautiful, and Welcoming service as all other parcels in the DBID by making each of these parcels cleaner and safer and more welcoming. Specifically, these parcels specially benefit from DBID activities, such as removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris, and power washing their sidewalks. Thus, each of these parcels is assessed for the special benefits received from these services. However, these parcels will not receive special benefit from Business Development and Vitality services (i.e., business development) because those

uses are not engaged in commercial or customer attraction activities and will not specially benefit from the increased economic activities. Therefore, they will not be assessed for the Business Development and Vitality services.

Mixed use parcels that have more than one land use as identified above will be assessed for each portion of that land uses square footage multiplied by the appropriate assessment rate for that land use. *Note: The County Assessor's records are used to determine each parcel's land use type and building square footage. If a parcel is incorrectly categorized, the property owner may petition for an assessment adjustment pursuant to the Assessment Appeal Procedure as outlined in this Management District Plan.*

Change in Property Use: If at any time a parcel within the district boundary changes its use, based on a change in zoning designation, entitlement process or otherwise, it will be subject to the assessment methodology for the new use of that property. For example, if a residential parcel with 1-3 units changes to a commercial use, then that parcel in subsequent years shall be assessed at the commercial rate. As a result, the DBID may experience the addition or subtraction of assessable lot or building square footage for parcels included and assessed within the DBID boundaries. The modification of use for an assessed parcel within the DBID may then change upwards or downwards the amount of total lot and building square footage assessment for that parcel. In future years, determination of the special benefits bestowed upon individual assessed parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer's Report.

SECTION E: SPECIAL and GENERAL BENEFITS

Special Benefit Defined

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that “only special benefits are assessable”.

The State Law defines special benefit as “...for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.”⁷

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: “Special benefit’ also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefit does not make the benefits general.”

Furthermore, the amendment (Section 36622(k)(3)) states: “In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance, or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.”

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the BID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel’s assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601€ states that “Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business

⁷ California Streets and Highways Code, Section 36615.5(a)

attraction. (4) Business retention. (5) Economic growth. (6) New investments.”

The DBID's goal is to fund activities and improvements to provide a cleaner, safer and more welcoming environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety and cleanliness of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from the proposed services, but may not to the same degree:

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed BID programs and services

Specifically, each parcel benefits from each of the DBID activities as defined below.

Clean, Safe, and Beautiful

The enhanced safety activities make the Dimond area safer which attracts more businesses, customers, and residents, and ultimately private investment. When business location decisions are made, “lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment.” Uncertainty affects the investment environment in general, but in particular it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable.”⁸

The cleaning and beautification activities specially benefit each assessed parcel within the DBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping, power washing, removing litter and graffiti, trash removal, and streetscape furniture. These activities create the environment needed to achieve the DBID's other goals. Sidewalks that are dirty and unclean, particularly from vagrant activities, deter pedestrians and commercial activity.

The Clean, Safe and Beautiful activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the DBID. Sidewalks that are dirty and unkempt deter pedestrians and commercial activity. “Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased

⁸ “Accelerating economic growth and vitality through smarter public safety management” IBM Global Business Services Executive Report, September 2012, pg. 2

connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists.”⁹

- Removing graffiti from assessed buildings to keep the aesthetic appeal uniform throughout the DBID.
- The beautification activities specially benefit each assessed parcel by providing maintained landscaped corridors and streetscape furniture in public places. These activities create the welcoming environment needed to achieve the DBID's other goals.

Business Development and Vitality

The Business Development and Vitality activities consist of services directly benefitting the assessed commercial and residential 4+ units parcels. For example, the DBID will promote businesses and higher density residential rental properties within the DBID area, help assessed property owners attract high-paying tenants and residents through advertising and neighborhood branding efforts and highlight the special benefits that the assessed commercial and residential 4+ units parcels are receiving through a website and district marketing and special events. These activities will specially benefit each assessed commercial and residential 4+ units parcel by encouraging business development and investment and increased commercial activity (e.g., filling vacant spaces and residential rental units, increased lease/rental rates for these spaces). Decisions on where to shop, eat, conduct business, or live are largely based on a perception of the place. If these business development activities were not performed, it would be a deterrent to pedestrian traffic, business, and commerce for the assessed parcels.

Management and Advocacy

The DBID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City departments, and provide leadership. Each parcel will specially benefit from the DBID executive staff that will ensure that the DBID activities are provided and deployed to assessed parcels and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

The fact that each DBID improvement and activity defined above will be provided to each assessed parcel is above and beyond what the city currently provides constitutes a special benefit. In addition, the DBID activities are targeted to improve the safety, cleanliness, and economic vitality of only those parcels that are within the district boundary. Therefore, we conclude that each of the proposed activities provides solely special benefits to the assessed parcels within the district and that each parcel's assessment is in direct relationship to and no greater than its proportional special benefits received.

General Benefit Defined

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the DBID activities and improvements that are not special in nature, are not particular and distinct and are not over and above the benefits that other parcels receive.

General Benefit Analysis

⁹ "Benefits of Sidewalks", Iowa Healthiest State Initiative, November 1, 2017

The DBID improvements and activities are designed to provide service only to those parcels that are within the district boundary. As discussed above, these activities are determined to provide solely special benefits to the assessed parcels. If there is any general benefit to property located in the district or to the public at large, it is incidental to providing special benefits to the assessed parcels. However, it is conceivable that there may be some general benefit that is not quantifiable, and it is judicious to allocate a portion of the budget to acknowledge this.

For the purposes of the DBID, we assigned 2%, or \$,5600 of the budget to general benefit. This portion of the budget will need to be funded from sources other than the special assessments.

SECTION F: COST ESTIMATE

2024 DBID Assessment Budget

The DBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the DBID boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

EXPENDITURES	TOTAL BUDGET	% of Budget
Clean, Safe, Beautiful, Welcoming Services	\$160,000	57.14%
Dimond Business Development & Vitality	\$40,000	14.29%
District Management & Advocacy	\$70,000	25.00%
District Fees & Reserves	\$10,000	3.57%
Total Expenditures	\$280,000	100.00%
REVENUES		
Assessment Revenues	\$274,400	98.00%
Other Revenues (1)	\$5,600	2.00%
Total Revenues	\$280,000	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Notations

The services proposed for year one of the initial term are the same services that are proposed for subsequent years. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the DBID Board of Directors and City Council and will be subject to the requirements of the Ordinance.

The cost of DBID improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 10% between them to continue the same level of service. The Board of Directors shall make such determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the DBID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Board of Directors and submitted in the annual report, pursuant to the Oakland BIMD Ordinance.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION G: APPORTIONMENT METHOD

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the cleaning and operation expenses of an improvement or the cost of the property service being provided. Due to the proportionate special benefits received by these individual parcels from the DBID services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received.

Calculation of Assessments

The DBID services and activities will be provided uniformly throughout the district. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's lot + building square frontage and linear street frontage as discussed above. Each parcel is assigned a proportionate Benefit Unit for each lot + building square foot and linear street frontage. The budget is then allocated 50% to lot + building square footage, and 50% to linear street frontage, and then divided by the number of Benefit Units for each assessment factor to determine the assessment rate per foot.

Specifically, the assessment rates are calculated as follows:

Total Budget – (Business Development & Vitality + Other Revenues) = \$235,200

Assessed to all parcels in the District.

$$\begin{aligned} & 50\% \text{ of Budget / sum of building + lot SF} \\ & (\$235,200 / 1,820,551) = \$0.06046 \text{ per building + lot square foot} \end{aligned}$$

$$\begin{aligned} & 50\% \text{ of Budget / linear frontage} \\ & (\$235,200 / 12,657) = \$9.29152 \text{ per linear foot} \end{aligned}$$

Business Development & Vitality – Other Revenues = \$39,200

Assessed to only Commercial and Residential 4+ units parcels.

$$\begin{aligned} & 50\% \text{ of Budget / sum of building + lot SF} \\ & (\$39,200 / 1,453,160) = \$0.01349 \text{ per building + lot square foot} \end{aligned}$$

$$\begin{aligned} & 50\% \text{ of Budget / linear frontage} \\ & (\$39,200 / 10,074) = \$1.94566 \text{ per linear foot} \end{aligned}$$

The total Commercial and Residential 4+ units' assessment:
 Per building + lot square foot = \$0.07808 (\$0.06046 + \$0.01349)
 Per linear foot = \$11.23718 (\$9.29152 + \$1.94566)

The first year's maximum assessment rates are as follows:

Land Use	Per Lot + Bldg	Per Linear
Commercial	\$0.07808	\$11.23718
Residential 4+ units	\$0.07808	\$11.23718
Government	\$0.06460	\$9.29152

Land Use	Per Lot + Bldg	Per Linear
Non-Profit	\$0.06460	\$9.29152
Residential 1-3 units	\$0.06460	\$9.29152

Sample Parcel Assessments

The first year's assessment for a Commercial parcel with 5,000 lot square feet + 5,000 building square feet, and 50 linear feet is calculated as follows:

Lot+Building square footage x the assessment rate (10,000 x \$0.07808) =	\$ 780.80
Linear feet x the assessment rate (50 x \$11.23718) =	\$ 561.86
Initial annual parcel assessment	\$1,342.66

The first year's assessment for a Residential 1-3 units parcel with 5,000 lot square feet + 2,500 building square feet, and 50 linear feet is calculated as follows:

Lot+Building square footage x the assessment rate (7,500 x \$0.06460) =	\$ 484.50
Linear feet x the assessment rate (50 x \$9.29152) =	\$ 464.58
Initial annual parcel assessment	\$ 949.08

Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments maybe subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the Board of Directors and will vary between 0% and 5% in any given year. Any change will be approved by the Board of Directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

The projections below illustrate a maximum 5% annual increase for all assessment rates.

	Commercial		Government Non-Profit	
	Residential 4+ Units		Residential 1-3 Units	
	Lot + Bldg SF	Linear Feet	Lot + Bldg SF	Linear Feet
Year 1	\$0.07808	\$11.23718	\$0.06460	\$9.29152
Year 2	\$0.08199	\$11.79904	\$0.06783	\$9.75610
Year 3	\$0.08609	\$12.38899	\$0.07122	\$10.24390
Year 4	\$0.09039	\$13.00844	\$0.07478	\$10.75610
Year 5	\$0.09491	\$13.65886	\$0.07852	\$11.29390
Year 6	\$0.09966	\$14.34181	\$0.08244	\$11.85860
Year 7	\$0.10464	\$15.05890	\$0.08656	\$12.45153
Year 8	\$0.10987	\$15.81184	\$0.09089	\$13.07410
Year 9	\$0.11537	\$16.60244	\$0.09544	\$13.72781
Year 10	\$0.12113	\$17.43256	\$0.10021	\$14.41420

Budget Adjustment

Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. The budget will be set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. District funds may be used for renewal. The estimated budget surplus amount will be included in the annual report each year. Funds from an expired District shall be rolled over into the new District if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

If an error is discovered on a parcel's assessed parcel square footages or building square footages, the District may investigate and correct the assessed footages after confirming the correction with the Alameda County Assessor Data. The correction will be made in accordance with the assessment methodology and may result in an increase or decrease to the parcel's assessment.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification for parcel improvements within the District, which changes upwards or downwards the amount of total footage assessed for these parcels will, pursuant to Government Code 53750, be prorated to the date they receive the temporary and/or permanent certificate of occupancy and will be billed directly by the City for the prorated year. Parcels that experience a loss of building square footage need to provide notice of the change to the District by April 1st of each year. Any delinquent assessments owed for the modification of assessable footage that was billed directly by the City will be added to the property tax roll for the following year as delinquent.

In future years of the DBID term, the assessments for the special benefits bestowed upon the included DBID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment rate does not change. If the assessment formula changes and increases the assessments, then a ballot as defined in Article 13 Section D of the State Constitution will be required for approval of the formula changes.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Owners Association prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case appeals will only be considered for the current year and will not be considered for prior years.

CITY OF OAKLAND DIMOND BUSINESS IMPROVEMENT DISTRICT PROPERTY OWNER BALLOT

This ballot is for the property owners of the parcel(s) identified below by Assessment Parcel Numbers (APN), which parcel(s) is/are located within the proposed Dimond Business Improvement District (hereinafter "DBID") in the City of Oakland. Please advise the City of Oakland as soon as possible at (510) 238-6230, if the owner and/or assessment information set forth below is incorrect.

This ballot may be used to express either support for, or opposition to, the proposed DBID 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 received by the City Clerk of Oakland by the date and time stated below. It may be delivered by mail or in person to: Office of the City Clerk, Oakland City Hall, One Frank H. Ogawa Plaza, Oakland, CA, 94612, Attn: DBID.** If a majority (as weighted by assessment amount) of ballots received oppose the DBID assessment, the DBID will not be established, and the DBID assessment will not be levied.

Mail Delivery: If by mail, fold and insert the ballot in the enclosed pre-addressed envelope, seal the envelope, add postage, and deposit in the U.S. mail. Please mail early to ensure your ballot is received on or before July 18, 2023, at 4:00pm.

Personal Delivery: If in person, fold and insert the ballot in the enclosed pre-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 DBID. The City Clerk's office, located on the 2nd Floor, Room 201 of One Frank H. Ogawa Plaza, is open Monday, Tuesday, Thursday, and Friday from 8:30am to 5:00pm.

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 DBID, WHICH IS SCHEDULED FOR JULY 18, 2023, AT 4:00PM IN THE CITY COUNCIL CHAMBERS, OAKLAND CITY HALL, 1 FRANK OGAWA PLAZA, OAKLAND, CALIFORNIA 94612, OR VIA TELECONFERENCE AS MAY BE MANDATED BY STATE OR COUNTY EMERGENCY HEALTH ORDERS. 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. To request a sample ballot in another language, please call: (510) 238-6230.

BALLOT

Please mark in the box below to cast your vote:

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

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

Owner	APN	Assessment
XXXXX	XXXX	\$ XXXX

Total DBID Proposed Initial Annual Assessment Amount (Votes Eligible)	\$
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Name (printed)

Signature

Date