

**CITY OF OAKLAND  
COUNCIL AGENDA REPORT**

OFFICE OF THE CITY CLERK  
2006 FEB 28 PM 4:34

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Community and Economic Development Agency  
DATE: January 10, 2006  
RE: RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005 ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005 FOR FISCAL YEAR 2005/06

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**SUMMARY**

Pursuant to the City of Oakland's Business Improvement Management District (BIMD) Ordinance (Ordinance No. 12190 C.M.S., 1999) and the Neighborhood Business Improvement District (NBID) Program (Resolution No. 75323 C.M.S., 1999) a resolution approving and confirming the annual report of the Temescal/Telegraph Avenue Property Business Improvement District (PBID) of 2005 advisory board and the continuing annual assessment for the Temescal/Telegraph Avenue Property Business Improvement District of 2005 for fiscal year 2005/06 has been prepared.

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

In Spring of 2006, City Council will also be asked to consider a separate agenda item concerning the repayment of a \$32,000 NBID program loan awarded to initially establish the Temescal/Telegraph Avenue PBID. Discussion of this item, including analysis of the related fiscal impact, will be submitted in a separate staff report and resolution.

**FISCAL IMPACTS**

Pursuant to state Proposition 218, the City must pay a fair share FY05/06 assessment of \$1,824.78 for city-owned property located within the Temescal/Telegraph Avenue PBID (the Temescal Library APN 014-1219-003-00). Funds to pay the assessment have been budgeted in General Purpose Fund 1010/Neighborhood Commercial Revitalization & Service Delivery System Organization 88569/Taxes and Assessments Account 53511/Business Improvement District Project C138410.

Other than the above assessment, the Temescal/Telegraph Avenue PBID is a self-funded, self-administered entity. It will pay its own operating costs, including costs for assessment collections and disbursements.

Item \_\_\_\_\_  
Community & Economic Development Committee  
January 10, 2006

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 (approximately 1.7% of total assessment) to the City. The City, in turn, disburses the funds to the district, pursuant to a written agreement between the City and the district's non-profit management corporation, less the City's costs of processing the disbursement.

Until disbursed, BID assessments will be held in a special trust fund established by the City's Finance and Management Agency. The trust fund number for the Temescal/Telegraph Avenue PBID trust fund is: Miscellaneous Trusts Fund (7999)/Treasury Operations Unit Organization (08721)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000).

### **BACKGROUND**

The Temescal/Telegraph Avenue PBID was established on July, 20, 2004, (Resolution No. 78730 C.M.S) for a period of ten years.

Under the NBID Program the Temescal/Telegraph Avenue business district applied for and received a seed grant of \$7,500 (January 2003) and a subsequent NBID Program loan of \$32,000 (December 2003). The seed grant was used to explore the preliminary feasibility of establishing a BID and the loan was used to complete the BID formation process.

In Spring of 2006 the City Council will be asked to consider the repayment terms of the above loan. Information for this item, including analysis of the related fiscal impact, will be submitted in a separate staff report and resolution.

The PBID model for economic development has been successfully used in other commercial neighborhoods throughout the country and throughout Oakland, including the Laurel district (established 2005), the Lakeshore/Lake Park district (established 2002), the Fruitvale district (established 2001), the Montclair district (established 2001), and the Rockridge district (established 2000).

### **KEY ISSUES AND IMPACTS**

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

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

### **PROGRAM DESCRIPTION**

Assessments for the Temescal/Telegraph Avenue PBID are projected at approximately \$240,619 for the 2005/06 fiscal year. Assessments are based on lot size, building size and

Item \_\_\_\_\_

linear frontage of properties located within the proposed zone and by law must be in proportion to the anticipated benefit received by each property.

The district encompasses approximately 260 parcels and 211 property owners. The boundaries of the district include all parcels along Telegraph from 40<sup>th</sup> Street to the Berkeley border, Shattuck Avenue to the Highway 24 overpass, Claremont one block up from Telegraph, and 51<sup>st</sup> Street up to and including Children's Hospital to one block east of Telegraph Avenue.

Planned services for FY 2005/06 are outlined in the annual report filed by the Temescal/Telegraph Avenue PBID advisory board and include, but are not limited to, sidewalk sweeping and steam cleaning, landscaping, graffiti removal, creation of a district website and logo, and promotion of special events.

### **SUSTAINABLE OPPORTUNITIES**

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

**Environmental:** The proposed levy will enable the Temescal/Telegraph Avenue PBID to continue its efforts to strengthen and beautify the physical image of the existing neighborhood commercial area through the use of enhanced sidewalk and street cleaning and maintenance.

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

### **DISABILITY AND SENIOR ACCESS**

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

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

Adoption of the attached resolution will support the continuance of the Temescal/Telegraph Avenue PBID and its planned activities.

Revenues generated by PBIDs are applied to a variety of local improvements and services beyond those already provided by existing municipal services. Examples include enhanced maintenance services, security, marketing and promotions, special events, parking and

Item \_\_\_\_\_

Community & Economic Development Committee

January 10, 2006

transportation services, economic development activities, capital improvements, and human services.

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

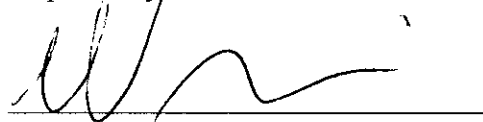
Additionally, because BIMDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the Temescal/Telegraph Avenue PBID, other than a modest FY 05/06 fair share assessment for City-owned property within the district (\$1,824.78).

Consequently, the Temescal/Telegraph Avenue PBID should be viewed as a positive self-help model for other neighborhood commercial areas. Accordingly, staff recommends that the City Council adopt the resolution confirming the annual report of the Temescal/Telegraph Avenue PBID advisory board and the continuing annual assessment for the Temescal/Telegraph Avenue PBID for fiscal year 2005/06.

#### **ACTION REQUESTED OF THE CITY COUNCIL**

The action requested of the City Council is to adopt the resolution confirming the annual report of the Temescal/Telegraph Avenue PBID advisory board and the continuing annual assessment for the Temescal/Telegraph Avenue PBID for fiscal year 2005/06.

Respectfully submitted,



Daniel Vanderprien

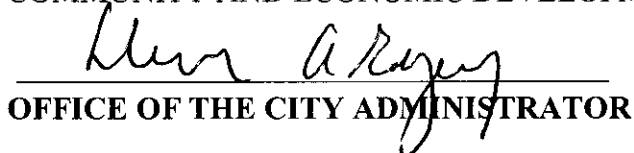
Director of Redevelopment,

Economic Development, and Housing

Prepared by:

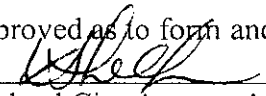
Maria Rocha, Urban Economic Analyst III  
Neighborhood Commercial Revitalization

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE



OFFICE OF THE CITY ADMINISTRATOR

Approved as to form and legality

  
Oakland City Attorney's Office

FILED  
OFFICE OF THE CITY CLERK  
OF OAKLAND

OAKLAND CITY COUNCIL

2005 DEC 28 PM 4:35

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION APPROVING AND CONFIRMING THE ANNUAL REPORT OF THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005 ADVISORY BOARD AND THE CONTINUING ANNUAL ASSESSMENT FOR THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005 FOR FISCAL YEAR 2005/06**

**WHEREAS**, the City of Oakland Business Improvement Management District Ordinance allows for the formation of Business Improvement Districts (Chapter 4.48, Ordinance 12190, 1999); and

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

**WHEREAS**, the property owners in the Temescal/Telegraph Avenue business district petitioned to form the Temescal/Telegraph Avenue Property Business Improvement District of 2005 (“District”) under said legislation to undertake the Management Plan for the District (“Plan”) which is on file with the City Clerk; and

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

**WHEREAS**, the Plan was prepared in accord with the provisions of the law overseeing the formation of the District as referenced above, and has been filed with the City; and

**WHEREAS**, pursuant to the requirements of the law the Temescal/Telegraph Avenue Property Business Improvement District of 2005 was established by the City Council on July 20, 2004, pursuant to Resolution Number 78730; and

**WHEREAS**, the Annual Report (attached as EXHIBIT A) has been prepared by the Temescal/Telegraph Avenue Property Business Improvement District of 2005 Advisory Board and filed with the City Clerk, and the City Council desires to approve and confirm the Report, and the continuing annual assessment for the Temescal/Telegraph Avenue Property Business Improvement District of 2005 for fiscal year 2005/06; and

**WHEREAS**, until disbursed, BID assessments will be held in a special trust fund established by the Finance and Management Agency on behalf of the Temescal/Telegraph Avenue Property Business Improvement District of 2005 in trust fund number: Miscellaneous Trusts Fund (7999)/Treasury Operations Unit Organization (08721)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000).

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

1. The Temescal/Telegraph Avenue Property Business Improvement District of 2005 was established in the Temescal/Telegraph Avenue area of the City of Oakland, California as a property business improvement district pursuant to the City of Oakland Business Improvement Management District Ordinance (Chapter 4.48, Ordinance 12190, 1999) with the boundaries as specified in the Plan on file with the City Clerk.
2. The Advisory Board for the District was duly appointed by Resolution of the City Council and has filed its Annual Report for the 2005/06 fiscal year as required by law.
3. The Annual Report and the continuing annual assessment for the District for the 2005/06 fiscal year is hereby approved, adopted, and confirmed.
4. The City Council confirms, adopts, and approves the continuing annual assessments as provided for in the Plan and the Annual Report of the Advisory Board and does hereby levy and direct the collection of the assessments for the 2005/06 fiscal year as provided for in the Annual Report and the Plan in accordance with the assessment formula as provided for in the Plan and Annual Report.
5. The proposed method and basis of levying the assessments to be levied against each property in the District have not been changed, increased, or modified and are those specified in the Plan and Annual Report on file with the City Clerk which were previously adopted after holding a public meeting and a public hearing and protest procedure as provided for by law.
6. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases, as specified in the Plan, through a special municipal billing.
7. The boundaries of the District shall remain the same as specified in the Plan on file with the City Clerk and there are no changes to the boundaries or benefit zones.
8. The types of the improvements and activities proposed to be funded by the levy of assessments on property in the area are those described in the Plan and the Annual Report on file with the City Clerk. There are no substantial changes in the improvements or activities for the District.
9. The assessments for the entire District total approximately \$240,619 for the 2005/06 fiscal year of the District, and the amount chargeable to each parcel shall be as determined by the Plan and Annual Report on file in the office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES-

ABSENT-

ABSTENTION-

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

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

## **EXHIBIT A**

(to the resolution approving and confirming the FY05/06  
annual report and continuing assessment)

**Temescal Telegraph Avenue Community Association  
(TTCA)  
Business Improvement District  
1<sup>st</sup> Annual Report to City Council  
2005**

**I. Proposed Changes in the Boundaries of the B1D or in any Benefits Zones  
Within the District:**

None

**II. Improvements and Activities Provided During Calendar Year 2005**

The following are the major improvements and activities provided:

- Hired an experienced part time coordinator to manage district's activities and to collaborate closely with CEDA, Public Works, and the Councilmember's office.
- Created and maintaining an accounting and database systems to manage district.
- Initiated a Neighborhood Cleanliness Crew in February to provide sidewalk sweeping and landscaping five days a week (Tuesday through Saturday to Zone 1 (Telegraph Avenue from 4501 to the freeway) (51<sup>st</sup> Street from the freeway to one block east of Telegraph Avenue) and Zone 3 (Frontage and lot size adjacent to Oakland Children's Hospital) (576 to 747-52<sup>nd</sup> Street which includes the freeway underpass on 52<sup>nd</sup> Street)
- Assessing any new needs for ongoing maintenance in order to revise accordingly in 2006.
- Provided these same services three days a week (Tuesday, Thursday and Saturday to Zone 2 (Telegraph Avenue from 400 to 4499 and from 5601 to 6699)(4501 to 5216 Shattuck Avenue, 5160-5263 Claremont Avenue and 5811 – 5964 Racine Street)
- Provided sidewalk steam cleaning and graffiti abatement as needed to the entire area.
- Provided a \$10,000 sponsorship to the 2<sup>nd</sup> annual Temescal Street Fair
- Advocated for the district through participation on the Oakland Merchants Leadership Forum and the Oakland Business Improvement Council.
- Conducted two letter campaigns to property owners to inform them of BID activities
- Submitted articles to the Temescal View and an idea for an Oakland Tribune article which featured Temescal in July 2005.
- Conducted an merchant outreach campaign via letter and in person
- Organized BID around the nationally recognized Main Street™ approach forming four committees (Design, Promotion, Economic Development, and Organization)

- Provided support to new businesses interested in enhancing the current business mix
- Producing neighborhood directory to be ready in December 2005
- Collaborating with City of Oakland's Marketing Dept to produce a Temescal Holiday Event
- Collaborating with Council Member's office to add 51 new trees to Telegraph Ave.
- Conducted a visual assessment of Telegraph Avenue in order to determine future improvements

**III. Improvements and Activities being considered during 2006**

- Continuation of Neighborhood Cleanliness Crew upon conducting a careful 2005 review to provide services as needed to the entire area.
- Continuation of sidewalk steam cleaning and graffiti abatement
- Provide a \$10,000 sponsorship to the 3<sup>rd</sup> annual Temescal Fest
- Create a pedestrian friendly, community-oriented Telegraph Avenue through the construction of a bulbout near 51<sup>st</sup> Street
- Provide sidewalk seating between 49<sup>th</sup> to 51<sup>st</sup>
- Create way finding and district signage to include updated street banners
- Create a website for TTCA
- Receive 501c3 status in order that organization can apply for grants
- Begin a Farmer's Market off 45<sup>th</sup> Street
- Advocate for the district through participation on the Oakland Merchants Leadership Forum and the Oakland Business Improvement Council
- Provide a quarterly newsletter
- Provide business retention support
- Provide assistance to new businesses interested in enhancing the current business mix
- Standardize news racks in 20 areas on Telegraph
- Conduct a Temescal Trick or Treat Event
- Conduct a safety needs assessment
- Hold a Holiday Event

**IV. An Estimate of the Cost of Providing the Improvements and the Activities for 2005**

Please see attached budget

**V. Method and Basis of Levying the Assessment**

<i>Property Variable</i>	<i>Benefit Zone 1</i>	<i>Benefit Zone 2</i>	<i>Benefit Zone 3</i>
<b>Lot Size</b>	\$0.078119	\$0.047216	\$0.009299
<b>Building Size</b>	\$0.060952	\$0.023468	---
<b>Linear Frontage</b>	\$6.815684	\$1.181375	\$11.045231

This method of financing the special services is based upon the levy of assessments on real property that benefits from proposed improvements and activities. There are at least



*four basic factors that will be used in determining individual assessments. These factors include 1) linear frontage, 2) land area and 3) building floor space, 4) building use. The assessments for the Temescal/Telegraph are based upon these variables, which have been endorsed by the property owners as the most fair and equitable for apportionment of assessments to participating parcels. Linear frontage will only be assessed on one side, even if two sides of frontage exist. (Note: Benefit Zone 3/Children's Hospital is assessed on all sides of frontage due to the need for sidewalk sweeping on the full perimeter of the hospital).*

The types of variables used in this assessment methodology are based upon gross lot size, linear frontage and gross building square footage. In addition, due to the special needs and size of the district, the district has been divided into three distinct Benefit Zones that determine how the special benefit services are to be apportioned and distributed.

Building square footage in the district is categorized and assessed based on use: retail, office and industrial. There are three benefit zones in the district.

#### **VI. Surplus or Deficit for 2005**

There is a currently a projected surplus of \$66,970 for 2005. This is the Temescal Telegraph BID's first year of operation having commenced in January 2005. It is in the process of assessing its multiples needs which includes an improved streetscape, district signage, branding, marketing, pedestrian safety, a Farmer's Market, a website, etc. The Board wants to carefully plan the disbursement of these funds for the future, studying the district and community needs. It plans to hold a planning retreat before the end of 2005.

#### **VII. The budget reflecting projections under consideration for 2006**

Please see attached budget

TEMESCAL/TELEGRAPH AVENUE BID	2006 Projected Budget	Projected Surplus
<b>BID Assessments</b>	\$240,619.88	
<b>Contingency/Reserve</b>		
County Costs (1.7% of total assessments)	3,847.25	
City Costs	500.00	
No-pays	10,463.76	
Misc/Balanc of Expenses	4,288.87	
Loan Amortization	3,556.00	
	<b>22,655.88</b>	
<b>EXPECTED BID ASSESSMENTS</b>	<b>217,964.00</b>	
<b>PROWSO</b>		
Equipment & Materials		
Sidewalk Operations		
Grafitti Removal	1,500.00	
Landscaping	11,460.00	
Sidewalk Sweeping	76,080.00	
Steam Cleaning	6,500.00	
Miscellaneous Equipment & Materials	<u>3,000.00</u>	
	<b>98,540.00</b>	49,424.00
<b>MKTG/IDENTITY</b>		
Special Event	10,000.00	
Website, Logo, Marketing Materials	7,000.00	
Other Events	<u>8,000.00</u>	
	<b>25,000.00</b>	0.00
<b>ADMIN/CORP</b>		
Staff	40,000.00	
Insurance	2,100.00	
Phone/E-mail Service	1,000.00	
Office Supplies	1,050.00	
Office Equipment	250.00	
Other-Rent	600.00	
Other-Administrative Fees		
	<b>45,000.00</b>	0.00
<b>TOTAL</b>	<b>168,540.00</b>	49,424.00