



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Alexa Jeffress  
Director, EWDD

**SUBJECT:** Rockridge BID Annual Report and  
FY 2021-2022 Levy Approval

**DATE:** November 11, 2020

City Administrator Approval 

Date: November 18, 2020

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution: 1) Confirming The Annual Report Of The Rockridge Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Rockridge Business Improvement District For Fiscal Year 2021-2022.**

## **EXECUTIVE SUMMARY**

Pursuant to State law, City Council approval is required in order to levy the assessments for the merchant-based business improvement districts (BIDs). Therefore, City Council adoption of the attached Resolution is required for the Rockridge BID to levy the fiscal year (FY) 2021-2022 BID assessment. The attached Resolution also confirms the district's annual report to the City.

If the proposed assessment is approved, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues in FY 2021-2022. Funds will be used to pay for special benefit services outlined in the Rockridge BID District Management Plan (the Plan) on file with the Office of the City Clerk and the attached annual report (**Exhibit A** to the attached Resolution), prepared and submitted by the Rockridge District Association, the district's City Council appointed advisory board. Key services include, but are not limited to, enhanced cleaning and public safety services, including private security services; district beautification, including installation and maintenance of decorative banners and benches; special seasonal events; and marketing and promotion activities such as internet advertising and maintenance of a district website.

## **BACKGROUND / LEGISLATIVE HISTORY**

### 1. BID formation and purpose:

Sections 36500 *et seq* of California Streets and Highway Code provide for the formation of business and property-based assessment districts. Pursuant to this legislation, on November 9,

City Council  
December 1, 2020

1999, the Oakland City Council approved Resolution No. 75323 C.M.S., which initiated a City of Oakland Neighborhood Business Improvement District Program to provide technical assistance to qualified stakeholder groups to explore the feasibility of forming a BID within their respective commercial neighborhood(s). Pursuant to these efforts, Ordinance No. 12301 C.M.S. was adopted by the City Council on November 28, 2000 (as amended by Ordinance No. 13261, October 21, 2014) to establish the Rockridge BID.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within the Montclair (established 2001), Fruitvale (established 2001, renewed in 2006 and 2011), Lakeshore/Lake Park (established 2002, renewed in 2012), Temescal/Telegraph Avenue (established 2004, renewed in 2014), Laurel (established 2005, renewed in 2015), Koreatown/Northgate (established 2007, renewed in 2017), Lake Merritt/Uptown (established 2008, renewed 2018), Downtown Oakland (established 2008, renewed 2018) and Jack London (established 2013) commercial neighborhoods. BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States and designated foreign countries (e.g. Italy, South Africa, United Kingdom, etc.).

Revenues generated by BIDs are used to provide a variety of special benefit improvements and services beyond those already provided by the local municipality. Examples of BID-funded special benefits include, but are not limited to, enhanced maintenance, public safety, as well as marketing and promotion services within affected districts. Enhanced services of this type are intended to support increased sales and business tax revenues as well as increased job opportunities and economic vitality of affected commercial neighborhoods.

## 2. BID annual report requirements:

Pursuant to California Street and Highways Code, Section 36533(a) BIDs are required to provide an annual report for each fiscal year for which assessments are to be levied and collected. The report may propose changes to the boundaries of the district, the basis and method of levying the assessment, and any changes in the classification of businesses.

The Rockridge BID FY 2020-2021 annual report and proposed FY 2021-2022 budget is attached as **Exhibit A** to the Resolution. It does not propose any changes to the boundaries of the district or to the method and basis of levying the assessment approved by the City Council for FY 2020-2021

## 3. BID annual assessment approval process:

Streets and Highways Code Division 18 (commencing with section 36500) sets forth the procedures that the City Council must follow in order to levy the annual assessments for the BID. To enable the Rockridge BID to collect its Fiscal Year (FY) 2021-2022 assessment, on November 10, 2020, the City Council adopted a Resolution of Intention (ROI) to levy the FY 2021-2022 Rockridge BID assessment, approve the Rockridge BID's annual report, and schedule a related public hearing for December 1, 2020. Adoption of the ROI was a prerequisite to the City Council's consideration of the attached Resolution to approve the FY 2021-2022 assessment levy. The related public hearing must take place no less than 10 days after adoption of the ROI. City Council may continue the public hearing from time to time, but the public hearing shall be completed within 30 days. Following the public input portion of the

hearing City Council may adopt the proposed resolution in order to levy the proposed assessment.

The Rockridge BID encompasses approximately 360 businesses located in and around the Rockridge commercial area and estimates an upcoming annual budget of approximately \$223,400, which includes \$158,400 of projected assessments to be collected in FY 2021-2022, and \$65,000 of prior fiscal year carryforward. For the FY 2021-2022 assessment, a sub-classification of businesses that earn annual gross receipts of \$25,000 or less is proposed to be created with a reduced fee for that assessment year of \$60 (instead of \$120). Such sub-classification is proposed to be temporarily created to reduce the number and expense of processing hardship partial fee waiver requests, and the reduced fee amount would not apply to future assessment years unless renewed in the annual assessment resolution for such future years. An identical sub-classification and reduced assessment was permitted in FY 2020-2021.

The billing period for the proposed assessment will be January 1, 2021 through December 31, 2021; however, services to be paid for by the above billing and collections will be provided on a March 1, 2021 through February 28, 2022 fiscal year basis, per the annual report and proposed FY 2021-2022 budget, attached as **Exhibit A** to the Resolution.

As mentioned, if the City Council approves the proposed FY 2021-2022 assessment, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues, which is equal to the amount projected in FY 2020-2021. The assessment is based on two variables which include business gross receipts and business type. If approved, the assessment will be collected and expended in accordance with the Plan on file with the Office of the City Clerk and the annual report and budget attached as **Exhibit A** to the Resolution. The annual report and budget were prepared and submitted to the City by the Rockridge District Association, the district's City Council appointed advisory board.

### **ANALYSIS AND POLICY ALTERNATIVES**

There is no anticipated adverse impact related to adoption of the attached Resolution; however, there would be a negative impact to the district, if the attached Resolution is not adopted. This is because adoption of the attached Resolution provides final approval of the Rockridge BID FY 2021-2022 assessment levy. Without a new infusion of assessment funds in the upcoming fiscal year, special benefit services paid for by the assessments would be curtailed or terminated in FY 2021-2022. However, if City Council adopts the attached Resolution, the FY 2021-2022 assessment levy will be approved and special benefit services in the district will continue uninterrupted in FY 2021-2022, as they have for the past 20 years.

Staff is currently unaware of any policy alternatives or alternate funding sources that could replace the estimated \$158,400 of Rockridge BID assessment revenues during fiscal year 2021-2022, if the levy were not approved by City Council.

Therefore, because the Rockridge BID is self-funded and self-administered and because assessment revenues generated by the district pay for special benefit services which constructively support the image, safety and economic development of the related neighborhood commercial district at no additional cost to the City, staff recommends that City Council adopt the attached Resolution to levy the Rockridge BID FY 2021-2022 assessment.

## **FISCAL IMPACT**

No new fiscal impact is anticipated to the City. The Rockridge BID is a self-funded, self-administered entity. The Rockridge BID pays its own operating and administrative costs, including costs for assessment collections and disbursements. If the levy is approved, the City of Oakland will conduct a special billing to collect the assessment. The City will remit the amount collected (minus the City's costs of collection) to the Rockridge District Association, the district's designated non-profit administrator, pursuant to the agreement between the City and the Rockridge District Association which renews annually contingent upon the annual review and approval of the District's annual report and the levy of the annual assessments. Until disbursed, Rockridge BID assessments will be held in a special trust fund on behalf of the district in Miscellaneous Trusts Fund (7999)/Economic Development Org (85411)/Pass Through Assessments Account (24224)/Administrative Project (1000019)/Rockridge BID Program (RBID).

## **PUBLIC OUTREACH / INTEREST**

Rockridge BID representatives performed outreach necessary to secure advisory board consensus sufficient to generate the district's required annual report and proposed FY 2021-2022 budget, attached as **Exhibit A** to the Resolution. The City Council also held its hearing on November 10, 2020 after public notice and comment and adopted the ROI to take this action.

## **COORDINATION**

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

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** Rockridge BID assessments will fund activities which are intended to support the increase of sales and business tax revenues, as well as increased job opportunities and on-going economic development of the affected commercial district.

**Environmental:** Special assessment BID revenues will enable the Rockridge BID to continue efforts to strengthen and beautify the physical image of its commercial neighborhood by providing special benefit services such as litter pickup, sidewalk cleaning, landscaping, holiday decorations, seasonal private security and minor capital improvements.

**Race & Equity:** BIDs enhance the ability of all business or property owners who pay into the district to democratically participate in shaping their shared environment through public safety, marketing and beautification efforts. As such, the Rockridge BID stakeholders themselves administer and decide upon the use of special assessment revenues generated by the district. This model supports community self-empowerment which, in turn, supports certain aspects of social equity.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution: 1) Confirming The Annual Report Of The Rockridge Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Rockridge Business Improvement District For Fiscal Year 2021-2022.

For questions regarding this report, please contact Maria Rocha, BID Program Coordinator, at 510-238-6176.

Respectfully submitted,



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