

OAKLAND CITY COUNCIL

B. Plater

FILED
OFFICE OF THE CITY CLERK
OAKLAND

RESOLUTION NO. _____ C.M.S.

2004 APR 28 PM 5:14

RESOLUTION OF INTENTION TO FORM THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005, GRANTING PRELIMINARY APPROVAL OF THE MANAGEMENT PLAN, DIRECTING FILING OF THE PROPOSED ASSESSMENT DISTRICT BOUNDARY DESCRIPTION, SUBMITTING A PROPOSED ASSESSMENT TO THE AFFECTED PROPERTY OWNERS FOR MAJORITY PROTEST PROCEDURE APPROVAL; AND SCHEDULING A PUBLIC HEARING FOR JULY 20, 2004

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

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

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

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

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

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

WHEREAS, the Plan was prepared in accord with the provisions of the BIMD Ordinance overseeing the formation of the District as

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referenced above, and has been filed with the City Clerk for proceedings in formation of this District;

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

1. A business improvement management district is proposed to be established pursuant to the BIMD Ordinance with the boundaries as specified in the Plan on file in the office of the City Clerk, a copy of which is attached hereto as **Exhibit A**.
2. A copy of the preliminary report of the City Clerk is on file in the office of the City Clerk relating to the formation of the District.
3. The Plan for the District is preliminarily approved and the assessments for the first year shall be as provided for in the Plan if the district is established.
4. The name of the District shall be the Temescal/Telegraph Avenue Property Business Improvement District of 2005.
5. The reasons for the assessments and the types of the improvements and activities proposed to be funded and acquired by the levy of assessments on property in the District and the time period for which the proposed improvements are to be made are those specified in the Plan on file in the office of the City Clerk and attached hereto (**Exhibit A**).
6. Except where funds are otherwise available, an assessment will be levied annually to pay for all improvements and activities within the area.
7. The boundaries of the District and of each separate benefit zone within the district are delineated in the description contained in the Plan which is on file in the office of the City Clerk (**Exhibit A**).
8. The proposed method and basis of levying the assessments to be levied against each property in the District are based on the gross lot size, gross building square footage, building use, linear frontage of each property located within the District, and upon the benefit zone in which the property is located (as specified in the Plan - **Exhibit A**), and the assessments proposed for each property are contained in the appendix to the Plan and are incorporated herein by this reference (**Exhibit A**).
9. The assessments for the entire District total \$241,458.36 for the first year of the District, and the amount chargeable to each parcel are as shown in the Plan on file in the office of

the City Clerk and on the appendix to Exhibit A attached hereto

10. The District shall be in existence for a period of ten (10) years (as provided for in the Plan) during which a maximum 5% increase per year in the amount of the assessment on each property shall be allowable as provided for in the Plan.
11. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases through a special municipal billing, and shall continue annually as provided for in the Plan for each year that the District is in existence unless modified by the City Council on the recommendation of the District Advisory Board.
12. The City Clerk is directed to mail a copy of the Resolution of Intention to form the District along with the ballots for the written protest procedure to all affected property owners in the District in compliance with the BIMD Ordinance and Article XIII of the California Constitution and to each local Chamber of Commerce and business organization known to be located within the District, give all other notices and take all other actions required by law, and give notice of the dates of the Public Hearing and Final Action on the Petition for Formation of the District to all affected property owners in the proposed District no later than forty five (45) days before the scheduled public hearing, and also publish the Resolution of Intention in a newspaper of general circulation in the City of Oakland once, at least seven (7) days before the public hearing. The ballots mailed to the affected property owners shall contain the procedures for the completion and return of the ballots.
13. A Public Hearing is set for July 20, 2004, (at 7:00 P.M. in the City Council Chambers in City Hall, located at 1 Frank H. Ogawa Plaza, Oakland California) to hear all public comments, protests, count the returned ballots as to the formation of the District, and take final action as to the formation of the District.
14. At the hearing the testimony of all interested persons for or against the establishment of the District, the proposed assessment, the boundaries of the District, or the furnishing of the specified types of improvements or activities will be heard.
15. A protest may be made in writing by any interested person through the ballot procedure. The procedures applicable to the completion and return of the ballots are as specified in the ballot, a copy of which is attached hereto and incorporated herein by this reference. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made.

16. Every written protest shall be filed with the City Clerk at or before the time fixed for the public hearing. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing.
17. Each written protest shall contain a description of the property in which the person subscribing the protest is interested sufficient to identify the property and, if a person subscribing is not shown on the official records of the City as the owner of the property, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the property.
18. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
19. After the close of the Public Hearing, the ballots will be tabulated under the direction of the City Clerk and the results of the tabulation will be reported to the City Council. If written protests are received from the property owners in the proposed area which will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, the assessment will not be imposed. If the majority protest is only against the furnishing of a specified type or types of improvement or activity within the area, those types of improvements or activities shall be eliminated.

IN COUNCIL, OAKLAND, CALIFORNIA, _____.

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
 CEDA FLOYD
 City Clerk and Clerk of the Council
 of the City of Oakland, California

~~COMMUNITY & ECONOMIC
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 MAY 11 2004~~ 5-10.17cc
 ORA/COUNCIL
 MAY 18 2004

SAMPLE BALLOT FORMAT

**CITY OF OAKLAND
TEMESCAL/TELEGRAPH AVENUE PROPERTY 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) are located within the proposed Temescal/Telegraph Avenue Property Business Improvement District (PBID), in the City of Oakland. Please advise the City of Oakland as soon as possible at (510) 238-6176 if the information set forth below is incorrect.

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

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

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

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

IN ORDER TO BE COUNTED, THIS BALLOT MUST BE RECEIVED BY THE CITY CLERK PRIOR TO THE CLOSE OF THE PUBLIC INPUT PORTION OF THE PUBLIC HEARING ON THE TEMESCAL/TELEGRAPH AVENUE PBID, WHICH IS SCHEDULED FOR JULY 20, 2004, AT 7:01 PM IN THE CITY COUNCIL CHAMBERS, OAKLAND CITY HALL, 1 FRANK OGAWA PLAZA, OAKLAND, CALIFORNIA 94612. To cast this ballot, check the appropriate box below (either yes or no), sign the ballot at the bottom, and return either this entire page or the portion below this line.

BALLOT

Please mark in the box below to cast your vote:

- YES**, I am in favor of the formation of the district and the proposed assessments against the parcel(s) identified on this ballot.
- NO**, I oppose the formation of the district and the proposed assessment against the parcel(s) identified on this ballot.

Owner	APN	Assessment
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Total Temescal/Telegraph Avenue PBID Assessment Amount (Votes Cast)

XXXXXXX

NAME (PRINTED) _____

SIGNATURE _____ DATE _____

**COMMUNITY & ECONOMIC
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MAY 11 2004



EXHIBIT A
(to resolution of intention to form the
Temescal/Telegraph Avenue PBID)

Marco Li Mandri, President • www.newcityamerica.com

FINAL PLAN

**MANAGEMENT DISTRICT PLAN FOR THE
TEMESCAL/TELEGRAPH AVENUE
PROPERTY BUSINESS IMPROVEMENT DISTRICT**

OAKLAND, CALIFORNIA

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

Prepared for:

**Temescal/Telegraph Avenue P.B.I.D. Steering Committee
City Councilwoman Jane Bruenner
Neighborhood Commercial Revitalization Program
Community Economic Development Agency - City of Oakland**

by

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

S-10.17-100

ORA/COUNCIL

FEBRUARY 24, 2004

MAY 1 8 2004



**TEMESCAL/TELEGRAPH AVENUE MANAGEMENT DISTRICT
PLAN FOR THE NEW PROPERTY BUSINESS IMPROVEMENT
DISTRICT – FEBRUARY 2004**

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

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

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

APPENDIX:

PARCEL LIST

TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN - EXECUTIVE SUMMARY

The Temescal District and Telegraph Avenue business district is a vibrant place with a rich history and changing demographics. The architectural charm, the street ambiance, the reservoir of high disposable income in the peripheral blocks, access to the freeway and BART, are all assets which make this an attractive and desirable business district. All of the elements are present to make this district as popular as the neighboring Rockridge district, or similar linear commercial corridors in the East Bay Area.

Over the past nine months, property owners in the Temescal Merchants Association and the Telegraph Avenue Business Association have discussed the possible formation of a new *special benefits assessment district*. The purpose of this district would be to fund special benefits for the public rights of way, over and above the current level of services funded by the City of Oakland.

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

Survey of the Property Owners:

In early 2003, a grant was secured through the City of Oakland's Neighborhood Commercial Revitalization Program, which funded the investigation of this special benefits district. In early 2003, two separate surveys were mailed to property owners encouraging them to respond and demonstrate their level of support for the creation of the new district. Normally, such surveys of property owners are responded to by no more than 10% of the participants.

The survey results were quite stunning. It is clear that there appears to be significant support for the continued formation of this new Property Business Improvement District. The district would fund special benefits, and by law, could not function to replace existing general fund services to the community. Over 100 parcel owners responded to the survey representing the following factors.

The boundaries of the proposed district would include all parcels along Telegraph from 40th to the Berkeley border, Shattuck to the freeway bridge, Claremont one block up from Telegraph, and 51st Street to the Hospital.

The survey results revealed the following information and interests...

- *66% of the respondents have owned their property for 10 years or longer;*
- *71% of the respondents were sole proprietors or family owned parcels;*
- *48% of the respondents believe that the image of Oakland, over the past few years, has negatively impacted their property;*
- *89% of the respondents believe that the district is “unsafe” or “safe, however suffers an image as an unsafe district”;*
- *64% of the respondents would support property owner funded enhanced security services;*
- *73% of the respondents would support property owner funded services which would prioritize dealing with people demonstrating questionable behavior in the public rights of way;*
- *55% of the respondents would support property owner funded sidewalk and gutter sweeping;*
- *58% of the respondents would support property owner funded enhanced tree maintenance to beautify the district;*
- *66% of the respondents would support property owner funded planning and economic development related services to give input to proposed planning and zoning changes that would impact this district;*
- *55% of the respondents would support property owner funded marketing and promotions to bring new business and attract new tenants to the area;*
- *59% of the respondents would support property owners funded special events to improve the identity of the district;*

WHY HERE, WHY NOW?

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

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

Similar districts are currently functioning in Rockridge, Montclair, Fruitvale and in the Lakeshore District. The BID along Telegraph Avenue near UC Berkeley is credited with bringing cleanliness and order to that district over the past five years. Recently, North

Shattuck property owners voted to establish a Property Business Improvement District. Statewide, over 300 districts are operating today.

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

The Temescal/Telegraph Avenue PBID investigation and formation effort has been led by property owners in the community. Once a plan has been adopted by the Steering Committee (which is open to all affected property owners), a petition drive will be initiated to demonstrate support for the district by district property owners. The enabling ordinance requires that 30% of the “weighted” property owners paying into the district, affirm their support for the district and their respective assessments by signing a petition in support of the district’s formation. The term weighted represents the amount of dollars each property owner will pay into the district.

Once the petition has met this 30% weighted threshold, the plan is sent to the City of Oakland, whereby the City Council passes a resolution of intent to establish the district. Mail ballots are then sent out to each affected property owner, who then has between 45 and 60 days to return the ballots.

The ballots are then counted at an open public hearing and the district is formed once the weighted returned ballots express support for the district’s formation. This entire process must be completed by the end of July, this summer.

The district is envisioned to be established for 10 years commencing January 1, 2005. Provisions for annual disestablishment are available if the property owners no longer desire to fund the special services articulated in this plan.

Cost: There are 260 parcels and 211 property owners in the proposed district. The first year annual budget is projected to be \$ 241,458.36. The costs associated with the property variables and benefit zones per year are as follows:

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

1. MAP OF THE DISTRICT:

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

2. NAME OF THE PROPOSED DISTRICT:

The name of the proposed special benefits district is the "Temescal/Telegraph Avenue Property Business Improvement District of 2005".

3. DESCRIPTION OF THE BOUNDARIES OF THE DISTRICT

This district as envisioned is approximately 40 square blocks. Its boundaries are primarily along the following streets:

<i>Street</i>	<i>Address Series</i>
40 th Street	500
41 st Street	506 – 509
43 rd Street	497
49 th Street	520 – 523
51 st Street	491 – 600
52 nd Street	516 – 747
53 rd Street	567
58 th Street	510
63 rd Street	509
Aileen Street	508
Alcatraz Avenue	505
Claremont Avenue	5160 – 5263
Dover Street	5203
Racine Street	5811 – 5964
Shattuck Avenue	4501 – 5216
Telegraph Avenue	4000 - 6699

4. THE IMPROVEMENT AND ACTIVITIES PLANNED FOR EACH YEAR

Based upon the survey results of the property owners, and estimated costs and services, the preliminary special benefits funded by the Temescal/Telegraph Avenue Property Business Improvement District are as follows:

Proposed Temescal/Telegraph Avenue PBID:

- 1. Public Rights of Way and Sidewalk Operations (PROWSO)**
 - Sidewalk sweeping;
 - Beautification;
 - Decorations and banners;
 - Enhanced trash receptacle placement and regular emptying;
 - Removal of bulky items;
 - Graffiti removal;
 - Work with City on hazardous issues;
 - Maintenance of public order in the sidewalks;
 - Homeless intervention;
 - Security;
 - Equipment, supplies, tools;
 - Misc.

- 2. Marketing and Identity enhancement: (Predominantly in Benefit Zone 1)**
 - Special events (1 or 2 per year);
 - Web site;
 - Pedestrian kiosks;
 - Walking map;
 - Communications;

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

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

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

Consistent with the law, any property assessment district must confer a special benefit to real property owners paying into the assessment district. At times, specific parcels will derive greater benefit, due to their proximity to a “core” area. These core and peripheral parcels, will from time to time, be designated through “benefit zones”. The Telegraph/Temescal PBID anticipates three benefit zones, each receiving varying degrees of special benefits funded from the assessment district. The three benefit zones are proposed as follows:

Benefit Zones:

The Temescal/Telegraph Avenue PBID Benefit Zones are created based upon the frequency and type of special benefit services that might be desired. For example, the core area near 51st and Telegraph may need services seven days per week, have large special events and be the focus of many marketing activities. These property owners would pay for those specific services based upon their anticipated benefit to be received.

There will be three benefit zones in the district. Benefit zones are determined by the type and frequency of services conferred to those parcels.

<i>Benefit Zone</i>	<i>Boundaries</i>
Zone 1 (core area)	Telegraph Avenue from 4501 to the freeway; 51 st Street from the freeway to one block east of Telegraph Ave.
Zone 2 (peripheral area)	Telegraph Avenue from 4000 to 4499; Telegraph Avenue from 5601 to 6699 Shattuck Avenue, all other side streets
Zone 3	Frontage and lot size adjacent to Children’s Hospital

TABLE 1 – FREQUENCY OF SPECIAL BENEFIT SERVICES BY BENEFIT ZONES

<i>Special Benefit Service</i>	<i>Benefit Zone 1 Frequency</i>	<i>Benefit Zone 2 Frequency</i>	<i>Benefit Zone 3 Frequency</i>
<i>Public rights of way and sidewalk operations (PROWSO) (sidewalk cleaning, trash removal, security, public order, beautification)</i>	5 days per week	3 days per week	5 days per week
<i>Marketing/Identity Enhancement</i>	Through programs	Through programs	None
▪ <i>Special Events</i>	Once or twice per year	None	None
<i>Administration/Corporate Operations</i>	Monday – Friday	Monday – Friday	Monday - Friday

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

BUDGET: The first year annual budget is projected to be \$241,458.36. Annual adjustments of up to a maximum of 5% over the previous year's gross assessment amount are allowable, subject to the approval of the Temescal/Telegraph Avenue Property Business Improvement District Management Corporation.

TABLE 2 – SPECIAL BENEFIT SERVICES BROKEN DOWN BY ESTIMATED COSTS PER BENEFIT ZONE – PROWSO PERSONNEL COSTS

<i>Service</i>	<i>Benefit Zone 1</i>	<i>Benefit Zone 2</i>	<i>Benefit Zone 3</i>
PROWSO:			
▪ Sidewalk Sweeping;	5 days per week	3 days per week	5–6 days per week
▪ Trash Emptying;	As needed	As needed	As needed
▪ Homeless intervention;	As needed	As needed	As needed

▪ Banner installation and maintenance;	Seasonal	Seasonal	Seasonal
▪ Holiday decorations;	Seasonal	Seasonal	Seasonal
▪ Reporting hazards to City;	Daily	Daily	Daily
▪ Removal of bulky items;	As needed	As needed	As needed
▪ Graffiti removal;	Within 24 hours	Within 24 hours	Within 24 hours
▪ Tree planting and maintenance	Weekly	Weekly	Weekly
▪ Miscellaneous	As needed	As needed	As needed
Estimated Personnel Need*	4/7 cost of Supervisor; (\$ 19,615) 2 maintenance workers, full time, five days per week (80 hours per week); (\$58,520)	2/7 cost of Supervisor; (\$9,807) 3/5 maintenance worker, three days/full time, per week 24 hours per week (\$ 17,556)	1/7 cost of Supervisor (\$4,910) 3/5 maintenance workers, 24 hours per week, 6 days/4 hours per day (\$17,556)
Estimated maintenance personnel costs	\$78,135.00	\$ 27,363.00	\$ 22,466.00
Total Estimated Personnel Cost			\$ 127,964.00

***THE PURPOSE OF THIS CALCULATION IS TO PROVIDE A MATERIAL BASIS FOR THE P.R.O.W.S.O. PERSONNEL COSTS. THE ADMINISTERING CORPORATION CAN CONTRACT OUT THESE SERVICES TO A FOR-PROFIT OR NON-PROFIT CORPORATION, OR PROVIDE THE SERVICES IN HOUSE. THESE COSTS ARE ONLY USED AS A REFERENCE, THE LINE ITEM IN THE BUDGET FOR THE P.R.O.W.S.O. PERSONNEL IS ESTIMATED TO BE \$ 127,964.00 ANNUALLY.**

The basis of determining personnel costs is derived from *One Source*, a nationwide company which provides employees for many building management companies, as well as

BIDs. One Source's rates on labor include workers comp, payroll taxes, check disbursement, health benefits, vacation and sick time. Most importantly, these are contracted employees and therefore release the management corporation of payroll and personnel related liabilities. Total overhead factor of employees, fully loaded, is about 1.6 in an overhead factor from the base wage rate. Supervisor rate was calculated at \$ 11.00 per hour, and maintenance workers at \$9.00 per hour, starting pay.

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

TABLE 3 – SPECIAL BENEFIT SERVICES/P.R.O.W.S.O. NON-PERSONNEL ANNUAL COSTS INCLUDING EQUIPMENT AND MATERIALS

<i>PROWSO Equipment and Materials</i>	<i>Estimated Annual Cost</i>
Truck lease, insurance	\$ 6,000.00
Landscape material	\$ 3,000.00
Water usage	\$ 1,000.00
Dumpster costs	\$ 4,000.00
Supplies	\$ 3,000.00
Communications (Walkie Talkies)	\$ 2,000.00
Uniforms, Misc,	\$ 1,000.00
<i>Total Estimated Annual Equipment Costs</i>	<i>\$ 20,000.00</i>

Again, these services may be provided by an outside contractor, however accommodations must be made for these costs whether done in house of to an outside contractor.

**TABLE 4 – SPECIAL BENEFIT SERVICES/MARKETING AND IDENTITY ENHANCEMENT
SUGGESTED BUDGET ITEMS**

<i>Program to be funded/Both Benefit Zones</i>	<i>Estimated First Year Annual Cost</i>
Web site	\$ 2,000.00
Logo Creation (First Year only)	\$ 2,000.00
Walking Map	\$ 6,000.00
Banners/pedestrian kiosks, annually	\$ 5,000.00
<i>Above services will be funded by spreading costs among Benefit Zone 1 and 2, Building Square Footage A – C</i>	
Sub-Total	\$ 15,000.00
Special Events (1 or 2)	\$ 10,000.00
<i>Special Events funded by Benefit Zone 1, Building Square Footage A – C only</i>	
Total Estimated Annual Costs	\$ 25,000.00

**TABLE 5 – SPECIAL BENEFIT SERVICES/ADMINISTRATION AND CORPORATE OPERATIONS
SUGGESTED ALLOCATIONS**

<i>Program to be Funded</i>	<i>Estimated First Year Annual Cost</i>
Staff (Community Advocacy, retail attraction, Corporate minutes, administration to Board)	\$ 30,000.00
Insurance	\$ 3,000.00
Office rent	\$ 6,000.00
Phone/Fax	\$ 1,200.00
E-mail Service	\$600.00
Office supplies	\$1,000.00
Office Equipment	\$ 2,000.00
Utilities	\$ 1,200.00
Total Estimated Annual Costs	\$ 45,000.00

**TABLE 6 – SPECIAL BENEFIT SERVICES/CONTINGENCY –
RESERVE ANTICIPATED NEED**

<i>Program to be Funded</i>	<i>Estimated First Year Cost</i>
County Costs (1.7% of total assessments)	
City costs (\$500.00 per year)	
No-pays, (uncollected assessments) (?)	
Misc/Reserve (Balance of expenses)	
Total Estimated Annual Costs	\$ 23,494.36

**TABLE 7 – TOTAL FIRST YEAR SPECIAL BENEFIT SERVICES BUDGET
LINE ITEMS BASED UPON SUGGESTED PROGRAMS AND ALLOCATIONS**

<i>Program</i>	<i>First Year Allocation</i>	<i>% of Total Budget</i>
Public Rights of Way and Sidewalk Operations – Personnel and Equipment for All Benefit Zones	\$ 147,964.00	61%
Marketing/Identity Enhancement	\$ 25,000.00	10%
Administrative/Corporate Operations	\$ 45,000.00	19%
Contingency/Reserve	\$ 23,494.36	10%
Total Estimated First Year Costs of Programs	\$ 241,458.36	100%

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

METHOD OF FINANCING:

This method of financing the special services is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a “benefit assessment district” as defined in the California Streets and Highway Code. Assessed valuation cannot be used as the basis for special benefits assessments due to the introduction of Proposition 13 into the state constitution in 1978. There are at least four basic factors that will be used in determining individual assessments. These factors include 1) linear frontage, 2) land area and 3) building floor space, 4) building use. The assessments for the 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 type 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. A summary of the gross property variables in the district, as of January 1, 2004, is as follows:

TEMESCAL/TELEGRAPH PBID PROPERTY VARIABLES

<i>Property Variables</i>	<i>Total in District</i>
Lot Size	2,599,552
Building Size	1,523,586
Linear Feet	19,297

The annual revenues generated from the first year of the district (fiscal year 2004-2005) is anticipated to be \$241,458.36. A P.B.I.D. is a practical “pay as you go” funding tool which allows property owners in a given designated area to be assessed, as part of the property tax collection tax process, to pay for supplemental or “special benefit services”. These special services are those, which are not normally provided by the City of Los Angeles. PBIDs are often associated with very visible and tangible program elements that, in turn, can produce very significant changes in the character and image of the district.

COST: THERE ARE 260 PARCELS AND 211 PROPERTY OWNERS IN THE PROPOSED DISTRICT. THE COSTS ASSOCIATED WITH THE PROPERTY VARIABLES AND BENEFIT ZONES ARE AS FOLLOWS:

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

BENEFIT ZONES:

There will be three benefit zones in the district. Benefit Zone 1 will consist of all parcels fronting onto Telegraph from 45th to the Freeway and 51st Street from the freeway to one block north of Telegraph. Benefit Zone 2 will consist of parcels fronting Telegraph from 40th to 45th Street, from the freeway north to the Berkeley border, as well as all secondary and side streets. Benefit Zone 3 will consist only of Children’s Hospital parcels west of the freeway and include only the frontage and lot size property variable. Benefit Zone 1 parcel owners will pay a higher amount due to the need for specific and increased special benefit services for the core retail area in Temescal, as well as a special events budget. The intersection of 51st and Telegraph is the historic commercial core of the PBID and requires increased attention to maintenance, order and marketing in its public rights of way.

Amounts Generated by Temescal/Telegraph PBID Benefit Zone and Property Variables

<i>Property Variable</i>	<i>Benefit Zone 1</i>	<i>Benefit Zone 2</i>	<i>Benefit Zone 3</i>
Lot Size	950,697	1,371,002	277,853
Building Size	500,463	680,969	342,154
Linear Frontage	5,682	11,581	2,034
<i>Total Assessments Generated by Benefit Zone</i>	\$ 129,255.11	\$ 87,153.49	\$ 25,049.75

7. THE TIME AND MANNER OF COLLECTING THE ASSESSMENTS:

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

THE TEMESCAL/TELEGRAPH PROPERTY BUSINESS IMPROVEMENT DISTRICT STEERING COMMITTEE HAS ELECTED TO ESTABLISH THE DISTRICT FOR THE MAXIMUM PERIOD OF 10 YEARS COMMENCING JANUARY 1, 2005 TO SAVE ON THE COSTS AND TIME REQUIRED TO RE-ESTABLISH THE DISTRICT WITHIN 4 - 5 YEARS.

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

Disestablishment:

Local ordinance provides for the disestablishment of the PBID pursuant to an annual review process. Each year that the Temescal/Telegraph PBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary date that the district was first established by the City Council. Within that 30 day period, if a written petition is submitted by the owners of real property who pay 30% or more of

the assessments levied, the PBID may be considered for disestablishment. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so. (Section 4.48.220)

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

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

CITY BASELINE SERVICES AGREEMENT AND CONTINUATION OF CITY SERVICES

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

The Temescal/Telegraph Avenue PBID Steering Committee has requested that the City Council submit a report to the Management Corporation within 90 days of the district formation committing the City to establish and maintain base levels of service within the Management District. Only citywide service reductions can trigger a proportionate reduction in base levels of service within a Management District.

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

Competitive Bidding:

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

Conflict of Interest:

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

Open Door Policy:

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

Group Advocacy:

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

Main Street Organizational Model:

Consistent with the recommendations of the Neighborhood Revitalization Program of the City of Oakland, and to better facilitate communication among various BIDs in Oakland and the East Bay area, the Temescal/Telegraph Avenue Management Corporation should adopt the Main Street organizational model to direct its operations, activities and programs funded by the BID. This model has been successfully used in hundreds of business districts throughout the country.

9. ADVISORY BOARD AND MANAGEMENT OF THE DISTRICT:

The Temescal/Telegraph Avenue PBID Management Corporation is charged with the day to day operations of the Management District. The entity will include all property owners paying into the district and include representation from business owners and various sectors of the assessment district.

MANAGEMENT CORPORATION AND THE ADVISORY BOARD:

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

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