



CITY OF OAKLAND

# AGENDA REPORT


**TO:** Jestin D. Johnson  
City Administrator

**FROM:** Ashleigh Kanat  
Director, Economic &  
Workforce Development  
Department

**SUBJECT:** Resolution to Form The Laurel  
Business Improvement District

**DATE:** April 3, 2025

City Administrator Approval

  
Jestin Johnson (Apr 9, 2025 23:58 PDT)

Date: Apr 9, 2025

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt a Resolution (1) Declaring An Intention To Form The Laurel Business Improvement District 2025 (Laurel BID 2025); (2) Granting Preliminary Approval Of The Laurel BID 2025 Management Plan; (3) Directing Filing Of The Proposed Laurel BID 2025 Assessment District Boundary Description With The City Clerk; (4) Directing Distribution Of A Ballot To All Affected Property Owners In The Proposed Laurel BID 2025 To Determine Whether A Majority Protest Exists; And (5) Scheduling A Public Hearing For July 1, 2025.**

## **EXECUTIVE SUMMARY**

Adoption of the proposed Resolution of Intention will initiate a special election and legislative process to determine whether the proposed Laurel Business Improvement Management District (Laurel BID) can be formed. Property-based Business Improvement Districts (BIDs) provide opportunities for property owners to support the vitality of their commercial neighborhoods. The Laurel BID was formed in 2005, pursuant to [Resolution No. 79380 C.M.S.](#) for a period of 10 years, ending in 2015. The Laurel BID was renewed in 2015, pursuant to [Resolution No. 85682 C.M.S.](#), for a period of 10 years, ending in 2025.

The proposed Laurel BID would generate special assessment revenues of approximately Two Hundred Fifty-Six Thousand One Hundred Fifty dollars (\$256,150) per year, with possible annual increases up to eight (8) percent,<sup>1</sup> for a period of 20 years, or up to approximately \$11.7 million over the 20-year life of the district. Effective dates of the assessment will be from July 1, 2025, through June 30, 2045, and related special benefit services will be provided January 1, 2026, through December 31, 2045. The use of these funds would be consistent with the Management Plan (See Exhibit A to the Resolution of Intention) drafted by district

<sup>1</sup> The Laurel BID board will vote each year whether to impose an increase up to a maximum of 8 percent.

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representatives and includes but is not limited to: safety, cleaning, marketing, government/community relations, administration and management services within the district.

## **BACKGROUND / LEGISLATIVE HISTORY**

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](#)) which allows for the formation of property-based special assessment areas, called 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 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.

On July 7, 2015, the City Council adopted [Resolution No. 85682 C.M.S.](#) to form the Laurel BID 2016. The Laurel BID has been providing services above the City's baseline level of service to improve the neighborhood experience within the boundary of the district by making the area cleaner and more inviting and enhancing the economic vitality of the Laurel commercial district.

On December 3, 2024, the City Council adopted [Resolution 13821 C.M.S.](#), amending Oakland Municipal Code Chapter 4.48 Business Improvement Management Districts Section 4.48.080 to increase the maximum BID term from 10 Years to 20 years. The Laurel BID is the first to seek renewal or formation since this change.

Given the expiration of the 10-year term of the Laurel BID 2016 in December 2025, a renewal is needed for the assessments and services to continue. The property owners supporting the Laurel BID formation have submitted petitions representing 30 percent of the total projected district assessments to qualify for the City Council to consider adoption of a Resolution of Intention to renew the Laurel BID.

### **Geographic Boundaries, Assessments and Benefits**

The Laurel BID is proposing to expand their district boundary. The district boundaries would still include all parcels on each side of MacArthur Blvd from High Street to Midvale Avenue, as well as additional parcels from the intersection of 35th Avenue and MacArthur Boulevard westward to the 580 freeway. Specifically, the proposed Laurel BID 2025 contains approximately 120 parcels (increased from 103 parcels in the Laurel BID 2016) and one benefit zone. A map of the proposed Laurel BID 2025 boundaries appears on Page 10 of the Management Plan, and a full list of parcels in the proposed assessment roll is included in Appendix 1 of the attached Management Plan. (See Exhibit A to the Resolution of Intention for a full copy of the Management Plan).

Activities contemplated by the Laurel BID 2025 include but are not limited to, safety, cleaning, marketing, government/community relations, administration and management services within the district.

### Approval Process

Chapter 4.48 of the Oakland Municipal Code provides the requirements for BID formation. A general summary is outlined below.

To adopt the attached Resolution of Intention the City Council needs to first receive, as they have for this proposal, a petition in favor of forming the Laurel BID, endorsed by more than 30 percent of the weighted value of the property assessments that would be imposed if the Laurel BID is established. Then 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.

Upon passage of the Resolution of Intention, ballots will be mailed to each affected property owners (a sample ballot is included as Exhibit B to the Proposed Resolution of Intention). At the established hearing date and time, the ballots would be opened and be tabulated by the City Clerk. The City Council shall approve formation of the Laurel BID 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 Laurel BID and corresponding property assessment exceed the ballots submitted in favor of the Laurel BID and corresponding property assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation upon the affected property. Given the current schedule, balloting would be heard at a public hearing to be scheduled for July 1, 2025, at which time the City Council will also hear public testimony and make a final decision regarding Laurel BID formation.

### ANALYSIS AND POLICY ALTERNATIVES

The Laurel BID has played a key role in the on-going economic development of the Laurel commercial district.

The Laurel BID is one of eight property-based BIDs in Oakland. Collectively, these districts have contributed to Oakland's economic development and continue to contribute approximately \$9.8 million per year in property tax assessments that are utilized for enhanced services and activities supporting marketing, placemaking, security, cleaning services, and economic development activities focused on retention and business attraction. 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.

The initiative taken by district stakeholders to continue 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 and enhanced economic development activity in the City's core commercial neighborhoods.

If approved by the affected property owners under the procedure set forth in Oakland Municipal Code section 4.48.070, the proposed Laurel BID 2025 will generate approximately \$256,150 in Fiscal Year (FY) 2025-26, and up to approximately \$11.7 million over the 20-year term of the district, if allowable eight percent annual increases to the assessments are taken starting in year

two, FY 2026-27. If not approved by the affected property owners, the BID will not be formed and no assessment revenues will be collected.

Given the limitations on municipal funding and a growing need to identify alternate economic development revenue sources, the proposed special assessment district 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. Formation of the Laurel BID 2025 advances the Citywide Priority of **housing, economic and cultural security**.

### **FISCAL IMPACT**

There is no fiscal impact at this time. 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, partially recovered by an administrative fee. As the program continues to grow, additional resources or revenue offset from the BID agreements will be evaluated as part of the City agreements with the business improvement districts and will be included in future budget development processes.

If the Laurel BID 2025 and corresponding special property assessment are approved, the City Treasury Division would provide invoices to any tax-exempt entities that are not on the County of Alameda's property tax roll. The City does not own any parcels within this proposed district. For taxable entities, the County of Alameda would add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected to the City and booked into Miscellaneous Trust Fund (7999), Treasury Operations Organization (08721), Pass Thru Assessments Account (24224), DP080 Administrative Project (1000007), Laurel BID Program (LBID). 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 Laurel BID 2025 to partially recover the City's costs of administering the district, including costs incurred by the Treasury Division for providing the services described above. This fee does not fully recover the administrative costs of the program because of the benefits that BIDs provide to the economic health of the corridors they serve.

Lastly, if the Laurel BID 2025 is formed, program guidelines state that the City is expected to maintain a base 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 City Council meeting requirements. BID stakeholders did perform outreach necessary to secure the requisite number of property owner petitions to qualify for adoption of the attached Resolution of Intention. In late 2024, board members of the Laurel BID board coordinated the creation of the Management Plan with district stakeholders.

## **COORDINATION**

The City Controller and Revenue Management Bureaus of the Finance Department, the Office of the City Attorney and the City Clerk's Office were consulted in the preparation of this report and its 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 Laurel BID commercial district.

***Environmental:*** The proposed levy will enable the district to provide a safe, clean and walkable district of the affected commercial neighborhood by providing special benefit services such as enhanced sidewalk cleaning, graffiti removal, and trash removal along the affected commercial corridor.

***Race & Equity:*** The proposed special assessment district will incorporate members of the affected commercial neighborhood into a productive and proactive entity representing 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. While the Laurel BID is not in an economically disadvantaged neighborhood under the Oakland Department of Transportation Equity Toolkit, in 2022, the City entered into a contract with Urban Place Consulting to provide organizational assistance to underserved commercial corridors, which may include performing BID feasibility studies. With direction from the City, Urban Place Consulting has been engaging groups of business owners, property owners, and other stakeholders in underserved commercial corridors, including Little Saigon, the Hegenberger Airport area, and International Boulevard in Deep East Oakland, 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 Laurel Business Improvement District 2025 (Laurel BID 2025); (2) Granting Preliminary Approval Of The Laurel BID 2025 Management Plan; (3) Directing Filing Of The Proposed Laurel BID 2025 Assessment District Boundary Description With The City Clerk; (4) Directing Distribution Of A Ballot To All Affected Property Owners In The Proposed Laurel BID 2025 To Determine Whether A Majority Protest Exists; And (5) Scheduling A Public Hearing For July 1, 2025.

For questions regarding this report, please contact Yanira Cortez, Urban Economic Analyst II, at (510) 238-6683.

Respectfully submitted,



[Ashleigh Kanat \(Apr 9, 2025 19:26 PDT\)](#)

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