



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2014 NOV -6 AM 10: 37 **AGENDA REPORT**

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Rockridge BID Annual Report and
Resolution of Intention to Set FY 2015-2016 Levy

DATE: September 29, 2014

City Administrator
Approval

Date

10-29-14

COUNCIL DISTRICT: #4

RECOMMENDATION

Staff recommends that the City Council adopt the:

Resolution of Intention To Levy An Annual Assessment For Fiscal Year 2015-2016 For The Rockridge Business Improvement District, Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board, And Scheduling A Public Hearing For December 9, 2014

EXECUTIVE SUMMARY

Streets and Highways Code Division 18 (commencing with section 26500) requires that merchant-based business improvement districts (BIDs) receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Rockridge BID to collect its Fiscal Year (FY) 2015-2016 assessment, City Council would need to adopt the attached Resolution of Intention to levy, and to schedule a related public hearing. The public hearing must take place no less than 10 days and no more than 30 days after the adoption of the attached Resolution of Intention. Following the public input portion of the hearing City Council would then take final action on the proposed levy. The attached resolution also approves the district's annual report to the City.

In FY 2015-2016, if the City Council approves the proposed assessment, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues, which is the same as in FY 2014-2015. The annual report 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 2014-2015. The district advisory board is recommending a continued reduced annual assessment rate (from \$120 to \$60) for businesses that earn gross annual receipts of \$25,000 or less per year

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If Council approves the proposed levy, assessments will be collected in accordance with the District Management Plan (Plan) on file with the Office of the City Clerk and the attached annual report (*Exhibit A* to the Resolution of Intention) submitted by the Rockridge District Association, the district's City Council appointed advisory board. The Plan and annual report set forth actions intended to improve the commercial climate within the district. Key activities to be funded by the special assessment include, but are not limited to, enhanced cleaning, including sidewalk cleaning; enhanced public safety, including private security services; beautified physical appearance, including installation and maintenance of decorative banners and benches; special events such as spring and summer Jazz & Wine Festivals, Rockridge Out & About and other seasonal events; and special marketing activities such as internet advertising and maintenance of a district website.

OUTCOME

Adoption of the attached Resolution of Intention to levy the FY 2015-2016 Rockridge BID assessment, approve the annual report for the district and schedule a public hearing for December 9, 2014 would satisfy preliminary legislative requirements for approval of next year's levy and the ongoing operation of the district.

BACKGROUND/LEGISLATIVE HISTORY

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, 1999, the Oakland City Council approved Resolution No. 75323 C.M.S. which initiated a City of Oakland Neighborhood Business Improvement District (NBID) 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 passed by City Council November 28, 2000 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), Koreatown/Northgate (established 2007), Lake Merritt/Uptown (established 2008), Downtown Oakland (established 2008) 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 international countries (e.g. Italy, South Africa, United Kingdom, etc.).

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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 and 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.

ANALYSIS

There is no anticipated adverse impact associated with the approval of the proposed resolution. Adoption of the attached resolution will advance the approval process of the FY 2015-2016 special assessment for the Rockridge BID. Special benefit services provided by the BID aim to support the economic vitality of the corresponding commercial neighborhood.

Because BIDs are self-initiated, self-funded, and self-administered entities, there are no anticipated fiscal impacts for the City associated with continuance of the above-referenced BID. Given the approximate \$158,400 of private funds that will be generated to support continued economic development within the affected district, the project merits consideration of City Council support.

The Rockridge BID encompasses approximately 360 businesses located in and around the Rockridge commercial area and estimates an upcoming annual budget of approximately \$208,400 which includes \$158,400 of projected assessments to be collected in FY 2015-2016 and \$50,000 of carryforward from the prior fiscal year. For the fiscal year 2015-2016 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

PUBLIC OUTREACH/INTEREST

To adopt the attached resolution, enabling legislation does not require City staff to conduct public outreach other than the required posting on the City's website. District stakeholders, however, did perform outreach necessary to secure advisory board consensus sufficient to generate the attached annual report and proposed FY 2015-2016 district budget (*Exhibit A*).

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COORDINATION

The City Budget Office and Office of the City Attorney were consulted in the preparation of this report and/or its attachments and exhibits.

COST SUMMARY/IMPLICATIONS

No fiscal impact is anticipated to the City. The Rockridge BID (RBID) is a self-funded, self-administered entity.

However, although there are no direct fiscal impacts to the City's budget resulting from approval of the FY 2015-2016 Rockridge BID assessment levy, there are indirect costs associated with the general administration of the citywide BID program which include, but are not limited to, activities such as compliance with legislative reporting requirements, technical assistance to existing districts, coordination of proposed new district formations, coordination of annual levy approvals, public hearings, and required legal noticing. Such indirect costs are covered in the Department of Economic and Workforce Development's budget.

The proposed special assessment district will pay 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 and will remit the amount collected (minus the City's costs of collection) to the Rockridge District Association, the district's designated non-profit administrator.

Until disbursed, RBID assessments will be held in a special trust fund established by FMA on behalf of the district in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID).

SUSTAINABLE OPPORTUNITIES

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

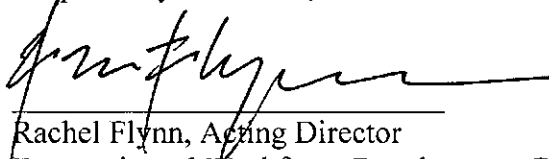
Environmental: Receipt of ongoing special assessment revenue streams will enable applicable districts to continue efforts to strengthen and beautify the physical image of the affected commercial neighborhoods by providing special benefit services such as litter pickup, sidewalk steam cleaning, landscaping, public art, directional signage and public safety capital improvements.

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Social Equity: The concerned special assessment districts will incorporate members of the affected commercial neighborhood into a productive and proactive entity representing the interests of that community. Stakeholders themselves will continue to be responsible for administering revenues generated by the district which contributes to community self-empowerment and the furtherance of an additional social equity model.

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

Respectfully submitted,



Rachel Flynn, Acting Director
Economic and Workforce Development Department

Reviewed by
Aliza Gallo, Economic Development Manager

Prepared by
Maria Rocha, BID Program Coordinator

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION OF INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2015-2016 FOR THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT, APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD, AND SCHEDULING A PUBLIC HEARING FOR DECEMBER 9, 2014

WHEREAS, the State of California allows for the formation of business assessment districts under Street and Highways Code Section 36500 *et seq.*; and

WHEREAS, the business license holders in the Rockridge business district petitioned to form the Rockridge Business Improvement District ("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 new security, beautification, and 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 Rockridge Business Improvement District was established by the City Council on November 28, 2000, pursuant to Ordinance 12301C.M.S ; and

WHEREAS, Streets and Highways Code Section 36533 requires that before the next annual assessment for the Rockridge Business Improvement District is levied, the City Council must. (1) approve the Report, (2) approve a Resolution of Intention that declares the City's intention to collect the assessments, and (3) schedule a public hearing to be held on the levy of the proposed assessment ; and

WHEREAS, pursuant to said law, the Rockridge Business Improvement District Advisory Board has prepared and filed with the City Clerk, the Annual Assessment Report (attached as Exhibit A) ("Report"), which contains the required particulars including a detailed description of the improvements and activities to be provided for the 2015-2016 fiscal year, the boundaries of the area and any benefit zones within the area, and the proposed assessments to be levied upon the businesses within the area for the 2015-2016 fiscal year, and

WHEREAS, if the District's proposed assessments for FY 2015-2016 are approved and levied, they will be held (until disbursed) in a special trust fund established by the Finance and Management Agency on behalf of the District in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments

Account (24224)/Undetermined Project (0000000)/Rockridge BID Program (RBID),
now therefore be it

RESOLVED that the Council of the City of Oakland does find and state its
intention as follows:

1. The Fiscal Year 2015-2016 Annual Assessment Report for the Rockridge Business Improvement District is hereby approved, and pursuant to Streets and Highways Code Section 36534, the City Council declares its intention to levy and collect the assessments for FY 2015-2016 as provided for in the said Annual Assessment Report and pursuant to the assessment formula as provided for in the Plan, if the requested assessments are approved by the City Council after the Public Hearing scheduled by this Resolution of Intention.
2. The location and 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
3. The types of the improvements and activities proposed to be funded by the levy of FY 2015-2016 assessments on businesses in the area are those described in the Plan and the Annual Assessment Report on file with the City Clerk. No substantial changes in the improvements or activities for the District are proposed to be made
4. The proposed method and basis of calculating the assessments to be levied against each business in the District are those specified in the Plan and Annual Assessment Report on file with the City Clerk. For the fiscal year 2015-2016 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 the \$120 fee). 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.
5. A Public Hearing is set for December 9, 2014 at 6:00 p.m. in Oakland City Hall, to hear all public comments, protests, and to take final action as to the levying of the proposed assessments for the District for the fiscal year 2015-2016.
6. The City Clerk is directed to give notice of the Public Hearing by causing the Resolution of Intention to be published once in a newspaper of general circulation in the City of Oakland not less than seven days before the Public Hearing.
7. At the Public Hearing the testimony of all interested persons for or against the proposed assessments will be heard and written and oral protests may be made. The form and manner of protests shall comply with Sections 36524 and 36525 of the Streets and Highways Code.

8. A protest may be made orally or in writing by any interested person. 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.
9. Every written protest shall be filed with the 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.
10. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the City as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business.
11. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest
12. If written protests are received by the owners of businesses 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 proposed assessment shall not be levied.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, REID, SCHAAF and
PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

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

Exhibit A
(To the Resolution of Intention to Levy the FY 2015-2016 Rockridge BID Assessment)

**Rockridge Business Improvement District
Annual Report To The City Of Oakland
Relating to the Fiscal Year 2015-2016**

Pursuant to California Streets and Highways Code Part 6
Parking and Business Improvement Area Law of 1989
Chapter 3, Section 36533

I. Proposed changes in the boundaries of the parking and business improvement area or in any benefit zone within the area.
There are no proposed changes to the boundaries of the Rockridge Business Improvement District

II. Improvements and activities to be provided for in fiscal year 2015-2016

Please see the attached budget, which will outline the improvements and activities to be funded and provided in the upcoming fiscal year through Feb 28, 2016

III. Estimate of the cost of providing the improvements and activities for fiscal year 2015-2016

See attached budget

The RDA has expenses that do not recur on an annual basis. Examples are Tree Trimming, Surveillance Cameras, Banners, Signage. Currently we have bids for 30K for trees, 20K for cameras and 15K for Banner additions and replacements. These items will recur every 3-5 years and funds for these and similar expenditures will be reserved/accumulated in a Capital Projects line item under the existing Streetscape and Security program category

IV. Method and basis of levying the assessment.

The fee structure for assessments will remain as previously approved, including temporarily creating a sub-classification for businesses that earn annual gross receipts of \$25,000 or less. Businesses which fall into this sub-classification would pay an annual assessment fee of \$60.00. This is not a property based district, therefore property owners are not assessed.

V. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.

Our fiscal year ends on 2/28. The first disbursement of assessments occurs on 4/30. Funds have been kept to cover recurring expenses for March and April.

Additionally, in 2011 we were concerned with the declining economy and unsure of the amount of assessment that would be coming in. In 2013 we discovered that many of our businesses were not receiving assessment bills - over 50 businesses, many for the past 4 years. With improved economy and improved tracking of assessed businesses we have found ourselves with additional funds. These are the reasons for the projected \$50K carryforward which will be spent on Tree Trimming/Surveillance Cameras/ Signage/Banners and the like. We anticipate similar carryforwards in future years to cover the types of Capital Project expenditures described above that do not occur annually but which require accumulation of funds over a period of 3-5 years.

VI. The amount of any contributions to be made from sources other than assessments levied.

The Rockridge Business Improvement District will seek sponsorship funds for our promotional and beautification efforts.

VII. Annual Renewal Notice.

This year City Council is approving an amendment to this requirement. Starting in 2014 the notice has to be sent

every 5 years. The notice will be sent again in 2018 as the last notice was sent in 2013. Section 12 of the amended Ordinance 12301 C.M.S. now states.

The Governing Council (Advisory Board) of the Rockridge BID shall annually 45 days before the anniversary of the establishment of Rockridge Business Improvement District Ordinance give the assesses of the District written notice of their rights to seek disestablishment of the district and the process therefore. Commencing with the year 2014, said notice shall no longer be required annually, but shall be given once every five years, with the next notice to be sent 45 days before the District's formation anniversary in the year 2018. In their annual report to Council, the Advisory Board shall report that they have provided this notice.

Please contact Henry C. Levy, Treasurer of the Rockridge Business Improvement District, should you have any questions regarding this report.

October 16, 2014

Rockridge District Association, for the Rockridge Business Improvement District

Proposed Budget

March 2015 to February 2016

Gross BID Revenue	\$158,400
City of Oakland- Collection Cost	-\$2,400
City of Oakland- Noticing	-\$1,100
Carryforward	\$50,000
Total Income	\$204,900
Expense	
Organization	\$62,000
Marketing & Promotion	\$34,000
Streetscape & Security	\$58,900
Capital Projects	\$50,000
Total Expense	\$204,900



The RDA continues to strive to build bridges with the Oakland Police Department, the Public Works Department, and neighborhood groups. Over the past year our ties and partnerships with the Oakland Police Department have grown stronger in an effort to reduce overall crime here in the area. We have been working with Public Works to reduce blight issues. This includes an ongoing effort by the BID to remove tagging and report illegal dumping. We have employed a cleaning crew to augment our ongoing efforts to maintain an immaculate district for everyone's enjoyment, and the board will be awarding a contract for tree maintenance, planting, and trimming within our district boundaries. We do this as stewards of the Avenue, for safety as well as aesthetics, since this financial burden has been shifted from the city to the BID.

We have met with the Rockridge Community Planning Council to promote the shopping district in order to benefit the neighborhood on all levels, and we are working with the RCPC on quality-of-life issues impacting this community. The RDA has dedicated a larger than usual percent of business fees to advertising and marketing as a benefit to our merchant population. We have also instituted ongoing monthly web marketing classes for our members so that they can learn how to promote their businesses online as well as helping BID businesses by providing online recruiting for their vacant positions.

The RDA is working on our Street Festival Out and About, which will be Sunday, October 12th. In an effort to bring a new dimension to the festivities, the RDA has hired Stephen Tiffin and Samee Roberts of Shasta Productions to create this year's event. We are working with the RCPC to organize the Halloween Parade to once again build community in the Rockridge neighborhood. As we've done in past years, we will be producing Rockridge in the Snow as an annual promotion to jump start the holiday shopping season.

The increase in crime earlier this year demanded attention thus the district brought in private security at significant cost. The expense helped calm fears not only for our members but the community at large. The RDA is in the process of exploring CCTV for four key areas on the Avenue to assist OPD in helping bring an even higher level of safety to our area. At district expense of some \$14,000, we had decomposed granite placed in the open tree wells to help eliminate this serious safety issue as well as to create wider pedestrian pathways. We continue promoting the district to bring in new business, and rumor has it that a hardware store will soon be opening. Such a store is something that we believe is needed and wanted by the community and will help make our district even more attractive.

We are working closely with AC transit on the layout of the changes to the 51 bus line to minimize the negative impact on parking for our businesses. We worked closely with our merchants to help mitigate the parking at the new Safeway construction project and will continue to be involved. The RDA continues its close working relationship with Claremont Middle School by sponsoring a fund-raiser, a pancake breakfast, providing badly needed funds for the PTA. Work with school staff reduces friction between students, our businesses, and neighbors.

Rockridge District Association, a Rockridge Business Improvement District

5435 College Ave Ste 200 ▪ Oakland ▪ CA 94618
▪ Phone 510-604-3125 ▪
chrs@rockridgedistrict.com ▪ www.rockridgedistrict.com

**Rockridge District Association a RBID
Board 2013-2014**

	Board Member Name	OY	Business:	Business Address:	Phone:(510)	Email Address
1	Beverly McArthur	2006	First Federal Savings & Loan	6058 College	652-9500	mcarthurbeverly35@yahoo.com
2	Henry Levy	2003	Hank Levy Group, CPA	5940 College	652-1000	hank@hlgcpa.com
3	Joyce .Gardner	2006	FIT	5707 College	923-0784	fitclothing@att.net
4	Louise Rothman-Riemer	1999	DHR Investment Counsel	5435 College Ste 200	596-2580	louise@dhrcounsel.com
5	Susan Bernosky	2006	Strahan Ins Svcs Inc	5940 College	450-9050	susan@susanbernosky.com
6	Veronica Bhonsle	2005	VERO	6052 College	985-0406	vbhonsle@aol.com
7	Maggie Klein	2013	Oliveto	5655 College	547-5356	maggie@oliveto.com
8	Laurie Field	2013	Lauren G Field	5332 College Ste100	658-2525	laurenfield@gmail.com
9	Robin Pennell	2013	Jarvis Architects	5278 College Ave	654-6755	rpennell@jarvisarchitects.com
10	Open					