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OFFICE OF THE CITY CLERK  
OAKLAND  
2015 DEC 23 PM 4:25

# AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** Montclair BID Annual Report and  
FY 2016-2017 Levy Approval

**DATE:** December 14, 2015

City Administrator Approval

Date:

12/23/15

## RECOMMENDATION

**Staff Recommends That City Council Adopt A Resolution Confirming The Annual Report Of The Montclair Business Improvement District Advisory Board And Levying The Annual Assessment For The Montclair Business Improvement District For Fiscal Year 2016-2017.**

## EXECUTIVE SUMMARY

State enabling legislation requires that merchant-based business improvement districts (BIDs) receive City Council's approval before levying each fiscal year's assessment. Therefore, for the Montclair BID to collect its Fiscal Year (FY) 2016-2017 assessment, City Council must to adopt the attached resolution to levy the FY 2016-2017 Montclair BID assessment. The attached resolution also confirms the district's annual report to the City.

If the proposed assessment is approved, the Montclair BID will generate an estimated \$87,895 of special assessment revenues in FY 2016-2017. Funds will be used to pay for special benefit services outlined in the Montclair BID District Management Plan (the "Plan") on file with the Office of the City Clerk and the attached annual report (attached as **Exhibit A** to the Resolution), prepared and submitted by the Montclair Village 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 such as spring and summer Jazz & Wine Festivals, and the Montclair Village Holiday Stroll; and marketing and promotion activities such as internet advertising and maintenance of a district website.

Item: 9.2  
City Council  
January 5, 2016

## **BACKGROUND / LEGISLATIVE HISTORY**

Sections 36500 *et seq* of California Streets and Highway Code provides 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 Business Improvement District (BID) within their respective commercial neighborhood(s). Pursuant to these efforts Ordinance No. 12378 C.M.S. was passed by City Council on November 27, 2001 to establish the Montclair BID.

Streets and Highways Code Division 18 (commencing with section 26500) also requires that merchant-based business improvement districts (BIDs) receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Montclair BID to collect its Fiscal Year (FY) 2016-2017 assessment, on December 8, 2015, a Resolution of Intention (ROI) to levy the FY 2016-2017 Montclair BID assessment, approve the district's annual report, and schedule a related public hearing for January 5, 2016 was also adopted by City Council. Adoption of the ROI was a prerequisite to City Council's consideration of the attached Resolution to approve the FY 2016-2017 levy. The related public hearing must take place no less than 10 days and no more than 30 days after adoption of the ROI. Following the public input portion of the hearing City Council will take final action on the proposed levy.

The billing period for the proposed levy will be January 1, 2016 through December 31, 2016; and services to be paid for by the above billing and collections will be provided on a March 1, 2016 through February 28, 2017 fiscal year basis per the attached proposed budget (attached as **Exhibit A** to the attached Resolution).

If the City Council approves the proposed FY 2016-2017 assessment, the Montclair BID will generate an estimated \$87,895 of special assessment revenues, which is \$895 more than in FY 2015-2016.

The assessment is based on two variables that include business gross receipts and business type.

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 2015-2016.

If Council approves the proposed levy, assessments will be collected and expended in accordance with the District Management Plan (the "Plan") on file with the Office of the City Clerk and the attached annual report (attached as **Exhibit A** to the attached Resolution) submitted by the Montclair Village Association, the district's City Council appointed advisory board.

Other BIDs (also known as Community Benefit Districts, or, CBDs) successfully formed within the City of Oakland include those located within the Rockridge (established 2000), 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), 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.).

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.

### **ANALYSIS AND POLICY ALTERNATIVES**

There is no anticipated adverse impact associated with the approval of the proposed resolution. Adoption of the attached resolution will approve the FY 2016-2017 special assessment for the Montclair BID. The special benefit services provided by the BID aim to support the economic vitality of the corresponding commercial neighborhood.

Since 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 \$87,895 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 Montclair BID encompasses approximately 218 businesses located in and around the Montclair commercial area and estimates an upcoming annual budget of approximately \$144,940, which includes \$87,895 of projected assessments to be collected in FY 2016-2017 and \$4,500 of carryforward from the prior fiscal year, and income generated from various other Montclair BID activities and events, as reported in **Exhibit A** to the attached resolution

### **FISCAL IMPACT**

No fiscal impact is anticipated to the City. The Montclair BID is a self-funded, self-administered entity.

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 Montclair Village Association, the district's designated non-profit administrator. The City's cost of collection is based on actual Finance Management Bureau staff time and materials expended. Collection costs are calculated and charged to the district by the Finance Management Bureau. It is currently anticipated that FY 2016-2017 collection costs will be approximately \$1,900.

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

### **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 2016-2017 district budget (attached as **Exhibit A** to the Resolution of Intention).

### **COORDINATION**

The Controller's Bureau and Office of the City Attorney were consulted in the preparation of this report and/or its attachments and exhibits.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** Montclair 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:** No specific environmental opportunities have been identified.

**Social Equity:** BIDs incorporate all members of an affected business owner community into a proactive entity with the financial resources to productively influence their shared environment which may be compatible with some aspects of various social equity models.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council adopt a resolution confirming the annual report of the Montclair Business Improvement District Advisory Board and levying the annual assessment for the Montclair Business Improvement District for fiscal year 2016-2017.

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

Respectfully submitted,



Mark Sawicki, Director  
Economic and Workforce Development Department

Prepared by:  
Maria Rocha, BID Program Manager  
Economic Development

MEETING OF THE OAKLAND CITY COUNCIL  
Item: 9.2  
~~GED Committee~~  
~~December 1, 2015~~  
= JAN - 5 2016

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Oakland City Attorney's Office

2015 DEC 23 PM 4:26 OAKLAND CITY COUNCIL

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

**RESOLUTION CONFIRMING THE ANNUAL REPORT OF THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD AND LEVYING THE ANNUAL ASSESSMENT FOR THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2016-2017**

**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 Montclair business district petitioned to form the Montclair 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 special benefit services such as enhanced security, beautification, sidewalk sweeping, 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 Montclair Business Improvement District was established by the City Council on November 27, 2001 pursuant to Ordinance No. 12378 C.M.S.; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, the Montclair Improvement District Advisory Board has prepared and filed with the City Clerk, the Annual Assessment Report (attached **Exhibit A**) ("Report"), which contains the required particulars including a detailed description of the improvements and activities to be provided for the 2016-2017 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 2016-2017 fiscal year; and

**WHEREAS**, the City Council desires to confirm the Report, and levy the annual assessment for the Montclair Business Improvement District for fiscal year 2016-2017; and

**WHEREAS**, on December 8, 2015, the City Council Adopted a Resolution of Intention to levy the fiscal year 2016-2017 assessment, approve the district's annual report, and schedule a related public hearing for January 5, 2016, as required by Government Code section 36534; now therefore be it

9.2

MEETING OF THE  
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= JAN - 5 2016

**RESOLVED:** that the Council of the City of Oakland does hereby find and determine as follows:

1. The Montclair Business Improvement District was established in the Montclair area of the City of Oakland, California as a parking and business improvement area pursuant to Street and Highways Code section 36500 *et seq.* with the boundaries as specified in the Plan on file with the City Clerk.
2. Pursuant to Streets and Highways Code Section 36535, a Public Hearing was held on January 5, 2015, to hear all public comments, protests, and take final action as to the levying of the proposed assessments for the District for the fiscal year 2016-2017. The City Council finds that there was no majority protest as defined in the Street and Highways Code Section 36500 *et seq.*
3. The Annual Assessment Report for the District is approved and confirmed.
4. The City Council approves and adopts the assessments as provided for in the Plan and the Annual Assessment Report of the Advisory Board and does hereby levy and direct the collection of the assessments for the 2016-2017 fiscal year as provided for in the Annual Assessment Report in accordance with the assessment formula as provided for in the Plan and Annual Assessment Report.
5. 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.
6. The time and manner of collecting assessments shall be at the same time and in the same manner as for the annual business tax billings and may provide for the same penalties for delinquent payment. The City may use the same process and procedures for the collection of delinquent assessments as it uses to collect delinquent business tax billings or such other processes and procedures as are convenient to complete such collection and may reimburse itself out of the proceeds collected for the costs of such collection. The assessments shall be coordinated with the City of Oakland's annual business tax billing cycle, and shall be included along with the annual business tax notifications, or in a supplemental notice following thereafter if, for any reason, they are not ready or cannot be included along with the business tax notices. Supplemental notices shall be permissible for new businesses or for correction or supplementation of prior notices.
7. The boundaries of the District shall remain the same as specified in the Plan on file with the City Clerk and there are no changes to the boundaries or benefit zones.
8. The types of the improvements and activities proposed to be funded by the levy of assessments on businesses in the area are those described in the Plan and the

Annual Assessment Report on file with the City Clerk. There are no substantial changes in the improvements or activities for the District.

9. Until disbursed, BID assessments will be held in a special trust fund established by the City on behalf of the Montclair Business Improvement District in: Miscellaneous Trusts Fund (7999), Economic Development Organization (85411), Pass Thru Assessments Account (24224), Undetermined Project (0000000), Montclair Business Improvement District Program (MBID).
10. The City Administrator is hereby authorized to enter into annual contracts and related amendments for the security, marketing, maintenance, or other activities and improvements for the District, or to conduct or contract for such services and improvements as provided for in the State of California Streets and Highways Code Section 36500 *et seq.*

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

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and  
PRESIDENT GIBSON McELHANEY

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**9.2**

MEETING OF THE  
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= JAN - 5 2016





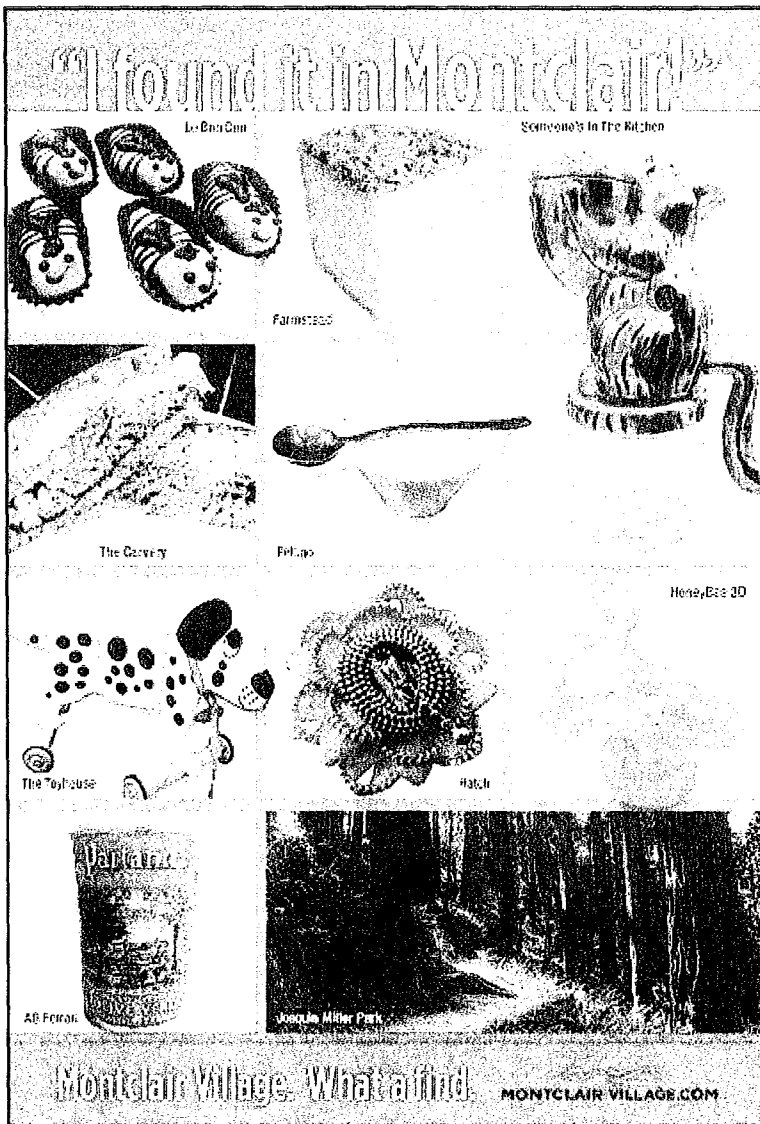
# MONTCLAIR VILLAGE

The MVA's mission is to support our merchant members and help the Village thrive.

## Annual Report Relating to the 2016-2017 Montclair Village Association Business Improvement District

### EXHIBIT A

(To the Resolution to Levy the FY 2016-2017 Montclair BID Assessment)



1980 Mountain Blvd. Suite 212 • Oakland, CA 94611  
 (510)339-1000 • (510)339-2368 fax • montclairvillage@sbcglobal.net  
 www.montclairvillage.com

## EXHIBIT A

(To the Resolution to Levy the FY 2016/17 Montclair BID Assessment)

### **Annual Report to the Oakland City Council Relating to the 2016-2017 Montclair BID**

Pursuant to California Streets and Highways Code Part 6  
Parking and Business Improvement Area Law of 1989  
Chapter 4, Section 36533

- I. Proposed changes in boundaries of the parking and business improvement area or in any other benefit zones within the area.**  
There are no proposed changes in the boundaries of the parking and business improvement area or any benefit zones in the area.
- II. Improvements and activities to be provided for in upcoming fiscal year.**  
See the attached budget which outlines the improvements and activities to be funded and provided in the year ending December 31, 2016.
- III. Estimate of the cost of providing the improvements and activities for upcoming fiscal year.**  
See attached budget
- IV. Method and basis of levying the assessment.**  
The method and basis of levying the assessment has not changed from the adoption of the original ordinance.
- V. The amount of any surplus or deficit revenues to be carried over from the previous fiscal year.**  
See attached budget.
- VI. The amount of any contributions to be made from sources other than assessments levied.**  
Other than assessments levied, funds have been generated from Pacific Fine Arts Festivals, and from management of the Montclair Village Parking Garage. Funds from Associate Member program, started in mid-2010, are also shown on the attached budget.

Jeff Diamond  
President, Montclair Village Association

**Montclair BID 2016 Proposed Budget:**

**Income**

BID Revenues	\$	87,895.00
Art Festivals	\$	8,500.00
Associate Memberships	\$	1,500.00
Banner Placement	\$	880.00
Farmer's Market	\$	10,000.00
Fundraising and Promotions	\$	7,000.00
Garage Management	\$	10,000.00
Interest on Savings	\$	60.00
Mosaic Program	\$	4,500.00
Reserve Carry Forward	\$	4,500.00
<u>Village Events</u>	<u>\$</u>	<u>10,000.00</u>
<b>Total Income</b>	<b>\$</b>	<b>144,835.00</b>

**Expenses**

**Beautification**

Banners	\$	3,000.00
Landscaping	\$	8,000.00
Land Use	\$	-
Maintenance	\$	12,000.00
Streetscape	\$	<u>15,000.00</u>
<b>Subtotal</b>	<b>\$</b>	<b>38,000.00</b>

**Economic Restructuring**

Safety	\$	-
Security	\$	<u>14,000.00</u>
<b>Subtotal</b>	<b>\$</b>	<b>14,000.00</b>

**Organization**

Accountant	\$	835.00
City Collections Costs	\$	2,000.00
City Loan Repayment	\$	-
Insurance	\$	1,400.00
Meetings	\$	1,000.00

Payroll Taxes and Expenses	\$	1,500.00
Postage	\$	100.00
Rent	\$	5,000.00
Staff	\$	45,000.00
Supplies/Equipment	\$	1,800.00
Taxes	\$	200.00
Utilities	\$	<u>1,000.00</u>
<b>Subtotal</b>	\$	59,835.00
<b>Promotions</b>		
Advertising	\$	11,000.00
Art Festivals	\$	-
Directory	\$	2,000.00
Design/ Graphics	\$	4,500.00
Farmer's Market	\$	1,000.00
Village Events	\$	10,000.00
Map Signage	\$	1,000.00
Web site	\$	<u>3,500.00</u>
<b>Subtotal</b>	\$	33,000.00
<b>Total Expenses</b>	\$	144,835.00

## Accomplishments 2015

### Beautification/Design/Land Use

- Maintained Village planters, tree wells, and median plantings
- Provided weekly sidewalk and gutter sweeping; 5-20 lbs. of litter removal per week
- Provided sidewalk steam cleaning and cleaning of City trash receptacles
- Continued to obtain City and public utility support to address pot holes, graffiti, infrastructure damage, signage and recycling issues in the Village
- Hosted (2) community workdays with 40+ volunteers; to address litter and vegetation overgrowth along Hwy 13 and in Montclair Park
  - January 2015 Work Day – Montclair Park Improvements & clean-up
  - April 2015 Community Work Day – cleaned 1000+ linear feet along sidewalk along Moraga
- Murals, Planters and New Art raised over \$10,000 in private investment.
- Progressed into the Antioch Court safety improvement construction design phase – Finalizing design for construction; partnering with Montclair Safety & Improvement Council

### Board of Directors

- Held monthly meetings where merchant members and members of the public could comment, share partner opportunities and ask questions.
- Held annual merchant mixer to honor incoming and departing Board members, and to provide opportunities for merchants to share marketing ideas and network
- Expanded Board participation, and merchant participation in committees and working groups

### Businesses

- Expanded the Associate Membership program to represent area businesses, enabling businesses neighboring the BID or in home offices to become involved in the Association and benefit from the collective marketing effort
- Maintained/updated database of Village merchants, property owners/managers
- Expanded the new MVA website and calendar function to include area events
- Produced Montclair Village electronic newsletter
- Worked closely with the Oakland Tax Division to collect assessments from severely delinquent BID members
- Initiated a district marketing campaign for business promotion and to highlight the assets of the District
- Involved (10) college interns to learn about community organizing and business support
- Farmer's Market – Supported a vibrant and active destination market
- Website – Front facing promotion of businesses
- Worked with City of Oakland and Oakland City Council to evaluate Flexible Parking Pilot (start date 8/18/2014) and Parking Assessment district

### Promotions

- Hosted a street festival fundraiser with over 3,000 attendees - Facilitated the Montclair Beer and Wine Celebration in partnership with the Pacific Fine Arts Festivals to produce their two annual events; raised approximately \$5,000 for the Village.
- Managed Farmers' Market activities, upgrading the cleanliness and presentation of the market
  - Expanded the use of a Farmers' Market booth by MVA businesses

- Working closely with the Lions Club to produce a Village Restaurant Walk in April and Halloween Parade through the Village.
- Facilitated late night Thursday shopping during the holiday season
- Produced Village Annual Holiday Stroll event – 2,000+ attendees
- Co - Produced a summer outdoor movie series in the commercial district that draws over 150 attendees
- District Marketing Campaign
  - 7 different publications (print and online)
  - Bay Area wide reach
  - “I Found it in Montclair. Montclair Village. What a Find.”

### **Safety/Security**

- Revised security contract for more responsive coverage and improved connectivity with surrounding residential areas.
- Facilitated the installation of security cameras at the parking garage
- Partnered with OPD PSO and merchant watch to educate merchants and utilize CEPTD tactics for crime deterrence

### **Garage Management**

- Maintained, Managed, and Promoted the City parking garage and parking lot, located in Montclair Village.
- Parking Garage Management
  - Retained management contract delivering year-to-year revenue growth
  - Continued infrastructure improvements
    - Retaining wall, evasion control
    - Painting
    - Security Camera
    - Lighting Improvements
    - 20 minutes free; parking pilot program
    - Credit card processing
    - Expanded use of validation program
    - Broad based Marketing of facility and programs

**Montclair Village Association  
2015 - 2016 Board of Directors**

	<b>First</b>	<b>Last</b>	<b>Position</b>
1	Pat	Benson	Director
2	Jeff	Diamond	President
3	Theresa	Henrekin	Director
4	Barbara	Mooney	Director
5	Lydia	Nayo	Director
6	Howard	Neal	Secretary
7	John	Porras	Vice President
8	Tom	Revelli	Treasurer

Summary of BID Functions

Private security, maintenance, beautification, design, land use, promotion activities

Committees

Promotions/Farmers' Market  
Beautification/Design/Land Use/Safety  
Executive  
Nominations  
Finance

**9.2**

MEETING OF THE  
OAKLAND CITY COUNCIL