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OFFICE OF THE CITY CLERK
OAKLAND
2019 OCT 31 PM 12:59

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Alexa Jeffress
Acting Director, EWD

SUBJECT: Montclair BID Annual Report and
Intention to Levy FY 2020-2021
Assessment

DATE: October 21, 2019

City Administrator Approval

Date:

10/31/19

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Montclair Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year (FY) 2020-2021 For The Montclair Business Improvement District; And 3) Scheduling A Public Hearing For December 10, 2019.

EXECUTIVE SUMMARY

State enabling legislation requires that merchant-based business improvement districts (BIDs) receive City Council approval before levying each fiscal year's assessment. Therefore, to enable the Montclair BID to collect its Fiscal Year (FY) 2020-2021 assessment, City Council would need to adopt the attached Resolution of Intention to levy, and to schedule a related Public Hearing. The attached resolution also approves the District's annual report to the City.

If the proposed assessment is approved, the Montclair BID will generate an estimated \$88,000 of special assessment revenues in FY 2020-2021. 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 of Intention), 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, district beautification, including installation and maintenance of decorative banners and benches, and marketing and promotion activities, including special seasonal events.

Item: _____
CED Committee
November 12, 2019

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 Business Improvement District (BID) within their respective commercial neighborhood(s). Pursuant to these efforts Ordinance No. 12378 C.M.S. was passed by the City Council on November 27, 2001, to establish the Montclair BID.

Streets and Highways Code Division 18 (commencing with section 36500) also requires that merchant-based BIDs receive City Council approval before levying each fiscal year's assessment. Therefore, to enable the Montclair BID to collect its FY 2020-2021 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 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 assessment. The attached resolution also approves the district's annual report to the City.

The billing period for the proposed assessment will be January 1, 2020 through December 31, 2020; however, services paid for by the assessment will occur on a March 2020 through February 2021 fiscal year basis, per the attached proposed budget (***Exhibit A*** to the Resolution of Intention).

If the City Council approves the proposed FY 2020-2021 assessment, the Montclair BID will generate an estimated \$88,000 of special assessment revenues, which is \$3,000 less than FY 2019-2020 revenue projections and based on actual revenues received in FY 2019-2020.

The assessment is based on two variables which include business gross receipts and business type. If approved, the assessments for FY 2020-2021, will be collected and expended in accordance with the 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 Montclair Village Association, the district's City Council appointed advisory board.

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 2019-2020

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, renewed in

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2017), Lake Merritt/Uptown (established 2008, renewed in 2018), Downtown Oakland (established 2008, renewed in 2018) and Jack London (established 2013) commercial neighborhoods. BIDs are generally recognized as supporting the goals of comprehensive economic development strategies in various cities throughout the United States and designated foreign countries (e.g. Italy, South Africa, United Kingdom, etc.).

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

ANALYSIS AND POLICY ALTERNATIVES

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 2020-2021 special assessment for the Montclair BID. 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 Montclair BID. Given the approximate \$88,000 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 \$92,268, of which \$88,000 represents projected assessments to be collected in FY 2020-2021, and \$4,268 of which represents private donations, as indicated 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. Until disbursed, Montclair BID assessments will be held in a special trust fund established by the Finance Management Bureau on behalf of the district in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments Account (24224)/ Administrative Project (1000019)/Montclair BID Program (MBID).

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 2020-2021 district budget (attached as ***Exhibit A*** to the Resolution of Intention).

COORDINATION

The City's Budget Bureau and Office of the City Attorney were consulted in the preparation of this report and 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 enhance the ability of affected property owners to democratically participate in shaping their shared environment through public safety, marketing and beautification efforts. This may be compatible with aspects of some social equity models.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Montclair Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2020-2021 For The Montclair Business Improvement District; And 3) Scheduling A Public Hearing For December 10, 2019.

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

Respectfully submitted,



ALEXA JEFFRESS

Interim Director, Economic and Workforce Development

Reviewed by:

Micah Hinkle, Deputy Director/Business Development Manager

Prepared by:

Maria Rocha, BID Program Coordinator

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2019 OCT 31 PM 12:59

Approved as to Form and Legality


Oakland City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION: 1) APPROVING THE ANNUAL REPORT OF THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD; 2) DECLARING THE INTENTION TO LEVY AND COLLECT AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2020-2021 FOR THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT; AND 3) SCHEDULING A PUBLIC HEARING FOR DECEMBER 10, 2019

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 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 Montclair Business Improvement District was established by the City Council on November 27, 2001, pursuant to Ordinance 12378 C.M.S.; and

WHEREAS, Streets and Highways Code Sections 36533 and 36534 require that before the next annual assessment for the Montclair Business Improvement District is levied, the City Council must: (1) approve the Business Improvement District's Annual Report, and (2) approve a Resolution of Intention that declares the City's intention to collect the assessments and schedules a public hearing to be held about the levy of the proposed assessment; and

WHEREAS, pursuant to said law, the Montclair Business Improvement District Advisory Board has prepared and filed with the City Clerk, the Annual Assessment Report (attached hereto as **Exhibit A**) ("Report"), which contains the required particulars including a detailed description of the improvements and activities to be

provided for the 2020-2021 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 2020-2021 fiscal year; and

WHEREAS, if the District's proposed assessments for fiscal year (FY) 2020-2021 are approved and levied, they will be held (until disbursed) in a special trust fund established by the Finance Management Bureau on behalf of the District in Miscellaneous Trusts Fund (7999)/NCR & SDS Org (85411)/Pass Thru Assessments Account (24224)/ Administrative Project (1000019)/Montclair BID Program (MBID); now therefore be it

RESOLVED: That the Council of the City of Oakland does hereby approve the FY 2019-2020 Annual Assessment Report for the District attached hereto as Exhibit A; and be it

FURTHER RESOLVED: That the City Council does find and state its intention as follows:

1. Pursuant to Streets and Highways Code Section 36534, the City Council declares its intention to levy and collect the assessments for FY 2020-2021 as provided for in the said Annual Assessment Report and pursuant to the assessment formula as provided for in the Plan.
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 2020-2021 assessments on businesses in the area are those specified 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.

; and be it

FURTHER RESOLVED: That the City Council hereby sets a **Public Hearing for December 10, 2019, at 6:00 pm in Oakland City Hall**, or as soon thereafter as the matter may be heard, 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 2020-2021; and be it

FURTHER RESOLVED: That pursuant to Streets and Highways Code Section 36534 (b), 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; and be it

FURTHER RESOLVED: That 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 in the form and manner provided by Sections 36524 and 36525 of the Streets and Highways Code as follows:

1. 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.
2. 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.
3. 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.
4. A written protest which does not comply with the requirements stated above shall not be counted in determining a majority protest.
5. If written protests are received from the owners of businesses in the District who 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 - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND
PRESIDENT KAPLAN

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 2020-2021 Montclair BID Assessment)



MONTCLAIR VILLAGE

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

Annual Report Relating to the 2020-2021

Montclair Village Association Business Improvement District

"I found it in Montclair!"

We bought a brick!

You can find it!

Support the
Antioch Court Streetscape
Project

Montclair Village. What a find.

EXHIBIT A

(To the Resolution of Intention to Levy the FY 2020-2021 Montclair BID Assessment)

FY 2019-2020 Annual Report to the Oakland City Council Relating to the FY 2020-2021 Montclair BID Assessment

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 fiscal year 2020-21.

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.

Budget categories below reflect the original terminology of the Montclair Business Improvement District Final Management District Plan Exhibit C to read: Economic Restructuring, Promotions & Design Committees, Organization/Administration Committee

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 fundraiser events, Pacific Fine Arts Festivals, and from management of the Montclair Village Parking Garage. Funds from Associate Member program, started in mid-2010, are included in the Non-BID income on the attached budget.

Howard Neal

President, Montclair Village Association

Accomplishments 2019-2020

Beautification/Design/Land Use [Economic Restructuring]

- Maintained Village planters (32), tree wells (80), and median plantings
- Planted (1) new tree in partnership with the Sierra Club
- Provided weekly sidewalk and gutter sweeping; 5-20 lbs. of litter removal per week
- Gateway Mural, beautifying a high traffic gateway to the commercial district
- Provided sidewalk steam cleaning and cleaning of City trash receptacles (20)
- Continues to obtain City and public utility support to address pot holes, graffiti, infrastructure, damage, signage and recycling issues in the Village
- Hosted (1) community workday with 40+ volunteers; to address litter and vegetation overgrowth along Hwy 13 and in Montclair Park and a service appreciation BBQ
- April 2019 Community Work Day - cleaned 1000+ linear feet along sidewalk along Moraga
- Murals, Planters and new art additions to the streetscape
- Progressed the Antioch Court safety improvement project to secure over \$600,000 in construction funds
- Maintained and repaired the rooftop lighting program encompassing 9 blocks of the district; Creating an illumined aesthetic and adding to the safety of the district at night
- Re-planting of sidewalk planters (10) for an improved streetscape aesthetic
- Continued to fundraise for Antioch court Improvement Project Campaign and the creation of the Village Plan through Brick sales and various sponsorship levels
- 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 the opportunity for merchants to share marketing ideas, engage OPD and merchant watch, and network
- Board participation and merchant participation in committees and working groups
- Continued 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
- Grow 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 (8) high school and 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 and enhance Flexible Parking Pilot (start date 8/18/2014) and Parking Assessment district

Promotions [Promotions & Design Committees]

- Hosted a street festival fundraiser with over 1,500 attendees - Facilitated the Montclair Artwalk; combined raised approximately \$18,000 for the Village.
- Managed weekly 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.
- 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 to each show
- 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 [Economic Restructuring]

- Assured security contract has responsive coverage and improved connectivity with surrounding residential areas.
- Facilitated the installation of security cameras at the parking garage and at key locations in the district
- Partnered with OPD walking officer and merchant watch to educate merchants and utilize CEPTD tactics for crime deterrence
- Partnered with Montclair Neighborhood Council (MNC) (beat 13Z NCPC) to address district issues

2019 - 2020 Board of Directors

	First	Last	Position
1	Howard	Neal	President
2	Pat	Benson	Vice President
3	Robin	Patin	Secretary
4	Tom	Revelli	Treasurer
5	Ann	Dyer Cervantes	Board Member
6	Allison	O'Brien	Board Member

Summary of BID Functions

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

Committees

Promotions/Design/Farmers' Market
 Beautification/Design/Land Use/Safety/Economic Restructuring
 Executive/Organization/Administration
 Nominations
 Finance

Montclair BID 2020-2021 Proposed Budget

Revenue	
	Estimated Amount
Assessment Revenue 100% Collection	\$88,000
Non-BID Income	
From donations to the 501ciii (5%)	\$4,268
Projected Prior Year Carry Forward	0
Assessment Revenue Collection	94%
Total Income	\$86,988

Expenses		
Category of Special Benefit Service	Estimated Percentage	Estimated Amount
Economic Restructuring (Public Rights of Way - PROW)	30%	\$26,096
Promotions & Design Committees (District Identity - DISI)	38%	\$33,055
Organization/Administration Committee (Organization)	29%	\$25,227
Reserve	3%	\$2,610
Total Expenses	100%	\$86,988