



CITY OF OAKLAND

FILED
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: Rockridge 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 Rockridge Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year (FY) 2020-2021 For The Rockridge 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 Rockridge 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 Rockridge BID will generate an estimated \$158,400 of special assessment revenues in FY 2020-2021. Funds will be used to pay for special benefit services outlined in the Rockridge BID District Management Plan (the Plan) on file with the Office of the City Clerk and the attached annual report (**Exhibit A** to the Resolution of Intention), prepared and submitted by the Rockridge District 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 Rockridge Out & About, and marketing and promotion activities such as internet advertising and maintenance of a district website.

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. 12301 C.M.S. was adopted by the City Council on November 28, 2000 (as amended by Ordinance No.13261, October 21, 2014) to establish the Rockridge BID.

Streets and Highways Code Division 18 (commencing with section 36500) also requires that merchant-based BIDs receive City Council's approval before levying each fiscal year's assessment. Therefore, to enable the Rockridge 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 to be paid for by the above billing and collections will be provided on a March 1, 2020 through February 28, 2021 fiscal year basis, per the attached proposed budget (attached as **Exhibit A** to the Resolution of Intention).

If the City Council approves the proposed FY 2020-2021 assessment, the Rockridge BID will generate an estimated \$158,400 of special assessment revenues, which is equal to the amount projected in FY 2019-2020. The assessment is based on two variables which include business gross receipts and business type. If approved, the assessment will be collected and expended in accordance with 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) submitted by the Rockridge District 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 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, renewed in 2015), Koreatown/Northgate (established 2007, renewed in 2017), Lake Merritt/Uptown (established 2008, renewed 2018), Downtown Oakland (established 2008, renewed 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 Rockridge 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 \$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 \$223,400, which includes \$158,400 of projected assessments to be collected in FY 2020-2021 and \$65,000 of carryforward from the prior fiscal year. For the FY 2020-2021 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.

FISCAL IMPACT

No direct fiscal impact or cost is anticipated to the City. The Rockridge 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 Rockridge District Association, the District's designated non-profit administrator. Until disbursed, Rockridge 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)/Rockridge 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 2020-2021 district budget (attached as ***Exhibit A*** to the Resolution of Intention).

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: Rockridge 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.

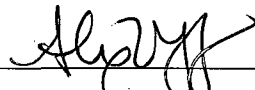
Social Equity: BIDs enhance the ability of affected property owners to democratically participate in shaping their shared environment through public safety, marketing and beautification efforts. This may be compatible with aspects of some social equity models.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution: 1) Approving The Annual Report Of The Rockridge Business Improvement District Advisory Board; 2) Declaring The Intention To Levy And Collect An Annual Assessment For Fiscal Year 2020-2021 For The Rockridge 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

2019 OCT 31 PM 12:59


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION: 1) APPROVING THE ANNUAL REPORT OF THE ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD; 2) DECLARING THE INTENTION TO LEVY AND COLLECT AN ANNUAL ASSESSMENT FOR FISCAL YEAR 2020-2021 FOR THE ROCKRIDGE 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 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 12301 C.M.S (as amended by Ordinance No. 13261 on October 21, 2014); and

WHEREAS, Streets and Highways Code Sections 36533 and 36534 require that before the next annual assessment for the Rockridge Business Improvement District is levied, the City Council must: (1) approve the 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 Rockridge 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)/Rockridge BID Program (RBID); now therefore be it

RESOLVED: that the Council of the City of Oakland does hereby approve the Fiscal Year 2019-2020 Annual Assessment Report for the Rockridge Business Improvement District; 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, 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 2020-2021 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 2020-2021 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.

; and be it

FURTHER RESOLVED: That a Public Hearing is hereby set for December 10, 2019 at 6:00 p.m. 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

AGENDA ITEM TRANSMITTAL FORM

CITY ADMINISTRATOR TRACKING NO.

DATE: October 21, 2019
TO: City Administrator / Agency Administrator
ATTN: Saundra Eve-Fisher
(Please Print or Type)
FROM: Agency / Dept. / Div.: Economic and Workforce Development Contact Person: Maria Rocha Ext.: 6176

- 1. This item is: [] An Informational Report; No Action Requested [X] A Report and Recommendation for a: [] Motion [X] Resolution [] Ordinance

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

(USE SEPARATE SHEET IF NECESSARY)

- 2. This item is to be placed on the agenda(s) of November 12, 2019 for: (Date)

- [X] City Council / ORSA Committee (Specify): Community and Economic Development Committee
[] 2. Consent Calendar
[] 3. City Council / ORSA - Regular Agenda
[] 4. Other:

- 3. A signature indicates that the staff report and support items attached to this form have been reviewed and/or approved by the designated authority (indicate "n/a" if not applicable):

Report Reviewed for Content: [Signature] 10/30/19 CITY ATTORNEY Date Legislation Approved for Form and Legality: [Signature] 10/30/19 CITY ATTORNEY Date

Report (and, if any, corresponding Legislation) Reviewed for Fiscal Impact(s) and / or Funding Codes: BUDGET OFFICE Date

Report and support items sent to City Auditor: Date

Impartial Analysis of Proposed City / ORA Major Expenditure * Attached / No Comments: CITY AUDITOR Date (Circle One)

* Defined in Administrative Instruction 137 as an expenditure/commitment of \$250,000 or more. The types of projects subject to review include, but are not limited to, proposals, contracts, ventures, loans, programs, and construction projects. These analyses are used for informational purposes only.

- [X] 1. Cover Letter w/report (Orig. & 2 copies) [X] 3. Resolution, orig. + 2 copies [] 5. Agreement / Contract (3 copies)
[X] 2. Attachments (specify how many 1) [] 4. Ordinance, orig. + 2 copies & [] 6. Other
Notice & Digest (orig. + 2 copies)
[] This agenda item is NOT complete. (Please specify below the missing items and when they will be submitted)

AGENCY DIRECTOR/
DEPT. HEAD SIGNATURE:

INSTRUCTIONS: Signed Agenda Reports and all accompanying documents and/or legislation are due to the Office of the City Administrator no later than 5:00 P.M. on the THURSDAY three (3) weeks prior to the date scheduled for presentation.

(FOR CITY ADMINISTRATOR'S OFFICE USE ONLY)

NOTES: DATE:

Exhibit A

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

**Fiscal Year 2019-2020 Rockridge Business Improvement District
Annual Report To The City Of Oakland
Relating to the Fiscal Year 2020-2021 Assessment**

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 2020-2021

Please see attached Accomplishments for this year to date. We plan to continue on the same course. Program categories are outlined in the attached FY 2020-2021 budget.

III. Estimate of the cost of providing the improvements and activities for fiscal year 2020-2021

See attached budget.

IV. Method and basis of levying the assessment.

The fee structure for assessments will remain as previously approved, including the change in classifications of businesses by 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.

We estimate a total carryforward of \$15,000. Our fiscal year ends on 2/28. The first disbursement of assessments occurs on 4/30. Therefore, \$15,000 will be carried forward to cover recurring expenses for March and April.

Additionally, the RDA has expenses that do not recur on an annual basis. Examples are Tree Trimming, Surveillance Cameras, Banners, Signage. These items will recur every 3-5 years; therefore, an additional \$50,000 will be carried forward and allocated to a Capital Projects line item under the Streetscape and Security program category to cover these and similar expenditures.

VII. Annual Renewal Notice.

Starting in 2014 the notice has to be sent every five years.

The notice was 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 assessees 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 Anthony Barr, Treasurer of the Rockridge Business Improvement District, should you have any questions regarding this report.

September 3, 2019

RDA, a Rockridge Business Improvement District
Proposed Budget
March 2020 to February 2021

Income

Gross BID Revenue	\$158,400
Capital Projects Carryforward	<u>\$50,000</u>
March/April Carryforward	<u>\$15,000</u>
Total Income	\$223,400

Expense

Organization	\$77,000
City of Oakland- Collection Cost	\$2,400
City of Oakland- Noticing	\$1,100
 Marketing & Promotion	 \$37,900
 Streetscape & Security	 \$40,000
Capital Projects	<u>\$50,000</u>
Reserves (needed to cover March/April expenses in 2021)	<u>\$15,000</u>
Total Expense	\$223,400