



CITY OF OAKLAND

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OFFICE OF THE CITY CLERK  
OAKLAND

2019 DEC -5 PM 4:39

# AGENDA REPORT

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

**FROM:** Alexa Jeffress  
Interim Director, EWD

**SUBJECT:** Montclair BID Annual Report and  
FY 2020-2021 Levy Approval

**DATE:** November 20, 2019

City Administrator Approval

Date:

12/5/19

## RECOMMENDATION

**Staff Recommends That The City Council Adopt A Resolution: 1) Confirming The Annual Report Of The Montclair Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Montclair Business Improvement District For Fiscal Year 2020-2021.**

## EXECUTIVE SUMMARY

Pursuant to State law, City Council approval is required in order to levy the assessments for the merchant-based business improvement districts (BIDs). Therefore, for the Montclair BID to collect its Fiscal Year (FY) 2020-2021 assessment, City Council would need to adopt the attached Resolution to levy the FY 2020-2021 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 \$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), 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.

## 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

Item: \_\_\_\_\_

City Council  
December 10, 2019

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. 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 36500) sets forth the procedures that the City Council must follow in order to levy the annual assessments for the BID. To enable the Montclair BID to collect its Fiscal Year (FY) 2020-2021 assessment, on November 19, 2019 the City Council adopted a Resolution of Intention (ROI) to levy the FY 2020-2021 Montclair BID assessment, approve the Montclair BID's annual report, and schedule a related public hearing for December 10, 2019. Adoption of the ROI was a prerequisite to City Council's consideration of the attached Resolution to approve the FY 2020-2021 levy. The related public hearing must take place no less than 10 days after adoption of the ROI. City Council may continue the public hearing from time to time, but the public hearing shall be completed within 30 days. Following the public input portion of the hearing, City Council may adopt the proposed Resolution in order to levy the proposed assessment.

### **ANALYSIS AND POLICY ALTERNATIVES**

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

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 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 (**Exhibit A** to the Resolution) submitted by the Montclair Village Association, the Montclair BID'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 the citywide Oakland Tourism BID (established 2015, renewed 2018) as well as 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 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 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.

There is no anticipated adverse impact associated with the approval of the proposed Resolution. Adoption of the attached Resolution will approve the FY 2020-2021 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 \$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, which includes \$88,000 of 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 or cost is anticipated to the City. The Montclair BID is a self-funded, self-administered entity. The Montclair BID pays 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. The City will remit the amount collected (minus the City's costs of collection) to the Montclair Village Association, the district's designated non-profit administrator, pursuant to the agreement between the City and the Montclair Village Association which renews annually contingent upon the annual review and approval of the District's Annual Report and the levy of the annual assessments. 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)/Economic Development Org (85411)/Pass Through 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 and publication as required by State law. 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).

## **COORDINATION**

The City's Budget 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.

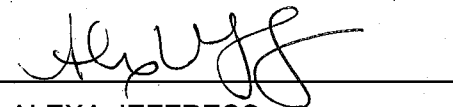
**Race and Equity:** Business-based BIDs, such as the Montclair BID, enhance the ability of business owners to democratically participate in shaping their shared environment through public safety, marketing and beautification efforts. This may be compatible with aspects of some social equity models.

## **ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution: 1) Confirming The Annual Report Of The Montclair Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Montclair Business Improvement District For Fiscal Year 2020-2021.

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

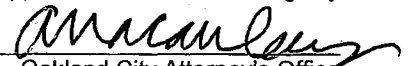
Reviewed by:  
Micah Hinkle, Deputy Director/Manager  
Business Development

Prepared by:  
Maria Rocha, BID Program Coordinator

FILED  
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OAKLAND

2019 DEC -5 PM 4: 39

Approved as to form and legality

  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

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**RESOLUTION: 1) CONFIRMING THE ANNUAL REPORT OF THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD; AND 2) LEVYING THE ANNUAL ASSESSMENT FOR THE MONTCLAIR BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2020-2021**

**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**, On November 27, 2001 the City Council adopted Ordinance No. 12378, which established the Montclair Business Improvement District and approved the District Plan; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, 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**, on November 19, 2019, the City Council Adopted a Resolution of Intention to levy the fiscal year 2020-2021 assessment, approve the district's annual report, and schedule a related public hearing for December 10, 2019, pursuant to Streets & Highways Code section 36534; and

**WHEREAS**, written notice of the December 10, 2019 public hearing was published in the newspaper in compliance with Streets and Highways Code section 36534(b); and

**WHEREAS**, if the District's proposed assessments for 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)/Economic Development Org (85411)/Pass Through Assessments Account (24224)/ Administrative Project (1000019)/Montclair BID Program (MBID); and

**WHEREAS**, Montclair Village Association is the nonprofit corporation that administers the Montclair Business Improvement District and oversees the disbursement of funds, pursuant to the Plan and the disbursement agreement between the City and Montclair Village Association; and

**WHEREAS**, the funds that are levied and held by City will be disbursed to the Montclair Village Association pursuant to the disbursement agreement, which renews annually contingent upon the annual review and approval of the District's Annual Report and the levy of the annual assessments; now therefore be it

**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 December 10, 2019, 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 2020-2021. 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 2020-2021 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, but is not obligated to, 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 Through Assessments Account (24224), Administrative Project (1000019), Montclair Business Improvement District Program (MBID).

; and be it

**FURTHER RESOLVED:** That the agreement between City and Montclair Village Association for the administration of the District and disbursement of funds is hereby renewed, and the City Administrator is hereby authorized to make amendments if necessary pursuant to State of California Streets and Highways Code Section 36500 *et seq.*

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2019.

PASSED BY THE FOLLOWING VOTE:

AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION -

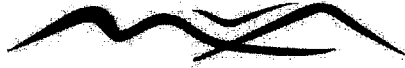
ATTEST: \_\_\_\_\_

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



EXHIBIT A

(To the Resolution 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!**

Support the Antioch Court Streetscape Project

Montclair Village. What a find.

# **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

## 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

<b>Revenue</b>	
	<b>Estimated Amount</b>
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%
<b>Total Income</b>	<b>\$86,988</b>

<b>Expenses</b>		
<b>Category of Special Benefit Service</b>	<b>Estimated Percentage</b>	<b>Estimated Amount</b>
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
<b>Total Expenses</b>	<b>100%</b>	<b>\$86,988</b>

## **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