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OFFICE OF THE CITY CLERK  
OAKLAND

2019 DEC -5 PM 4:40

# AGENDA REPORT

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

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

**SUBJECT:** Rockridge 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 Rockridge Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Rockridge 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 Rockridge 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 Rockridge BID assessment. The attached resolution also confirms 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 attached Resolution), 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.

## 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

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

City Council  
December 10, 2019

assistance to qualified stakeholder groups to explore the feasibility of forming a BID within their respective commercial neighborhood(s). Pursuant to these efforts Ordinance No. 12301 C.M.S. was passed by City Council on November 28, 2000 to establish the Rockridge 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 Rockridge BID to collect its FY 2020-2021 assessment, on November 19, 2019 the City Council adopted a Resolution of Intention (ROI) to levy the FY 2020-2021 Rockridge BID assessment, approve the Rockridge BID's annual report, and schedule a related public hearing for December 10, 2019. Adoption of the ROI was a prerequisite to the City Council's consideration of the attached Resolution to approve the FY 2020-2021 assessment 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; 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 attached Resolution).

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 the same estimated special assessment revenues as in FY 2019-2020.

The assessment is based on two variables that 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 attached Resolution) submitted by the Rockridge District Association, the Rockridge 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 2020-2021.

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 area specific districts 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 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 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 prior fiscal year carryforward. 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. An identical sub-classification and reduced assessment was permitted in FY 2019-2020.

### **FISCAL IMPACT**

No new fiscal impact or cost is anticipated to the City. The Rockridge BID is a self-funded, self-administered entity. The Rockridge 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 Rockridge District Association, the district's designated non-profit administrator, pursuant to the agreement between the City and the Rockridge District 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, Rockridge BID assessments will be held in a special trust fund on behalf of the district in Miscellaneous Trusts Fund (7999)/Economic Development Org (85411)/Pass Through

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 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 (***Exhibit A*** to the attached Resolution).

### **COORDINATION**

The City's Budget Office and Office of the City Attorney were consulted in the preparation of this report and/or 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.

***Race and Equity:*** Business-based BIDs, such as the Rockridge 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 Rockridge Business Improvement District Advisory Board; And 2) Levying The Annual Assessment For The Rockridge 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

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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 ROCKRIDGE BUSINESS IMPROVEMENT DISTRICT ADVISORY BOARD; AND 2) LEVYING THE ANNUAL ASSESSMENT FOR THE ROCKRIDGE 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 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 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 28, 2000 the City Council adopted Ordinance No. 12301 C.M.S., as amended, which established the Rockridge Business Improvement District and approved the District Plan; and

**WHEREAS**, pursuant to Streets and Highways Code Section 36533, 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**, 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 and 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 Organization (85411)/Pass Through Assessments Account (24224)/ Administrative Project (1000019)/Rockridge BID Program (RBID); and

**WHEREAS**, the Rockridge District Association of Oakland is the nonprofit corporation that administers the Rockridge Business Improvement District and oversees the disbursement of funds, pursuant to the Plan and the Disbursement Agreement between the City and Rockridge District Association of Oakland ("Disbursement Agreement"); and

**WHEREAS**, the funds that are levied and held by the City will be disbursed to the Rockridge District Association of Oakland pursuant to the Disbursement Agreement, which remains in effect 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 Rockridge Business Improvement District was established in the Rockridge 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 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. For the fiscal year 2020-2021 assessment a temporary sub-classification of businesses that earn annual gross receipts of \$25,000 or less is hereby created with a reduced fee of \$60 (instead of the \$120 fee). This temporary sub-classification and reduced fee applies to fiscal year 2020-2021 only and will not apply to future assessment years unless renewed in the annual assessment resolution for such future years.
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. 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 Rockridge Business Improvement District in: Miscellaneous Trusts Fund (7999), Economic Development Organization (85411), Pass Through Assessments Account (24224), Administrative Project (1000019), Rockridge Business Improvement District Program (RBID).



; and be it

**FURTHER RESOLVED:** That the Disbursement Agreement 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, \_\_\_\_\_, 20\_\_\_\_

**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 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>
<b>Total Income</b>	<b>\$223,400</b>

**Expense**

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



## Accomplishments 2019

Working with the city of Oakland to abate broken and damaged newsstands.

We have contracted with a service to clean the trash container cages as well as clean and sanitize the liners and this is made a huge difference in the cleanliness and reducing odor as well as sidewalk staining

We have hired a social media specialist to help engage our members and better use of electronic advertising and promotion

We have been working with various property owners to improve the general landscaping and appearance of the district is also includes the city of Oakland with the maintaining of our pocket park at College and Claremont

Actively engaging property owners in the removal of graffiti & improve landscaping.

We've been able to attract new board members bringing fresh energy to the RDA.

We continue to operate with one of the smallest budgets in the city with one of the larger footprints. We have done this year after year without increasing the percentage our members are assessed

The district is still enjoying 98.50% to 96.00% occupancy rate. The creation of a limited supply of new vacancies will allow landlords to capture market rents.

We are continuing to add exterior cameras to many buildings to aid OPD and improve safety. We have in our continuing to provide grants to encourage this.

Once again our street fair (now in its 13th year), Out and About continues to highlight our district and attract new faces to explore the neighborhood

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**Rockridge District Association, a Rockridge Business Improvement District**

5940 College Ave Ste F ▪ Oakland ▪ CA 94618  
▪ Phone 510-604-3125 ▪

chris@rockridgedistrict.com ▪ www.rockridgedistrict.com

**Rockridge District Association a RBID  
Board 2019 - 2020**

	Board Member Name:	Officers	OY	Business:	Business Address:	Phone: (510)	Email Address:	Elected/Re-Elected
1	Louise Rothman-Riemer		1999	DHR Investment Counsel	5435 College Ave Ste 200	596-2580	<a href="mailto:louise@dhrconsult.com">louise@dhrconsult.com</a>	June-19
2	Veronica Bhonsle		2005	VERO	6052 College Ave	985-0406	<a href="mailto:vbhonsle@aol.com">vbhonsle@aol.com</a>	June-19
3	Susan Bernosky	P	2006	Strahan Ins Svcs Inc	5940 College Ave	450-9050	<a href="mailto:susan@strahaninsurance.com">susan@strahaninsurance.com</a>	June-18
4	Maggie Klein		2013	Oliveto	5655 College Ave	547-5356	<a href="mailto:maggie@oliveto.com">maggie@oliveto.com</a>	June-19
5	Lauren Field	S	2013	Lauren G Field, MFT	5332 College Ave Ste 100	658-2525	<a href="mailto:laurenfield@gmail.com">laurenfield@gmail.com</a>	June-19
6	Robin Pennell	VP	2013	Jarvis Architects	5278 College Ave	654-6755	<a href="mailto:rpennell@jarvisarchitects.com">rpennell@jarvisarchitects.com</a>	June-19
7	Anthony Barr	T	2017	Henry Levy Group	5940 College Ave Ste F	652-1000	<a href="mailto:anthony@hglcpa.com">anthony@hglcpa.com</a>	June-19
8	Katy Winter		2017	Vita	6034 College Ave	917-843-2758	<a href="mailto:katy@myhealthyvita.com">katy@myhealthyvita.com</a>	June-19
9	Andrew Snow		2018	Golden Squirrel	5940 College Ave	510-735-9220	<a href="mailto:goldensquirrelpub@gmail.com">goldensquirrelpub@gmail.com</a>	June-18
10	Miles Armstead		2019	Fremont Bank	6300 College Ave Ste 160	510-709-7917	<a href="mailto:miles.armstead@fremontbank.com">miles.armstead@fremontbank.com</a>	June-19
11	Monte McClain		2019	College Presbyterian	5951 College Ave	510-658-3665	<a href="mailto:montemcclain@gmail.com">montemcclain@gmail.com</a>	June-19