



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Alexa Jeffress
Director, EWD

SUBJECT: BID Feasibility Study Grants

DATE: August 24, 2020

City Administrator Approval

Date: September 1, 2020

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding Grants To The Oakland Chinatown Chamber Of Commerce, Inc., The Oakland Vietnamese Chamber Of Commerce, And The Dimond Improvement Association In A Total Amount Not To Exceed \$145,000 To Perform Business Improvement District Feasibility Studies.

EXECUTIVE SUMMARY

The Adopted Policy Budget (Budget) for Fiscal Year 2019-2021 allocated a maximum cumulative amount of \$145,000 to pay for business improvement district (BID) feasibility studies to be conducted in the Chinatown, Eastlake and Dimond commercial neighborhoods. The Budget does not stipulate the manner in which funds are to be expended to achieve the intended purposes. Therefore, staff recommends that the funds be disbursed in the form of grants to the following neighborhood organizations, which shall, in turn, use such funds to hire qualified private BID consultants to assist with completion of the feasibility studies. Proposed grant amounts are as follows: 1) up to \$62,500 payable to the Oakland Chinatown Chamber of Commerce, Inc. for the Chinatown commercial neighborhood; 2) up to \$62,500 payable to the Oakland Vietnamese Chamber of Commerce for the Eastlake commercial neighborhood; and 3) up to \$20,000 payable to the Dimond Improvement Association for the Dimond commercial neighborhood.

The above funding commitments are contingent upon continued availability of funds within the City's approved Budget, as amended, and subject to grant terms as outlined below.

City Council
September 15, 2020

BACKGROUND / LEGISLATIVE HISTORY

Sections 36500 *et seq.* and 36600 *et seq.* of the California Streets and Highways Code provide for the formation of special assessment business improvement districts (BIDs) to undertake a range of services within designated assessment areas, independent from government, to further the economic viability of affected commercial neighborhoods. On November 9, 1999, the City Council approved Ordinance No. 12190 C.M.S., establishing the City of Oakland Business Improvement District (BIMD) Ordinance (codified as Section 4.48 of the Oakland Municipal Code and amended by Ordinance No. 13322 C.M.S. in July 2019), to further support the formation of property-based assessment districts within the City of Oakland. That same year, the City Council also authorized initiation of the Neighborhood Business Improvement District Program via Resolution No. 75323 C.M.S., to assist neighborhood representatives in their attempts to form BIDs within their respective commercial districts. Subsequently, approximately twenty BIDs were formed within the City of Oakland, although some have since expired. Currently, there are eleven districts which collectively generate approximately \$8.4 million per year of private assessment dollars to pay for special benefit services such as enhanced cleaning, district beautification, private security, and marketing and promotional activities to support ongoing economic development in related commercial neighborhoods and/or designated business sectors throughout the City.

Historically, a significant challenge to forming BIDs has been the upfront cost of hiring qualified private BID consultants to assist with technical aspects of related feasibility studies and subsequent BID formation efforts, if justified.

To mitigate the above, on June 24, 2019, the City Council made a cumulative one-time appropriation of \$145,000 in the Budget for fiscal years 2019-2021 to pay for BID feasibility studies in the Chinatown, Eastlake and Dimond commercial districts (Resolution No. 87759 C.M.S., 2019).

ANALYSIS AND POLICY ALTERNATIVES

The attached proposed resolution authorizes disbursement of the one-time allocation of funds in the form of grants as follows: 1) up to \$62,500 payable to the Oakland Chinatown Chamber of Commerce, Inc. to conduct a BID feasibility study in and around the Chinatown commercial neighborhood; 2) up to \$62,500 payable to the Oakland Vietnamese Chamber of Commerce to conduct a BID feasibility study in and around the Eastlake commercial neighborhood; and 3) up to \$20,000 payable to the Dimond Improvement Association to conduct a BID feasibility study in and around the Dimond commercial neighborhood.

In addition to the maximum grant amounts stated, additional grant terms will include, but are not limited to, the following:

1. The City reserves the right to review and approve any and all related scopes of work to be paid for by grant funds;

2. Grant funds will be disbursed incrementally contingent upon satisfactory evidence of the districts' and the BID consultants' ongoing progress towards completing approved scopes of work;
3. BID consultants hired by the grant recipients must be qualified, having successfully formed four or more business improvement districts within the State of California and capable of independently producing and providing to the City – in a timely manner – all materials and documents required by enabling legislation;
4. Benchmark legislation for feasibility studies shall be California Streets and Highways Code 36600 *et al* and the existing City of Oakland Business Improvement Management District Ordinance (Ordinance No. 12190 C.M.S., 1999 codified as Oakland Municipal Code Chapter 4.48, as amended by Ordinance No. 13322 C.M.S, July 2015) which allow for a maximum 10 year term of any BIDs formed;
5. Grantee organizations must independently provide matching funds, as needed, to complete related feasibility studies and/or subsequent BID formation efforts and the City makes no representation or commitment to award funds for these purposes beyond the grant amounts herein stated;
6. Grantees and BID consultants must arrange for qualified language translation services, as needed, to conduct related feasibility studies to the level required by the Oakland Equal Access Ordinance, or, the City may deduct and withhold, from the grant amounts, funds sufficient to cover the City's costs of providing translation services, if City assistance is required.

BIDs have proven to be successful tools for leveraging downtown and neighborhood commercial corridor revitalization. Currently, eleven BIDs throughout the City generate approximately \$8.4 million per year of private assessment dollars to pay for special benefit services such as:

- Improved safety and cleanliness, including private security patrols, sidewalk cleaning, litter pick up, graffiti abatement and hospitality ambassadors;
- Enhanced landscaping and beautification including tree trimming/planting/maintenance, public seating, pedestrian oriented lighting, way finding signage, and banners;
- Special events for marketing and district promotion, including annual and seasonal festivals, street fairs, farmers' markets and restaurant walks;
- Increased communication services and outreach to district businesses, residents, shoppers and media via newsletters, websites and news releases;
- Stronger working relationships and leveraged partnerships with City of Oakland divisions and departments.

Adoption of the proposed resolution will enable representatives of the Chinatown, Eastlake and Dimond commercial districts to conduct feasibility studies to explore the possibility of forming BIDs within those commercial neighborhoods. Completion of such studies may aid in the eventual formation of additional BIDs within the City of Oakland which, if formed, would provide new long-term revenue sources to further support ongoing economic development efforts within the Chinatown, Eastlake and Dimond commercial neighborhoods.

Administration of grant funds, including oversight of professional BID consultants, by the grantee organizations may also provide a strategic opportunity for those groups to expand their organizational capacity and subject matter expertise to a degree required to manage long-term operations of a BID (for a period up to 10 years) should the above feasibility studies result in the eventual formation of one or more additional BIDs within the designated commercial districts. To that end, it is customary for property and/or business owners that pay into a BID to also assume responsibility for administering its operations.

Given the success of Oakland's existing eleven BIDs, use of City funds to conduct the above BID feasibility studies which may support in the eventual formation of one or more additional BIDs within the City of Oakland may be considered a strategic investment consistent with the City's economic development goals.

FISCAL IMPACT

The above recommended grants will not exceed a cumulative total of \$145,000 which has already been appropriated in the City's current Budget for fiscal years 2019-2021 pursuant to Resolution No. 87759 C.M.S., 2019. These funds are being held in: General Purpose Fund (1010)/Economic Development Organization (85411)/Contract Contingencies Account (54011)/Business Improvement District Project (1000147)/Business Attraction, Retention and Expansion Program (SC11).

There is no further fiscal impact anticipated.

PUBLIC OUTREACH / INTEREST

Required public notification and input occurred prior to City Council's approval of the Budget for fiscal years 2019-2021 in which the above allocation of up to \$145,000 to pay for BID feasibility studies appears. Designated grant recipients also outreached to their respective communities regarding which organizations would serve as administrators of grant funds to conduct the required BID feasibility studies on behalf of the Chinatown, Eastlake and Dimond commercial districts.

COORDINATION

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

SUSTAINABLE OPPORTUNITIES

Economic: If new BID formations result from completion of BID feasibility studies, related BID assessments would fund special benefit activities intended to support the increase of property, sales, and/or business tax revenues, as well as, increased local job opportunities.

Environmental: If new BID formations result from completion of above BID feasibility studies, special assessment revenues will enable related districts to continue efforts to strengthen and beautify the physical image of the affected commercial neighborhoods by providing special benefit services such as litter pickup, sidewalk steam cleaning, landscaping, public art, directional signage, and public safety capital improvements.

Race & Equity: If formation of any new BIDs results from completion of the above BID feasibility studies, community stakeholders themselves will administer and decide upon the use of special assessment revenues generated by the district. This model supports community self-empowerment which, in turn, supports certain aspects of social equity. If approved, these grants will also be awarded to organizations representing key diverse cultural groups within the City of Oakland.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council adopt a Resolution Awarding Grants To The Oakland Chinatown Chamber Of Commerce, Inc., The Oakland Vietnamese Chamber Of Commerce, And The Dimond Improvement Association In A Total Amount Not To Exceed \$145,000 To Perform Business Improvement District Feasibility Studies.

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

Respectfully submitted,



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