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OFFICE OF THE CITY CLERK  
OAKLAND

2012 JUL -5 PM 12:11

## AGENDA REPORT

TO: DEANNA J. SANTANA  
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Formation of Lakeshore/Lake Park BIMD of 2012    DATE: June 12, 2012

City Administrator  
Approval

Date

7/5/12

COUNCIL DISTRICT: #2

### RECOMMENDATION

Staff recommends that the City Council adopt:

**A Resolution Establishing The Lakeshore/Lake Park Business Improvement Management District Of 2012, Approving The Management Plan, Directing Filing Of The Proposed Assessment District Boundary Description, Making a Determination With Regard To The Majority Protest Procedure For Approval Of The Proposed Assessments; and Approving the Assessments For The District**

### EXECUTIVE SUMMARY

Pursuant to the City of Oakland's Business Improvement Management District (BIMD) Ordinance (Ord. No. 12190 C.M.S., 1999) and State Proposition 218, a public hearing and majority protest procedure is required to form the proposed Lakeshore/Lake Park Business Improvement Management District Of 2012. At the public hearing, scheduled for July 17, 2012, public testimony will be heard followed by the opening and tabulation of property owner ballots to determine the outcome of the related majority protest procedure. If a majority protest is evidenced (i.e. 50+% of a weighted majority is opposed to district formation), then the district will not be formed. If, however, a weighted majority (more than 50%) is in favor of the assessment, then the City Council may adopt the attached resolution to establish the proposed special assessment district.

If established, the Lakeshore/Lake Park BIMD will generate special assessment funds of approximately \$151,612 per year for a period of ten years (or up to approximately \$1.7 million over the hfe of the district, if an optional 5% annual increase to the assessment is exercised).

Services to be provided are outlined in a district Management Plan drafted by district representatives (*Exhibit A* to the attached resolution) and include, but are not limited to, special

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benefit cleaning, marketing, public right of way beautification and private security services within the district.

### **OUTCOME**

Adoption of the attached resolution will enable formation of the proposed Lakeshore/Lake Park BIMD. If the district is formed it will generate special assessment revenues of up to approximately \$1.7 million over the proposed ten year life of the district to pay for special benefit cleaning, marketing and private security services for assessed properties.

### **BACKGROUND/LEGISLATIVE HISTORY**

In 1999, the City Council approved the City of Oakland Business Improvement Management District Ordinance (Ord. No. 12190, C.M.S.), legislation which allows for the formation of property-based assessment districts to undertake a range of services within the assessment area, independent from government, to further the economic viability of affected commercial neighborhoods.

That same year (1999) the Oakland City Council also authorized initiation of the Neighborhood Business Improvement District (NBID) Program to assist neighborhood representatives in their attempts to form business and property-based assessment districts.

In the summer of 2011, the non-profit entity in charge of administering the existing Lakeshore/Lake Park BIMD, the Lakeshore BID corporation, hired Civitas Advisors, a private BID consultant firm, to assist with the renewal of the Lakeshore/Lake Park BIMD due to expire in July 2012.

Pursuant to those efforts, on May 15, 2012, the City Council adopted a Resolution of Intention to form the Lakeshore/Lake Park BIMD of 2012, granting preliminary approval of the management plan, directing filing of the proposed assessment district boundary description, submitting a proposed assessment to the affected property owners for majority protest procedure approval, and scheduling a public hearing for July 17, 2012 (Resolution No. 83854 C.M.S.). At the public hearing, after receiving public testimony and determining the results of the majority protest procedure, the City Council will decide whether or not to establish the proposed district.

### **ANALYSIS**

The existing Lakeshore/Lake Park BIMD is due to expire in July 2012. To maintain ongoing special benefit services within the district without interruption, a new replacement BIMD must be formed by July 2012. Completion of the above-referenced public hearing and majority protest

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procedure followed by adoption of the attached resolution to form a new replacement district will enable district stakeholders to continue proactive efforts to improve the conditions and image of their local commercial neighborhood and to productively participate in its ongoing economic revitalization.

Given current tightening of municipal funding sources, the initiative taken by district stakeholders to form the proposed special assessment district represents a timely and positive self-help model which may merit the City's support.

### **PUBLIC OUTREACH/INTEREST**

For the City Council to adopt the attached resolution enabling legislation requires completion of a required public hearing, including related legal noticing, and a majority protest procedure as described above. District stakeholders also performed the outreach necessary to secure enough property owner petitions to trigger the above majority protest procedure (i.e. petitions representing a weighted 30% of total district assessments). City and district outreach is ongoing to answer any questions affected property owners may have regarding the district formation process and to encourage the highest level of participation possible for the special election process (i.e. the majority protest procedure).

### **COORDINATION**

The City Administrator's Budget Office, Office of the City Attorney, Office of the City Clerk and the Public Works Agency were consulted in the preparation of this report and/or its attachments and exhibits.

### **COST SUMMARY/IMPLICATIONS**

If the proposed BIMD is formed it would be cost neutral to the City's general fund. The existing Lakeshore/Lake Park BIMD is funding the cost of the proposed district formation. City staff time to provide technical assistance for the BID formation process is already accounted for in the FY11/13 approved budget, and there are no City or Successor Agency properties located within the proposed district upon which assessments would be due.

If the levy is approved, the City Treasury Division will provide invoices to tax exempt entities that are not on the County of Alameda's property tax roll. For taxable entities, the County of Alameda will add the assessment as a line item to the annual property tax bill of each affected property owner and remit the amount collected less the County's collection fee (approximately 1.7% of total assessments) to the City. The City, in turn, will disburse the funds to the district,

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pursuant to a written agreement between the City and the district's non-profit management corporation.

The written agreement to be signed between the City and the designated BIMD non-profit management corporation also provides for a 1% administrative fee to be charged to the district to partially recover the City's costs of administering the district, including costs incurred by the Treasury Division for providing the services described above.

Lastly, if the Lakeshore/Lake Park BIMD is formed, program guidelines state that the City is expected to maintain a base level of service within the district equivalent to the level prior to formation of the assessment district. Maintaining baseline services, however, commits no additional City funds beyond what already exists. Proportional reductions to baseline services may occur resulting from changes in the City's overall financial condition.

### **SUSTAINABLE OPPORTUNITIES**

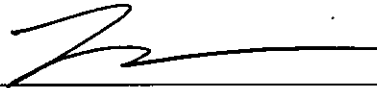
***Economic:*** The proposed levy will fund activities which are intended to support the eventual increase of property, sales, and business tax revenues, as well as increased job opportunities and on-going economic development of the Lakeshore/Lake Park commercial district

***Environmental:*** The proposed levy will enable the district to continue its efforts to strengthen and beautify the physical image of the affected commercial neighborhood by providing special benefit services such as enhanced sidewalk sweeping and steam cleaning.

***Social Equity:*** The proposed special assessment district will incorporate members of the affected commercial neighborhood into a productive and proactive entity representing the interests of that community. Stakeholders themselves will be responsible for administering revenues generated by the district which contributes to community self-empowerment and the furtherance of an additional social equity model.

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

Respectfully submitted,



FRED BLACKWELL  
Assistant City Administrator

Prepared by:  
Maria Rocha, BID Program Coordinator  
Office of Economic and Workforce Development

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OAKLAND CITY COUNCIL

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

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**RESOLUTION ESTABLISHING THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT OF 2012, APPROVING THE MANAGEMENT PLAN, DIRECTING FILING OF THE PROPOSED ASSESSMENT DISTRICT BOUNDARY DESCRIPTION, MAKING A DETERMINATION WITH REGARD TO THE MAJORITY PROTEST PROCEDURE FOR APPROVAL OF THE PROPOSED ASSESSMENTS; AND APPROVING THE ASSESSMENTS FOR THE DISTRICT**

**WHEREAS**, the City Council of the City of Oakland enacted the City of Oakland Business Improvement District Ordinance (Chapter 4.48, Ordinance 12190, 1999) establishing the procedures for the formation of Business Improvement Districts; and

**WHEREAS**, the City Council approved a Neighborhood Business Improvement District ("NBID") Program pursuant to Oakland City Council Resolution No. 75323, dated November 9, 1999, to provide technical and financial assistance to stakeholder groups of business and property owners in the City to assist in the formation of such districts; and

**WHEREAS**, the property owners in the Lakeshore/Lake Park district have duly petitioned to form the Lakeshore/Lake Park Business Improvement Management District of 2012 ("District") under the City of Oakland Business Improvement District Ordinance (the "BIMD Ordinance") and have proposed the Management Plan for the operation of the District ("Plan") (*Exhibit A*); and

**WHEREAS**, the Plan contains a detailed engineer's report prepared by a registered professional engineer recognized by the State of California; and

**WHEREAS**, the engineer has submitted a supplemental engineer's report; and

**WHEREAS**, the Plan was prepared in accordance with the provisions Article XIII of the California Constitution, and has been filed with the City Clerk for proceedings in formation of this district; and

**WHEREAS**, the Plan, incorporated by this reference, provides for cleaning, security, marketing and promotional activities and improvements of particular benefit to the properties located within the District(as more specifically identified in the Plan attached hereto); and

**WHEREAS**, the Plan was prepared in accord with the provisions of the BIMD Ordinance overseeing the formation of the District as referenced above, and has been filed with the City Clerk for proceedings in formation of this District; and

WHEREAS, the City Council of the City of Oakland adopted a Resolution of Intention (Resolution No. 83854 C.M.S.) to form the Lakeshore/Lake Park Business Improvement Management District of 2012 on May 15, 2012; now therefore be it

RESOLVED: that the City Council of the City of Oakland finds that the Management Plan for the District satisfies all the requirements of the BIMD Ordinance, the laws of the State of California and the California Constitution with regard to the formation of Business Improvement Districts, and does hereby find and determine as follows:

1. A Business Improvement District is hereby established pursuant to the BIMD Ordinance with the boundaries as specified in the Plan on file in the office of the City Clerk, a copy of which is attached hereto as *Exhibit A*.
2. A copy of the preliminary report of the City Clerk is on file in the office of the City Clerk relating to the formation of the District.
3. The Plan for the District, is approved and the assessments for the first year shall be as provided for in the Plan (*Exhibit A*) and in the assessment roll contained in the appendix to the Plan (*Exhibit A*) and are incorporated herein by this reference.
4. The name of the District shall be the Lakeshore/Lake Park Business Improvement Management District of 2012.
5. The types of the improvements and activities proposed to be funded and acquired by the levy of assessments on property in the District and the time period for which the proposed improvements are to be made shall be those specified in the Plan on file in the office of the City Clerk and attached hereto (*Exhibit A*).
6. The improvements and activities to be provided in the District will be funded by the levy of assessments. An assessment will be levied annually to pay for all improvements and activities within the area. The revenue from the levy of assessments within the District shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the Resolution of Intention as modified by the City Council at the hearing concerning the establishment of the district as specified in this Resolution.
7. The boundaries of the District and of each separate benefit zone within the district shall be those delineated in the description contained in the Plan which is on file in the office of the City Clerk and a copy of which is attached hereto (*Exhibit A*).
8. The proposed method and basis of levying the assessments to be levied against each property in the District is based on the gross lot size and linear frontage of each parcel located within the District and upon the benefit zone in which the property is located as more specifically stated in the Plan on file in the office of the City Clerk and attached hereto and incorporated herein by this reference (*Exhibit A*).

9. The assessments for the entire District total \$150,612.20 for the first year of the District, and the amount chargeable to each parcel shall be as shown in the Plan on file in the office of the City Clerk and on the appendix to *Exhibit A* attached hereto.
10. The District shall be in existence for a period of ten (10) years during which a maximum 5% increase per year in the amount of the assessment on each property shall be allowable as provided for in the Plan.
11. The assessment shall be attached to the property and collected with the annual county property taxes, and in certain cases, as specified in the Plan, through a special municipal billing.
12. The City Council of the City of Oakland adopted a Resolution of Intention to form the Lakeshore/Lake Park Business Improvement Management District of 2012 on May 15, 2012, Resolution No. 83854 C.M.S. The title of the Resolution of Intention is **RESOLUTION OF INTENTION TO FORM THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT OF 2012, GRANTING PRELIMINARY APPROVAL OF THE MANAGEMENT PLAN, DIRECTING FILING OF THE PROPOSED ASSESSMENT DISTRICT BOUNDARY DESCRIPTION, SUBMITTING A PROPOSED ASSESSMENT TO THE AFFECTED PROPERTY OWNERS FOR MAJORITY PROTEST PROCEDURE APPROVAL; AND SCHEDULING A PUBLIC HEARING FOR JULY 17, 2012.**
13. A Public Hearing was held at 6:30 p.m. on July 17, 2012, at City Hall, One Frank H. Ogawa Plaza, Oakland California in the City Council Chambers, to hear all public comments, protests, count the returned ballots as to the formation of the District, appoint the Advisory Board for the District, and take final action as to the formation of the District. At the hearing the testimony of all interested persons for or against the establishment of the District, the boundaries of the District, or the furnishing of the specified types of improvements or activities was heard. All protests, both written and oral, are overruled and denied and the City Council finds that there is not a majority protest within the meaning of the Oakland Business Improvement District Ordinance (Chapter 4.48, Ordinance 12190, 1999).
14. The City Council finds, determines and declares that the District and each parcel therein is benefited by the improvements, maintenance, and activities funded by the assessment to be levied, including all expenses incurred incidentally thereto, upon the lots and parcels of real property in proportion to the estimated benefits to be received as specified in the Management District Plan, engineer's report included therein, and supplemental engineer's report.
15. The City Clerk shall record a notice and map describing the assessment district pursuant to California Streets and Highways Code Division 4.5 (commencing with Section 3100).
16. Properties in the District shall be subject to any amendments to the Oakland Business Improvement District Ordinance (Chapter 4.48, Ordinance 12190, 1999).



17. The City Administrator is hereby authorized to enter into annual contracts with any nonprofit corporation comprised of the assessee themselves and designated by affected property owners to conduct or contract for the cleaning, security, marketing and promotions, or other activities and improvements for the District as provided for in the BIMD Ordinance.
18. The Board of Directors for the above designated non-profit corporation shall serve as the Advisory Board for the District until further notice by the Oakland City Council as provided for in the BIMD Ordinance. The Advisory Board shall also have at least one member who is a business licensee within the District who is not also a property owner within the District.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, BRUNNER, DE LA FUENTE, KERNIGHAN, NADEL, REID, SCHAAF  
and PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California



# Lakeshore / Lake Park Business Improvement Management District of 2012



## Management District Plan

April 2012

**LAKESHORE / LAKE PARK BIMD OF 2012**  
**MANAGEMENT DISTRICT PLAN**

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## **I. INTRODUCTION AND OVERVIEW**

Developed by a coalition of property and business owners, the Lakeshore / Lake Park Business Improvement Management District (LABID) was created in 1998 for a five-year term. A new district was created for a ten-year term in 2002, and has now reached the end of that term. Property owners wish to again create a district and continue funding vital services for the Lakeshore area.

**Name:** The name of the special benefits district will be the "Lakeshore / Lake Park Business Improvement Management District of 2012" (LABID).

**Location:** The District generally includes parcels fronting Lakeshore Avenue from Lake Park Avenue (in the west) to Prince Street (in the east); and parcels fronting Lake Park Avenue from Lakeshore Avenue (in the south) to Walker Avenue (in the north). A map of the District can be found in Section IV of this Plan.

**Services:** The District will provide enhanced maintenance, beautification, security, promotions, business attraction and economic development activities to assessed parcels. These services will supplement, not supplant, existing City services.

**Budget:** The LABID annual budget for the initial year of its ten-year operation is anticipated to be \$151,612.20. The annual budget may be subject to an increase in the assessment rate of no more than five percent per year.

**Cost:** The District's source of financing will be a special assessment to be levied on benefitting parcels located within the boundaries of the District. The initial amount to be charged to each parcel owner is \$0.275 per parcel square foot, plus \$24.00 per linear front footage along Lakeshore Avenue and Lake Park Avenue. Tax exempt parcels owned and utilized by nonprofit organizations shall initially be assessed a flat rate of \$250 per year. Assessment rates may be subject to an increase of no more than five percent per year.

**Governance:** The District will be managed by the Lakeshore Avenue Business Improvement District Corporation.

**Formation:** LABID formation requires submittal of petitions from property owners representing more than 30% of the total assessment. The "Right to Vote on Taxes Act" (also known as Proposition 218) requires a ballot vote in which more than 50% of the ballots received, weighted by assessment, be in support of the LABID.

**Duration:** The LABID will have a ten-year operating life. The timeline for implementation and completion of the District's Management Plan will be from January 1, 2013 to December 31, 2022. After ten years, the petition process, ballot process, and City Council hearing process must be repeated for the LABID to again be re-established.



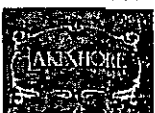
## II. BACKGROUND

The Lakeshore Avenue area has a long history of utilizing special assessments to provide vital services and improvements. The first district of its kind in the City of Oakland, the original Lakeshore Property and Business Improvement District was created in 1998. In 2002, property owners renewed and expanded the original District, renaming it the Lakeshore / Lake Park Business Improvement Management District.

For nearly 15 years, Lakeshore area property owners have enjoyed increased levels of security, maintenance and promotions, above and beyond services provided by the City of Oakland. These services have been vital to maintaining and improving commercial activity and economic prosperity within the District. Many other areas of Oakland have followed Lakeshore's lead; the City now includes nine districts cumulatively raising over \$3.3M annually.

Property owners again wish to renew and expand the District. The LABID will be formed pursuant to an Oakland City Ordinance, the Business Improvement Management District Ordinance, Chapter 4.48 of the Oakland Municipal Code (the "Ordinance"). Key provisions of the Ordinance include:

- Allows Business Improvement Management Districts to provide services ranging from security to maintenance, and from business promotion to economic development.
- A Business Improvement Management District is *designed and governed by those who will pay* the assessment.
- Passage of the assessment is contingent upon a positive outcome from a ballot in which all affected property owners are allowed to vote.
- Allows for appointment of an Advisory Board by the City to provide oversight of District operations and to submit a yearly service plan.
- Requires that assessments charged to parcels are in proportion to special benefits received.
- Provides for the establishment of Business Improvement Management Districts for a term of up to ten (10) years and requires a petition and balloting process to form a District. The LABID will have a ten year term.



### III. PAST PBID SUCCESSES

In the late 1990's Lakeshore Avenue had experienced a downturn in economic activity. Many shops were being vacated by longtime businesses and the neighborhood was changing. Rather than keep up with the changes, the commercial district seemed to be stagnating, safety was an issue, and the district was no longer vibrant. There were business redundancies (4 photo developing shops in one block) and a lack of coordination on top of a sense of "benign neglect" from the City.



Numerous property owners noticed that merchants and some owners were not working together to attract businesses nor to promote them. They started working with neighborhood organizations to revitalize the district.

They realized that a new type of association could provide funds to clean and beautify the area, provide promotional activities, and advocacy. They set the process in motion to establish a property-based business improvement district which became the first such in the City. Its success became a model, leading to the formation of a total of nine BIDs to date with more neighborhoods presently seeking to explore the feasibility of forming one.

Since 1999, Lakeshore / Lake Park property owners have enjoyed the benefits of enhanced services, above-and-beyond those provided by the City. Funds raised by the District have been carefully managed by the Lakeshore Avenue Business Improvement District corporation. The corporation has carefully managed the district funds; although the assessment rate could have been increased by 5% annually, the rate was only increased occasionally and to a lesser degree.

To gauge property owner interest in continuing these vital and successful programs, a survey was conducted in late 2011. Survey results indicated widespread support for continuing programs.

Survey results stated:

- 92% of respondents were satisfied or highly satisfied with the services provided by the PBID
- 100% of respondents support continuing daily sidewalk and gutter sweeping service
- 85% of the respondents ranked providing private security most important or very important, with providing maintenance a close second
- 53% of respondents support the currently level of monthly sidewalk steam cleaning as adequate; 46% of the respondents believe more steam cleaning is needed
- 58% of respondents are satisfied with the current levels of landscaping and gardening; 44% would like to see improved
- 92% of the respondents support continuing promotional activities to bring more shoppers, visitors and businesses to the district
- 75% of respondents believe it is easier to lease property today to quality tenants as compared to neighboring districts and pre-BID Lakeshore

Lakeshore is now considered one of the most unique and thriving commercial neighborhoods in Oakland. The area attracts new merchants-both local business owners and national chains, and many businesses wait eagerly for an opening in one of our historic buildings.



#### IV. BOUNDARIES

The LABID will deliver services to the Lakeshore / Lake Park area. The District generally includes parcels fronting Lakeshore Avenue from Lake Park Avenue (in the west) to Prince Street (in the east); and parcels fronting Lake Park Avenue from Lakeshore Avenue (in the south) to Walker Avenue (in the north).

The specific District boundaries are as follows:

Beginning at the southeast corner of the intersection of Walker Avenue and Lake Park Avenue, south along the east boundary of parcels fronting the east edge of Lake Park Avenue to Rand Avenue. East across Rand Avenue and continuing east along the north boundary of parcels fronting the north edge of Lakeshore Avenue to Mandana Boulevard. Southeast across the intersection of Mandana Boulevard and Lakeshore Avenue. East along the south edge of Lakeshore Avenue to the northeast corner of APN 011-0874-019-06 (Map ID 48).

South along the east boundary of APN 011-0874-019-06 (Map ID 48), then southwest along the southeast boundary of parcels fronting the southeast edge of Lakeshore Avenue, across Mandana Boulevard and Longridge Road, to Trestle Glen Road. Southwest across Trestle Glen Road then southwest along the southeast boundary and northwest along the southwest boundary of APN 023-0425-001-00 (Map ID 40) to Wesley Way. Northwest across Wesley Way, then west along the south boundary of parcels fronting the south edge of Lakeshore Avenue to Lake Park Avenue. Northwest across the intersection of Lakeshore Avenue and Lake Park Avenue, the northwest along the northeast edge of Lake Park Avenue to Walker Avenue, the point of beginning.

The service area includes approximately 49 parcels with 42 property owners. The LABID boundary is illustrated by the map on the following page. The numbers on the map correspond to the chart (also on the following page); each parcel is identified with a Map ID number corresponding to its Assessor's Parcel Number (APN).



# Lakeshore/Lake Park Business Improvement Maintenance District

2



Map ID	Assessor's Parcel Number (APN)
1	011 083802200
2	011 083708601
3	011 083802500
4	011 083708602
5	011 083709101
6	011 083708700
7	023 042401801
8	011 083802300
9	011 083708400
10	023 042400101
11	011 083801200
12	011 083802000
13	011 083801300
14	011 090000100
15	023 042402201
16	011 083800400
17	011 083800500

Map ID	Assessor's Parcel Number (APN)
18	011 083801100
19	011 083802100
20	011 083801900
21	011 087401701
22	023 042402602
23	011 090003813
24	023 042402500
25	011 083801501
26	011 083800200
27	011 083709000
28	011 083801400
29	011 083800800
30	011 088305601
31	011 083708500
32	011 083708900
33	011 083801800
34	011 083800900

Map ID	Assessor's Parcel Number (APN)
35	011 083800600
36	011 083801000
37	011 083802400
38	011 083801700
39	023 042402900
40	023 042500100
41	011 083708800
42	023 042402000
43	011 083800300
44	023 042402800
45	023 042402700
45	011 083800700
47	023 042402400
48	011 087401906
49	011 087402000





## V. SERVICE PLAN AND BUDGET

### A. Programs and Services

The renewed district will continue providing supplemental services to specially benefit assessed properties. Services will only be provided to assessed parcels. These services are carefully tailored to provide special benefits, including increased services which in turn enhance commercial activity on assessed parcels.

#### 1. Maintenance & Beautification

The maintenance and beautification program will include daily sidewalk and gutter cleaning, monthly steam cleaning, and gardening in the tree wells. The district may also consider enhancements such as lighting, parklets, and planters. The frequency of these services is illustrated in the table below.

Task	Lake Park Avenue & Lake Park Avenue
Sidewalk & gutter sweeping	7 days per week
Sidewalk steam cleaning	Monthly
Shrub planting	As needed
Landscape maintenance	As needed
Lakeshore branding/Planters	To be determined
Holiday decorations	Seasonal

#### 2. Safety

The safety program will include up to approximately fifty-two hours of private security patrols offered weekly in the district.

#### 3. Promotions and Business Attraction

Promotions and business attraction services will include at least 3 major events a year, website development and operation, business listings, signage, and marketing programs using social media such as Facebook and YouTube for publicity. Business attraction and retention services will keep existing businesses and attract new businesses to fill vacancies. Public relations efforts will be undertaken, including television, radio, and newspaper coverage.

Events, which provide benefits to assesses, include, but are not limited to:

- the Easter/Spring Festival
- the Halloween/Fall Festival
- other Holiday events

Other events may occur particularly if subsidized through sponsorships and vendor fees.

#### 4. Administration and Economic Development

The District will serve as a unified voice to represent the interests of the Lakeshore district. Economic development efforts will include representing Lakeshore property owners at the City Council and other agencies, and applying for grants and additional funding streams to improve the district. This line item also includes administrative expenses such as telephone, postage, insurance, tax preparation, and similar expenses.



## 5. Contingency

A prudent portion of the budget will be maintained in a reserve fund to cover lower than anticipated collections and increased program costs. It also covers the City of Oakland's fees for costs of collection and administration. If, upon the expiration of the district, there are contingency funds remaining and property owners wish to renew the district, those funds could be used for the costs of renewal.

## B. Operations Budget

### 1. Annual Budget

The summary of the annual operating budget for the LABID is provided below. Parcel owners will contribute the entire amount through annual parcel square footage assessments and linear front footage assessments.

Category	%	Amount
Maintenance & Beautification	32.5	\$49,273.97
Security	33	\$50,032.03
Promotion & Business Attraction	7	\$10,612.85
Administration & Economic Development	24.5	\$37,144.99
Contingency	3	\$4,548.37
<b>TOTAL</b>	<b>100%</b>	<b>\$151,612.20</b>

### 2. Adjustments

Although revenues may fluctuate from year to year, the proportional allocation of revenues shall remain consistent, except that the Management Corporation, the Lakeshore Avenue Business Improvement District corporation, shall have the authority to reallocate funds between service categories by up to fifteen percent (15%) of the total budget each year. The Advisory Board for the district will have the option to increase the assessments annually based upon the Alameda County regional CPI indicator or by an amount not to exceed 5% from the previous year's assessments. Any increase shall be approved by the Oakland City Council before taking effect. The total maximum budget for each year of the District's ten year operation is detailed in Appendix 2.



## **VI. GOVERNANCE**

### **A. Management Corporation**

The District shall be administered by the Lakeshore Avenue Business Improvement District corporation, pursuant to a written agreement with the City of Oakland. The Lakeshore Avenue Business Improvement District corporation shall serve as the designated nonprofit organization described in the Section 4.48.160 of the Ordinance. The Board of Directors of Lakeshore Avenue Business Improvement District corporation shall be composed of property owners paying the District assessment.

The Corporation shall manage district funds in accordance with the following guidelines:

1. Whenever possible, the Board shall utilize competitive bidding practices in hiring subcontractors;
2. Any stakeholder who serves on the Board shall recuse themselves from any vote in which a potential conflict of interest is apparent. Such potential conflicts include, but are not limited to, prioritizing services or events which result in a disproportionate special benefit only to specific property owners, or hiring or selecting relatives of Board members; and
3. The Board of Directors shall make recommendations to the Advisory Board on the service plan and budget.

The Management Corporation shall strive to meet the following operational objectives:

1. Create and manage programs which are highly responsive to the needs and priorities of District stakeholders;
2. Coordinate with the City to avoid duplication of services and optimally leverage resources;
3. Deliver services through a cost-effective, non-bureaucratic, easily-accessible organizational structure; and
4. Provide accountability and responsiveness to property owners paying the assessment.

### **B. Advisory Board and Annual Report**

Per local ordinance the Oakland City Council will also appoint an Advisory Board for the district (Section 4.48.190 of the Oakland Municipal Code). At least one member of the Advisory Board shall be a business licensee within the district who is not also a property owner within the district.

The Advisory Board shall meet at least once per year to advise the City and prepare and submit an annual report regarding activities within the district. The Advisory Board shall submit its annual report to the City on a date designated by the City.

### **C. Open Meetings**

For purposes of administering this Management Plan, the Lakeshore Avenue Business Improvement District corporation is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Further, the Advisory Board is required to comply with the Brown Act pursuant to Section 4.48.190(B) of the Ordinance. Thus, meetings of the Lakeshore Avenue Business Improvement District corporation board and the Advisory Board must be held in compliance with the public notice and other requirements of the Brown Act.



## VII. ENGINEER'S REPORT

### A. Assessment Methodology

#### 1. Base Formula

Each parcel owner will pay based on special benefits received. The variables used for the annual assessment formula are parcel square footage and linear front footage along Lakeshore Avenue and Lake Park Avenue.

The annual assessment rate for commercial parcels within the District boundaries in the initial year of operation is \$0.275 per parcel square foot plus \$24.00 per linear front foot along Lakeshore Avenue and Lake Park Avenue. Tax-exempt, private parcels regardless of size will be assessed a flat rate of \$250.00 annually.

For example, a parcel with 100 square feet and 10 linear front feet along Lakeshore Avenue would pay \$267.50  $[(100 \text{ sqft} \times \$0.275 = \$27.50) + (10 \text{ ft} \times \$24 = \$240) = \$267.50]$ . If you would like more information about parcel assessments, please call Civitas at (916) 325-0604 or (800) 999-7781. An Assessment Calculation Table, including the list of parcels to be included in the LABID and initial assessment calculations is provided as Appendix 1.

Assessment rates may be subject to an increase of no more than five percent per year. This adjustment may be made upon recommendation of the Advisory Board at the time of the annual report to the City.

#### 2. Determination of Special Benefit

Assessment law provides that the expenses of the LABID shall be apportioned in proportion to the benefit received by each parcel. In addition, the law requires that a parcel's assessment may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The law provides that only special benefits are assessable, and that the City must separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public at large, including real property within the LABID. The general enhancement of property value does not constitute a special benefit.

Each and every assessed parcel within the LABID receives a particular and distinct special benefit from the District's improvements and activities. The District's programs will continue to provide services only to assessed parcels, which services will maintain and further improve commercial activity within the LABID, specially benefiting all assessed parcels. These programs also create a special enhancement of the property values of each of the parcels within the LABID, which is not provided to parcels outside of the District.

The special benefit to properties from the LABID exceeds the total amount of the assessment. The District services are carefully tailored to provide only special benefits, and to provide those special benefits only to assessed parcels within the District. The District's services do not constitute and will not create general benefit for parcels within or outside of the District.

#### 3. Tax Exempt Parcels

As stated above, the primary purpose of the LABID is to benefit parcels with commercial uses. Tax exempt private and/or public parcels, e.g. religious or governmental institutions, will not benefit from all of the District's services. Particularly, these parcels will not benefit from the District's promotion and business attraction efforts. These parcels, however, will receive slight benefit from the District's security and maintenance services. Those services will be provided to these parcels on an infrequent basis, commensurate with their visitor traffic patterns and need for services (once per week) and therefore at a lower cost. These



parcels will be assessed in accordance with the cost of providing these minimal services and their proportional special benefit, at a flat rate of \$250 per year.

**B. Assessment Notice**

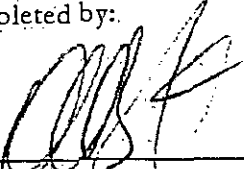
An Assessment Notice will be sent to owners of each parcel in the LABID. The Assessment Notice provides an estimated assessment based upon parcel square footage and linear front footage along Lakeshore Avenue. The final individual assessment for any particular parcel may change, up or down, if the parcel area or frontage differs from those found on the Assessment Notice. A list of parcels to be included in the LABID is provided in Appendix 2 of the Management District Plan.

**C. Time and Manner of Collecting Assessments**

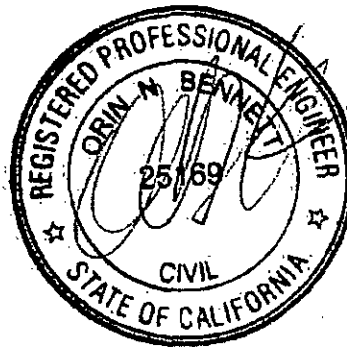
As provided by State Law, the LABID assessment will appear as a separate line item on annual property tax bills prepared by the County of Alameda. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The assessment shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Alameda. The County of Alameda shall distribute funds collected to the City of Oakland and the City shall disburse funds to LABID pursuant to a written agreement between the City and LABID. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City. Tax-exempt parcels not subject to property taxes shall not be exempted from payment into the assessment district. These parcels will be billed directly by the City of Oakland for their assessment obligation.

Review of this LABID Management District Plan and preparation of the Engineers Report was completed by:

  
Orin M. Bennett, PE  
State of California  
Registered Civil Engineer No. 25169

Apr 30, 2012  
Date



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## VIII CONTINUATION OF CITY BASELINE SERVICES

### A. City Baseline Service Policy

Throughout the process of establishing the LABID, stakeholders and business and property owners have voiced concerns that the City of Oakland maintain existing services at a "baseline" service level to ensure that existing City services are enhanced, not replaced, by new LABID services.

City baseline services should be paid for by general City revenues, and not subsidized by revenue which the LABID generates for enhanced special benefits and supplemental levels of service.

Existing policy allows for adjustments in "baseline service levels" commensurate with changes in the City's overall financial condition. City wide service reductions can trigger a proportionate reduction in baseline service levels within a Business Improvement Management District.



# APPENDIX 1 –ASSESSMENT CALCULATION TABLE

Map ID	Assessor's Parcel Number (APN)	Parcel Size (sqft)	Initial Annual Parcel Assessment	Street Frontage (ft)	Initial Annual Street Frontage Assessment	Total Initial Annual Assessment
1	011 083802200	5,500	\$1,512.50	50	\$1,200.00	\$2,712.50
2	011 083708601	4,096	\$1,126.40	40	\$960.00	\$2,086.40
3	011 083802500	7,500	\$2,062.50	84	\$2,016.00	\$4,078.50
4	011 083708602	1,024	\$281.60	10	\$240.00	\$521.60
5	011 083709101	5,500	\$1,512.50	27	\$648.00	\$2,160.50
6	011 083708700	15,387	\$4,231.43	79	\$1,896.00	\$6,127.43
7	023 042401801	14,235	\$3,914.63	205	\$4,920.00	\$8,834.63
8	011 083802300	4,400	\$1,210.00	40	\$960.00	\$2,170.00
9	011 083708400	4,439	\$1,220.73	80	\$1,920.00	\$3,140.73
10	023 042400101	16,050	\$4,413.75	94	\$2,256.00	\$6,669.75
11	011 083801200	4,158	\$1,143.45	30	\$720.00	\$1,863.45
12	011 083802000	5,500	\$1,512.50	50	\$1,200.00	\$2,712.50
13	011 083801300	4,314	\$1,186.35	30	\$720.00	\$1,906.35
14	011 090000100	7,076	\$1,945.90	87	\$2,088.00	\$4,033.90
15	023 042402201	50,000	\$13,750.00	100	\$2,400.00	\$16,150.00
16	011 083800400	4,400	\$1,210.00	44	\$1,056.00	\$2,266.00
17	011 083800500	4,370	\$1,201.75	52	\$1,248.00	\$2,449.75
18	011 083801100	5,500	\$1,512.50	46	\$1,104.00	\$2,616.50
19	011 083802100	5,500	\$1,512.50	50	\$1,200.00	\$2,712.50
20	011 083801900	5,400	\$1,485.00	50	\$1,200.00	\$2,685.00
21	011 087401701	14,500	\$3,987.50	78	\$1,872.00	\$5,859.50
22	023 042402602	6,650	\$1,828.75	50	\$1,200.00	\$3,028.75
23	011 090003813	4,465	\$1,227.88	66	\$1,584.00	\$2,811.88
24	023 042402500	4,157	\$1,143.18	50	\$1,200.00	\$2,343.18
25	011 083801501	9,720	\$2,673.00	50	\$1,200.00	\$3,873.00
26	011 083800200	4,600	\$1,265.00	63	\$1,512.00	\$2,777.00
27	011 083709000	4,849	\$1,333.48	50	\$1,200.00	\$2,533.48
28	011 083801400	4,400	\$1,210.00	40	\$960.00	\$2,170.00
29	011 083800800	5,400	\$1,485.00	50	\$1,200.00	\$2,685.00
30	011 088305601	2,018	\$554.95	100	\$2,400.00	\$2,954.95
31	011 083708500	5,100	\$1,402.50	50	\$1,200.00	\$2,602.50
32	011 083708900	5,660	\$1,556.50	52	\$1,248.00	\$2,804.50
33	011 083801800	5,500	\$1,512.50	50	\$1,200.00	\$2,712.50
34	011 083800900	5,400	\$1,485.00	50	\$1,200.00	\$2,685.00
35	011 083800600	4,370	\$1,201.75	48	\$1,152.00	\$2,353.75
36	011 083801000	4,860	\$1,336.50	45	\$1,080.00	\$2,416.50
37	011 083802400	4,320	\$1,188.00	40	\$960.00	\$2,148.00



Map ID	Assessor's Parcel Number (APN)	Parcel Size (sqft)	Initial Annual Parcel Assessment	Street Frontage (ft)	Initial Annual Street Frontage Assessment	Total Initial Annual Assessment*
38	011 083801700	5,400	\$1,485.00	50	\$1,200.00	\$2,685.00
39	023 042402900	4,446	\$1,222.65	50	\$1,200.00	\$2,422.65
40	023 042500100	1,112	\$305.80	51	\$1,224.00	\$1,529.80
41	011 083708800	6,192	\$1,702.80	48	\$1,152.00	\$2,854.80
42	023 042402000	4,791	\$1,317.53	50	\$1,200.00	\$2,517.53
43	011 083800300	3,853	\$1,059.58	40	\$960.00	\$2,019.58
44	023 042402800	4,919	\$1,352.73	50	\$1,200.00	\$2,552.73
45	023 042402700	5,930	\$1,630.75	50	\$1,200.00	\$2,830.75
46	011 083800700	5,400	\$1,485.00	50	\$1,200.00	\$2,685.00
47	023 042402400	4,207	\$1,156.93	50	\$1,200.00	\$2,356.93
48	011 087401906	34,450	\$9,473.75	157.5	\$3,780.00	\$250.00 <sup>1</sup>
49	011 087402000	6,000	\$1,650.00	50	\$1,200.00	\$250.00 <sup>1</sup>
	<b>Totals</b>	<b>357,018</b>	<b>\$98,180.00</b>	<b>2876.5</b>	<b>\$69,036.00</b>	<b>\$151,612.20</b>

\*Exemptions:

<sup>1</sup>=Non-profit parcels





## APPENDIX 2 – TEN-YEAR MAXIMUM BUDGET

Year	Security	Maintenance	Administration	Promotions	Contingency	Totals
%	33	32.5	24.5	7	3	100
2013	\$ 49,273.97	\$ 50,032.03	\$ 10,612.85	\$ 37,144.99	\$ 4,548.37	\$ 151,612.20
2014	\$ 50,752.18	\$ 51,532.99	\$ 10,931.24	\$ 38,259.34	\$ 4,684.82	\$ 156,160.57
2015	\$ 52,274.75	\$ 53,078.98	\$ 11,259.18	\$ 39,407.12	\$ 4,825.36	\$ 160,845.38
2016	\$ 53,842.99	\$ 54,671.35	\$ 11,596.95	\$ 40,589.33	\$ 4,970.12	\$ 165,670.74
2017	\$ 55,458.28	\$ 56,311.49	\$ 11,944.86	\$ 41,807.01	\$ 5,119.23	\$ 170,640.87
2018	\$ 57,122.03	\$ 58,000.83	\$ 12,303.21	\$ 43,061.22	\$ 5,272.80	\$ 175,760.09
2019	\$ 58,835.69	\$ 59,740.86	\$ 12,672.30	\$ 44,353.06	\$ 5,430.99	\$ 181,032.90
2020	\$ 60,600.76	\$ 61,533.08	\$ 13,052.47	\$ 45,683.65	\$ 5,593.92	\$ 186,463.88
2021	\$ 62,418.78	\$ 63,379.07	\$ 13,444.05	\$ 47,054.16	\$ 5,761.73	\$ 192,057.80
2022	\$ 64,291.35	\$ 65,280.45	\$ 13,847.37	\$ 48,465.79	\$ 5,934.59	\$ 197,819.53

This maximum annual budget assumes that the Board does not exercise its ability to reallocate funds between categories, and the advisory board and city do implement the maximum assessment increase of 5% per year.



**SUPPLEMENT TO ENGINEER'S REPORT  
FOR THE LAKESHORE / LAKE PARK  
BUSINESS IMPROVEMENT MANAGEMENT DISTRICT OF 2012**

The following language is added to **Article VII: Engineer's Report, Section 2: Determination of Benefit**. The full contents of which are included in the **Management District Plan**, dated **April 2012**, for the **Lakeshore / Lake Park Business Improvement Management District of 2012**.

The assessments have been limited to, and do not exceed, the reasonable cost of providing special benefits to the assessed parcels. The District's services are over and above those already provided by the City within the boundaries of the District. And they are particular and distinct benefits to be provided only to the properties within the District, not to the public at large. The District's services affect the assessed properties in a way that is particular and distinct from their effect on other parcels and that real property in general and the public at large do not share.

*Maintenance and Beautification*

The District's maintenance and beautification services will be provided only to assessed parcels, and not to parcels outside the District. These services themselves constitute special benefits to all assessed parcels. Only sidewalks and gutters adjacent to assessed parcels will be cleaned. Only tree wells on and adjacent to assessed parcels will be maintained. Planters and decorations branding the District will only be installed on and adjacent to assessed parcels. These services are narrowly tailored to be provided only to assessed parcels within the District which will receive special benefit from the services.

*Safety*

The safety program will include private security patrols throughout the District, which patrols themselves constitute a special benefit to all assessed parcels. The patrols will address issues occurring on District parcels. The patrols will only be provided to assessed parcels; they will not venture out of the District or provide services to non-assessed parcels. The patrols will also specially benefit the parcels by creating additional property safety for the participating parcels.

*Promotions and Business Attraction*

The bottom-line purpose of this special benefit assessment is to specially benefit parcels by increasing commercial activity. The maintenance, beautification, and safety programs will create and maintain a safe, attractive, and inviting environment for assessed parcels. The promotions and business attraction program will capitalize on the District's investments in beauty and safety. A website featuring and promoting only those businesses located on assessed parcels, will be launched and maintained. Business attraction and retention services will work with businesses on assessed parcels only; the goal will be to maintain existing businesses and fill vacancies on assessed parcels only. These services will not be feature nor be provided to parcels outside the District. Events will be held within the District to attract patrons and new businesses to the District, specially benefitting only assessed parcels by attracting consumers and potential new businesses to the District. And, public relations efforts will be

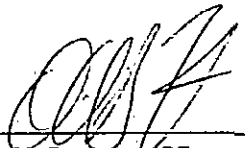
Supplement to Engineer's Report for the  
Lakeshore / Lake Park BIMD of 2012

undertaken to promote commerce on assessed parcels; these efforts will feature assessed parcels and will not promote non-assessed parcels. These services themselves constitute special benefits to all assessed parcels.

*Administration and Economic Development*

The administrative cost of providing services will be funded by the assessment. The administrative budget will only fund the cost of providing services which only specially benefit assessed parcels. Economic development services, including representation of the District, will only be provided to assessed parcels. These services are the backbone to providing commercial-activity-increasing programs and services to the assessed parcels.

Preparation of this Supplement to the Engineer's Report was completed by:

  
\_\_\_\_\_  
Orin N. Bennett, PE  
State of California  
Registered Civil Engineer No. 25169



July 5, 2012  
\_\_\_\_\_  
Date



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