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OFFICE OF THE CITY CLERK
OAKLAND

2008 DEC -4 PM 6:18

CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: December 9, 2008

RE: **A Supplemental Report on the Resolution Approving the Annual Reports of the Lakeshore/Lake Park Business Improvement Management District, the Temescal/Telegraph Avenue Property Business Improvement District of 2005, the Laurel Property Business Improvement District of 2005, the Fruitvale Property Business Improvement District of 2006, and the Koreatown/Northgate Community Benefit District of 2007 Advisory Boards and Confirming the Continuing Annual Assessment For Each District For Fiscal Year 208/09**

SUMMARY

This report is in response to a request by Community and Economic Development Committee for staff to elaborate on the following: 1) highlights and accomplishments of the City of Oakland BID Program, 2) other commercial areas which have expressed an interest in BID formation, and 3) city activities in support of Business Improvement Districts/Community Benefit Districts.

HIGHLIGHTS AND ACCOMPLISHMENTS OF THE CITY OF OAKLAND BID PROGRAM

Since inception (November 1999), the City of Oakland Neighborhood Business Improvement District (BID) Program has facilitated the formation of 9 special assessment districts whose aim is to support economic development efforts within commercial neighborhoods throughout the City of Oakland. Over the past nine years the program has invested approximately \$150,000 of City funds to leverage an estimated return of approximately \$35 million in private sector contributions. These returns will be realized over the 5 to 10 year life span of the districts.

The 9 existing BIDs are located in the Lakeshore/Lake Park, Temescal/Telegraph Avenue, Rockridge, Montclair, Laurel, Fruitvale, Koreatown/Northgate, Lake Merritt/Uptown and Downtown Oakland districts. Collectively, these districts generate approximately \$3.3 million a year.

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Activities funded by BID special assessments are varied and numerous and according to needs identified by each district's stakeholders.

Most BID activities fall within the following program areas: 1) Marketing and Promotions, 2) Safety and Security, 3) Maintenance and Beautification and, 4) Economic Development.

Highlights of Marketing and Promotions include initiation of new special events and/or support of existing events such as the Temescal Street Fair, Temescal Street Cinema, Temescal Trick or Treat, Temescal Holiday Ice Skating Rink, Rockridge Out and About Festival, Laurel World Music Festival, Laurel Easter Egg Hunt, Halloween and Santa Stroll, Lakeshore Lakefest Art and Wine Festival, the Fruitvale Dia de los Muertos Celebration, Fruitvale Cinco de Mayo Celebration, and the Montclair Holiday Stroll.

Other marketing activities include holiday decorations, district websites, pocket business directories, directional kiosks, development of district logos, gateway signage and design and installation of seasonal banners.

Highlights of Safety and Security activities include the hiring of private security to patrol the commercial corridor particularly during the holiday season, ambassador services to serve as the eyes and ears of the commercial district and to interface with Oakland police officers, Public Works staff and other related service agencies, merchant and property owner e-mail incident alerts, hosting of Crime Prevention Through Environmental Design (CPTED) workshops, coordination with Oakland Police Department and Neighborhood Service Coordinators to further the Merchant Watch program, coordination with City Attorney's Office, Neighborhood Crime Prevention Councils, Problem Solving Officers and other Oakland Police personnel to implement strategies to make business districts safer for merchants and shoppers.

Highlights of Maintenance and Beautification include installation and maintenance of landscaped planters, new street furniture including new benches and trash cans, planting and maintenance of treewells, daily sidewalk and gutter sweeping, litter removal, periodic steam cleaning, graffiti abatement, development of public art projects, and coordination with Public Works, the Oakland Redevelopment Agency and other city offices to develop streetscape improvement plans.

Highlights of Economic Development activities include maintenance of retail space inventories and participation in advisory groups to design and implement plans to attract a strategic retail mix to the neighborhood, coordination with local schools to involve neighborhood school children in afterschool neighborhood public art projects, providing assistance to business and property owners to access city resources and services, merchant and property owner networking mixers, and coordination with Public Works, Oakland Police Department, Traffic Engineering, Economic Development, Redevelopment and other city staff as needed to achieve mutual economic development revitalization goals.

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OTHER NEIGHBORHOODS INTERESTED IN PURSUING BID OR PRE-BID ACTIVITIES

BID formation must be preceded by a number of specific indicators, including but not limited to the existence of an established merchant and/or property owner stakeholder group with a long-term track record of successful and measurable outcomes. The stakeholder group must have the organizational capacity to complete a prolonged BID formation campaign which can take up to 2 years. Additionally, interested stakeholder groups must evidence the fundraising ability to independently provide funds sufficient to complete the BID formation process currently estimated to cost approximately \$60,000 to \$70,000. Depending on funding availability the City may contribute approximately \$7,500 to \$25,000 to that effort. The balance of funds must come from the candidate district itself. A recent program change is that Districts are now encouraged to provide 100% of their establishment funding and are allowed to reimburse themselves from district proceeds if the formation effort succeeds. This approach was utilized in the formation of the Downtown Oakland and Lake Merritt Community Benefit Districts, established in July 2008.

Currently, several commercial neighborhoods have expressed an interest in pursuing BID formation and/or pre-BID activities which over several years could eventually lead to BID formation. They include the Dimond, Piedmont, Old Oakland, Park at 18th Avenue, Grand Avenue and Chinatown districts. Business Development staff has focused on developing stronger merchant associations in East and West Oakland in order to build organizational capacity to support the formation of a BID.

City staff is currently in the process of evaluating the BID readiness of the above districts as well as considering which districts might benefit more from referrals to other city resources.

CITY SERVICES IN SUPPORT OF BID/CBD

Since the transfer of the BID Program to the Business Development Services Unit, several program enhancements have occurred:

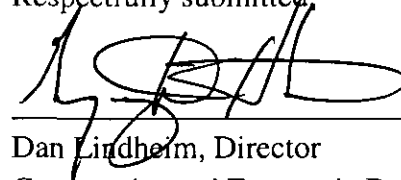
- Formation of the BID Managers Council
- Coordination with merchant organizing efforts through the work of the Oakland Merchant Leadership Forum (OMLF)
- Integration of the BID Program as part of the City's Retail Enhancement Strategy
- Outreach to current and prospective BIDs
- Initiating review of program elements to better support BID/CBD needs, including an analysis of city regulations and processes that impact CBDs
- Better coordination with key agencies (Public Works, Oakland Police Department, City Attorney's Office)

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Further information regarding the BID program and its relationship to the city's overall Economic Development strategy will be addressed in a separate comprehensive report to be presented to City Council during the first quarter of 2009.

Respectfully submitted,



Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director

Aliza Gallo, Coordinator
Business Development Services Unit
Economic Development Division
Prepared by:
Maria Rocha, Urban Economic Analyst

APPROVED AND FORWARDED TO THE
CITY COUNCIL:


Office of the City Administrator

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OAKLAND

REVISED 12/2/08

Approved as to form and legality


Oakland City Attorney's Office

2008 DEC -4 PM 6:00 OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION APPROVING THE ANNUAL REPORTS OF THE LAKESHORE/LAKE PARK BUSINESS IMPROVEMENT MANAGEMENT DISTRICT, THE TEMESCAL/TELEGRAPH AVENUE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005, THE LAUREL PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2005, THE FRUITVALE PROPERTY BUSINESS IMPROVEMENT DISTRICT OF 2006, AND THE KOREATOWN/NORTHGATE COMMUNITY BENEFIT DISTRICT OF 2007 ADVISORY BOARDS AND CONFIRMING THE CONTINUING ANNUAL ASSESSMENT FOR EACH DISTRICT FOR FISCAL YEAR 2008/09

WHEREAS, the City of Oakland Business Improvement Management District (BIMD) Ordinance allows for the formation of business improvement management districts (Chapter 4.48, Ordinance 12190. 1999); 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 owners in the City to assist in the formation of such districts; and

WHEREAS, affected property owners petitioned to form the Lakeshore/Lake Park Business Improvement Management District, the Temescal/Telegraph Avenue Property Business Improvement District of 2005, the Laurel Property Business Improvement District of 2005, the Fruitvale Property Business Improvement District (PBID) of 2006, and the Koreatown/Northgate Community Benefit District (CBD) of 2007 ("Districts") under said legislation to undertake the Management Plans for the Districts ("Plans") which are on file with the City Clerk; and

WHEREAS, the Plans provide for enhanced services such as new security, crime prevention, beautification, parking resolution, sidewalk sweeping, economic development, lighting, and marketing activities with the intent of creating a positive atmosphere in the District areas (as more specifically identified in their respective Plans); and

WHEREAS, the Plans were prepared in accord with the provisions of the law overseeing the formation of the Districts as referenced above, and have been filed with the City; and

WHEREAS, pursuant to the requirements of the law the Districts were established as follows:

- the Lakeshore/Lake Park Business Improvement Management District on July 16, 2002, pursuant to Resolution No. 77280 C.M.S.,
- the Temescal/Telegraph Avenue Property Business Improvement District of 2005 on July 20, 2004, pursuant to Resolution No. 78730 C.M.S.,
- the Laurel Property Business Improvement District of 2005, on July 19, 2005 pursuant to Resolution No. 79380 C.M.S.;
- the Fruitvale Property Business Improvement District of 2006, on July 18, 2006 pursuant to Resolution No. 80059 C.M.S.;
- the Koreatown/Northgate Community Benefit District of 2007, on July 17, 2007 pursuant to Resolution No. 80788 C.M.S.; and

WHEREAS, the Annual Reports (attached in **EXHIBIT A**) have been prepared by the District Advisory Boards and filed with the City Clerk; and

WHEREAS, the Annual Report for the Temescal/Telegraph Avenue Property Business Improvement District of 2005 includes a determination and recommendation by the District Advisory Board for a permitted 5% increase in the amount of the annual assessment beginning in fiscal year 2009/10; and

WHEREAS, the City Council desires to approve and confirm the Reports, and the continuing annual assessments for the Districts for fiscal year 2008/09; and

WHEREAS, the City shall pay a fiscal year 2008/09 fair share assessment of \$1,916.02 for City-owned property located within the Temescal/Telegraph Avenue PBID (the Temescal Library APN 014-1219-003-00) and \$11,257.76 for property located within the Fruitvale PBID (Josie de la Cruz Park, formerly Sanborn Park APN 025-0722-026-00, Fruitvale Plaza Park at 3500 International Boulevard APN 033-2130-035-02, and APN 033-2135-026-02, a property located on Foothill Boulevard) and \$9,500 for property located within the Koreatown/Northgate CBD (parking lot at 2100 Telegraph Avenue APN 008-0648-016-03) and funds to pay the assessment have been budgeted in General Purpose Fund 1010/Business Development Organization 88559/Taxes and Assessments Account 53511/Business Improvement District Project C138410; and

WHEREAS, until disbursed, BID assessments will be held in a special trust fund established by the Finance and Management Agency on behalf of the Districts in Miscellaneous Trusts Fund (7999)/Neighborhood Commercial Revitalization & Service Delivery System Organization (08721)/Pass Thru Assessments Account (24224)/Undetermined Project (0000000); now therefore be it

RESOLVED that the Council of the City of Oakland does hereby find as follows:

1. The Advisory Boards for the Lakeshore/Lake Park Business Improvement Management District, the Temescal/Telegraph Avenue Property Business Improvement District of 2005, the Laurel Property Business Improvement District of 2005, and the Fruitvale Property Business Improvement District of 2006 were duly appointed by Resolutions of the City Council and have filed their Annual Reports for the 2008/09 fiscal year as required by law.

2. In accordance with Section 4.48.190 of the Oakland BIMD Ordinance the City Council hereby appoints the Koreatown/Northgate Community Benefit District Advisory Board as the Advisory Board for the Koreatown/Northgate CBD of 2007. The members of the Board of Directors of Koreatown Oakland, a California non-profit corporation comprised of the assessees themselves, shall serve as the members of the Advisory Board until further notice by the Oakland City Council as provided for in the BIMD Ordinance. The Advisory Board shall have at least one member who is a business licensee with the District who is not also a property owner within the District and the Advisory Board shall comply with the provisions of the Ralph M. Brown Act as provided for in the BIMD Ordinance.
3. The above duly appointed Koreatown/Northgate CBD Advisory Board has filed its Annual Report for the 2008/09 fiscal year as required by law.
4. The Annual Reports and the continuing annual assessments for the 2008/09 fiscal year are hereby approved, adopted, and confirmed including a 5% increase in the amount of annual assessments recommended by the Temescal/Telegraph Avenue Property Improvement District of 2005 Advisory Board beginning in fiscal year 2009/10 and the City Council does hereby levy and direct the collection of the assessments for the 2008/09 fiscal year in accordance with the assessment formulas as provided for in the Annual Reports and the Plans on file with the City Clerk.
5. The proposed method and basis of levying the assessments to be levied against each property in the Districts have not been changed, increased, or modified and are those specified in the Plans and Annual Reports on file with the City Clerk which were previously adopted after holding the required public meetings and public hearings and protest procedures as provided for by law.
6. The assessments shall be attached to the property and collected with the annual county property taxes, and in certain cases, as specified in the Plans, through a special municipal billing.
7. The boundaries of the Districts shall remain the same as specified in the Plans 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 property in the BIDs are those described in the Plans and the Annual Reports on file with the City Clerk. There are no substantial changes in the improvements or activities for the Districts.
9. The 2008/09 fiscal year assessments for the Districts are as follows:
 - Approximately \$140,230 for the Lakeshore/LakePark Business Improvement Management District; and
 - Approximately \$243,600 for the Temescal/Telegraph Avenue Property Business Improvement District of 2005; and
 - Approximately \$164,703 for the Laurel Property Business Improvement District of 2005; and
 - Approximately \$324,713 for the Fruitvale Property Business Improvement District of 2006; and

- Approximately \$278,460 for the Koreatown/Northgate Community Benefit District of 2007; and

the amount chargeable to each parcel in each District shall be as determined by the Plans and Annual Reports on file in the Office of the City Clerk.

10. The City shall pay a fiscal year 2008/09 fair share assessment of \$1,916.02 for City-owned property located within the Temescal/Telegraph Avenue PBID (the Temescal Library APN 014-1219-003-00) and \$11,257.76 for property located within the Fruitvale PBID (Josie de la Cruz Park, formerly Sanborn Park APN 025-0722-026-00, Fruitvale Plaza Park at 3500 International Boulevard APN 033-2130-035-02, and APN 033-2135-026-02, a property located on Foothill Boulevard) and \$9,500 for property located within the Koreatown/Northgate CBD (parking lot at 2100 Telegraph Avenue APN 008-0648-016-03) and funds to pay the assessment have been budgeted in General Purpose Fund 1010/Business Development Organization 88559/Taxes and Assessments Account 53511/Business Improvement District Project C138410; and
11. The City shall pay a fiscal year 2008/09 fair share assessment for Oakland Redevelopment Agency-owned property (located at 2016 Telegraph Avenue APN 008-0649-010-00) on which a Koreatown/Northgate Community Benefit District of 2007 assessment is to be levied in an amount not to exceed \$2,035.50 and funds to pay the assessment have been budgeted in Oakland Redevelopment Agency Projects Fund (7780)/CIP Organization (94800)/Taxes and Assessments Account (53511)/Business Improvement District Project (P300610).

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20__

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

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