

Lakeshore/Lake Park Business Improvement Management District

Management District Plan



City of Oakland, California

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*Prepared pursuant to the State of California
Property and Business Assessment District Law of 1994
and Article XIID of the California Constitution.*

**LAKESHORE/LAKE PARK
Business Improvement Management District
Management District Plan**

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SECTION 1: EXECUTIVE SUMMARY

The Lakeshore/Lake Park Business Improvement Management District (“LABID”) was first established in 1998, renewed in 2002 and 2012, and property owners now desire to renew it again for an additional 10-year term. Developed by the renewal steering committee, the LABID Management District Plan responds to today’s market opportunities and district challenges.

Summary Management Plan

Pursuant to the City of Oakland Business Improvement District Management Ordinance 12190, Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015, (“Oakland BIMD Ordinance”) the existing LABID is being renewed for a ten-year term. Upon receipt of petitions signed by property owners representing greater than 30% of assessments proposed to be levied for the District, the City of Oakland will initiate a ballot procedure to officially form and renew the LABID.

Governed by the Lakeshore/Lake Park Advisory Board, the LABID will continue to provide and expand upon the existing improvements and activities, such as, maintenance, improving safety, beautification, as well as economic vitality and marketing. Each of the activities is designed to meet the goals of the District; to improve the appearance and safety of the LABID, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services.

Location	The LABID generally includes parcels that front Lakeshore Avenue from Walker Avenue to Mandana Boulevard. (See Section 3 for boundary description and map.)
Services & Activities	<p>The LABID will finance services that will enhance the experience within the District for property owners, businesses, residents, employees, and visitors, including:</p> <p>Environmental (Clean, Safe, and Beautiful):</p> <ul style="list-style-type: none">• <u>Safety Patrol</u> that supports law enforcement, property owners and businesses in overall crime prevention efforts above what the City provides while providing concierge service to customers, residents, and employees.• <u>Maintenance Services</u> that will sweep, scrub and pressure wash sidewalks and public spaces, remove litter, trash and graffiti, and provide/maintain landscaping throughout the district.• <u>Beautification</u> such as installing and operating streetscape furniture, bike racks, tree lighting, information kiosks, holiday décor, and wayfinding signage. <p>Economic Vitality:</p> <ul style="list-style-type: none">• <u>Economic Development</u> activities to assist property owners in recruiting and retaining businesses and assist in navigating City processes.• <u>Marketing and Promotions</u> activities to market the District that pro-actively promote a positive image of the corridor.

	<p>Management/Reserve/City Fees:</p> <ul style="list-style-type: none"> • <u>Management</u> activities that administer the LABID programs and communicate with stakeholders and advocates on behalf of the district. 																											
Method of Financing	Levy of assessments upon real property that receive a special benefit from enhanced services.																											
Budget	<p>Total LABID budget for its first year of operations in the renewal term is \$220,000, as follows:</p> <table border="1" data-bbox="490 583 1373 1010"> <thead> <tr> <th>EXPENDITURES</th> <th>TOTAL BUDGET</th> <th>% of Budget</th> </tr> </thead> <tbody> <tr> <td>Environmental - Clean/Safe/Beautiful</td> <td>\$157,000</td> <td>71.36%</td> </tr> <tr> <td>Economic Vitality</td> <td>\$6,000</td> <td>2.73%</td> </tr> <tr> <td>Management/Reserve/Fees</td> <td>\$57,000</td> <td>25.91%</td> </tr> <tr> <td>Total Expenditures</td> <td>\$220,000</td> <td>100.00%</td> </tr> <tr> <th>REVENUES</th> <th></th> <th></th> </tr> <tr> <td>Assessment Revenues</td> <td>\$217,199</td> <td>98.73%</td> </tr> <tr> <td>Other Revenues</td> <td>\$2,801</td> <td>1.27%</td> </tr> <tr> <td>Total Revenues</td> <td>\$220,000</td> <td>100.00%</td> </tr> </tbody> </table>	EXPENDITURES	TOTAL BUDGET	% of Budget	Environmental - Clean/Safe/Beautiful	\$157,000	71.36%	Economic Vitality	\$6,000	2.73%	Management/Reserve/Fees	\$57,000	25.91%	Total Expenditures	\$220,000	100.00%	REVENUES			Assessment Revenues	\$217,199	98.73%	Other Revenues	\$2,801	1.27%	Total Revenues	\$220,000	100.00%
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Assessments	<p>All assessed parcels' annual assessments are based upon an allocation of program costs and a calculation of lot square footage plus linear street frontage.</p> <p>Estimated annual maximum assessment rates for the first year of the renewed LABID are as follows:</p> <table border="1" data-bbox="639 1314 1268 1383"> <thead> <tr> <th>Per Lot Sq.Ft.</th> <th>Per Linear Frontage</th> </tr> </thead> <tbody> <tr> <td>\$0.4117</td> <td>\$32.5514</td> </tr> </tbody> </table>	Per Lot Sq.Ft.	Per Linear Frontage	\$0.4117	\$32.5514																							
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Increases	Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the LABID Advisory Board and City Council and will be subject to the requirements of the Ordinance. The Advisory Board will develop annual budgets and service programs each year which will be presented to the City Council for approval.																											
City Services	The City has established and documented the base level of pre-existing City services. The LABID will not replace any pre-existing general City services.																											
Collection	LABID assessments appear as a separate line item on the annual Alameda County property tax bills.																											

District Governance	The LABID will be managed by a nonprofit organization that will act as the LABID Advisory Board. The Advisory Board shall be voted on by the property owners and may include community members. The Advisory Board will determine LABID annual services and budgets.
District Formation	The Ordinance requires the submission of petitions signed by property owners in the proposed district who will pay more than 30% of the total assessments (i.e., petitions must represent more than 30% of the \$217,199 to be assessed). Petitions are submitted to the City, who then mails ballots to all assessed property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the LABID for the City Council to approve renewal.
Duration	The renewed LABID term will run from January 1, 2023, through December 31, 2032. Any subsequent renewal of the LABID will require a new Management District Plan, petition, and ballot process.

SECTION 2: LABID BOUNDARY

LABID Boundary

The LABID boundary generally includes parcels that front Lakeshore Avenue from Walker Avenue to Mandana Boulevard. Specifically, the 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 side of Lake Park Avenue to Rand Avenue; thence east across Rand Avenue and continuing east along the north boundary of parcels fronting the north side of Lakeshore Avenue to Mandana Boulevard; thence southeast across the intersection of Mandana Boulevard and Lakeshore Avenue to APN 011-087401701; thence west along the south boundary line of said parcel across Mandana Boulevard following the southern boundary line of parcels fronting Lakeshore Avenue to Trestle Glen Road; thence southwest across Trestle Glen Road along the south boundary line of APN 011-088305601; thence northwest across Wesley Way to the southwest boundary line of APN 011-042400101; thence west along the south boundary line of parcels fronting the south side of Lakeshore Avenue to Lake Park Avenue; thence northwest across the intersection of Lakeshore Avenue and Lake Park Avenue; thence northwest along the northeast edge of Lake Park Avenue to Walker Avenue to the point of beginning.

A map of the proposed district boundary is on the following page.

SECTION 3: LABID ACTIVITY AND IMPROVEMENT PLAN

Background and Feasibility

For almost 25 years, the LABID property owners have enjoyed increased levels of security, maintenance and promotions, above and beyond those provided by the City of Oakland. These services have been vital in maintaining and improving commercial activity and economic prosperity within the District. The property owners desire to renew the LABID for another 10 years to continue the efforts in vitalizing the Lakeshore community.

Based upon these findings, the following service and activity categories will continue to be funded by the LABID. The following narrative provides recommendations for the first year of the renewed LABID's operation. District activities may be amended in subsequent years within the following general categories. Final activities and budgets will be subject to review and approval by the LABID Advisory Board prior to City Council approval.

Environmental - Clean, Safe and Beautiful

To respond to stakeholder priorities and guiding principles to continue to make the Lakeshore community safer, cleaner and more beautiful, the renewed LABID will continue to fund and potentially expand upon the existing Safety Patrol as well as increased maintenance and beautification efforts. These activities are intended to improve commerce and quality of life by making each individually assessed parcel safer, cleaner, and more attractive, which will encourage investment dollars and generate additional pedestrian traffic. The following is a multi-dimensional approach for providing a safer, cleaner, and more aesthetically appealing community.

Safety Patrol:

The Safety Patrol will provide security services up to 48 hours per week for the individual parcels located within the LABID in the form of a private security firm. The purpose of the Safety Patrol is to prevent, deter and report illegal activities taking place on the streets, sidewalks, and storefronts. The presence of the Safety Patrol is intended to deter such illegal activities as vandalism, graffiti, narcotic use or sales, public urination, trespassing, drinking in public, illegal panhandling, and illegal dumping. The safety activities will supplement, not replace, other ongoing City police, security, and patrol efforts within the LABID.

Maintenance Services:

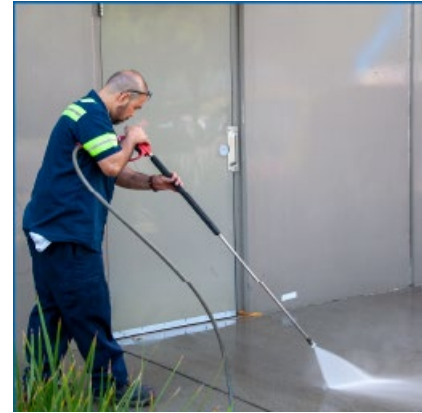
The Maintenance Services within the LABID may consist of the following cleaning and maintenance activities:

Sidewalk Maintenance: Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks, and gutters, as well as public spaces of the LABID, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles as needed. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the LABID.

Graffiti Removal: The Clean Team can remove graffiti using solvent and pressure washing. The LABID will maintain a zero-tolerance graffiti policy. All tags will aim to be removed within 48 hours of notification.

Sidewalk Pressure Washing: Pressure wash all sidewalks and public spaces on an as needed basis with areas of high pedestrian traffic receiving the highest concentration. However, during drought years pressure washing may not be permitted.



Landscape Maintenance: Public landscape areas including tree wells and planters will be maintained and kept free of litter and weeds.

The estimated frequency of these services is illustrated in the table below.

Task	Lakeshore Avenue & Lake Park Avenue
Sidewalk & gutter sweeping	7 days per week
Sidewalk steam cleaning	2 times per year
Shrub planting	Monthly
Landscape maintenance	Every two weeks
Lakeshore branding/planters	As needed
Holiday decorations	Seasonal

Beautification & Placemaking:

In addition to clean and safe services, the LABID budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the District, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:



- Street furniture and amenities, such as benches, kiosks and lighting
- Design and installation of flowering planters and baskets
- Design and installation of art and decorative elements
- Holiday décor or tree lighting
- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the LABID’s appearance

Special Projects/Project Collaboration:

Special projects will be initiated to tackle issues that are overlooked or items that can leave a lasting impression on stakeholders in the District. Special project opportunities may include security cameras, special lighting, painting of street fixtures such as utility boxes, benches, light poles, etc. The LABID may also use funds to collaborate with the City or any other organization on projects that benefit the District.

Economic Vitality

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 Instagram and Facebook 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.

Economic Development:

The special benefit to property owners from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

- Planning Activities
- Maintain Database (Property, Business, Contact)
- Retail & Office Recruitment Programs
- Retail & Office Retention Programs
- One-stop point of contact for all potential new businesses
- Research/Studies/Data Collection

Marketing and Communication:

It is important to not only provide the services needed in the LABID, but to tell the story of improvement in the LABID. Some of the marketing programs currently in place or being considered are:

- Image and Marketing materials
- Media Advertising
- Website
- Meetings & Workshops
- Special Events, including the Easter/Spring Festival, the Halloween/Fall Festival, or any other holiday events
- Newsletter
- Maintain Social Media Outlets
- Restaurant/Retail Listing & Map

Management/Reserve/City Fees

Like any business, the LABID will require a professional staff to properly manage programs, communicate with stakeholders and provide leadership. The LABID supports a professional staff that delivers programs and advocates on behalf of the parcels within the District.

Management services may include compensation for an Executive Director, an administrative assistant or any other staff member, or subcontractor the Advisory Board deems necessary to manage the LABID programs. The management team is responsible for providing the day-to-day operations. LABID funds may be used to leverage additional monies from sponsorships, contracts, grants and earned income. Additional administrative costs may include accounting and annual financial reviews, insurance, program support costs including supplies, equipment and rent, City and County assessment collection fee, estimated each at 3% of assessments, and other administration costs associated with the overhead and administrative support of programs.

SECTION 4: LABID ASSESSMENT BUDGET

2023 LABID Assessment Budget

The following table outlines the LABID maximum assessment budget for 2023.

EXPENDITURES	TOTAL BUDGET	% of Budget
Environmental - Clean/Safe/Beautiful	\$157,000	71.36%
Economic Vitality	\$6,000	2.73%
Management/Reserve/Fees	\$57,000	25.91%
Total Expenditures	\$220,000	100.00%
REVENUES		
Assessment Revenues	\$217,199	98.73%
Other Revenues (1)	\$2,801	1.27%
Total Revenues	\$220,000	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Adjustments

The services proposed for year one of the renewal term are the same services that are proposed for subsequent years. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the LABID Advisory Board and City Council and will be subject to the requirements of the Ordinance.

10-Year Maximum Budget

The following table illustrates the LABID's maximum annual budget for the 10-year renewal term based on the Year 1 of inventory of development and adjusting it by the maximum 5% increase. In subsequent years, the addition of new development will add assessable square footage that will likely increase the PBID budget to account for the additional services needed.

	Environmental	Economic	Management	Total
Year 1	\$157,000	\$6,000	\$57,000	\$220,000
Year 2	\$164,850	\$6,300	\$59,850	\$231,000
Year 3	\$173,093	\$6,615	\$62,843	\$242,550
Year 4	\$181,747	\$6,946	\$65,985	\$254,678
Year 5	\$190,834	\$7,293	\$69,284	\$267,411
Year 6	\$200,376	\$7,658	\$72,748	\$280,782
Year 7	\$210,395	\$8,041	\$76,385	\$294,821
Year 8	\$220,915	\$8,443	\$80,205	\$309,562
Year 9	\$231,961	\$8,865	\$84,215	\$325,040
Year 10	\$243,559	\$9,308	\$88,426	\$341,292

Any accrued interest or delinquent payments will be expended in the above categories.

The cost of LABID improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may

be adjusted up or down 10% between them to continue the same level of service. The Advisory Board shall make such determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the LABID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Advisory Board and submitted in the annual report, pursuant to the Oakland BIMD Ordinance.

LABID Renewal

LABID funds, which may consist of rollover funds may be used for the cost of renewing the district.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION 5: ASSESSMENT METHODOLOGY

General

This Management District Plan provides for the levy of assessments for the purpose of providing services and activities that specially benefit real property in the LABID. These assessments are not taxes for the general benefit of the City but are assessments for the services and activities which confer special benefits upon the real property for which the services and activities are provided.

Assessment Factors

The methodology to levy assessments upon real property that receives special benefits from the services and activities of the LABID is Lot Square Footage plus Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Lot square footage reflects the long-term value implications of the improvement district. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for LABID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which then is the basis to proportionately allocate the cost of the special benefits.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps. Lot square footage is used as the factor to assess 60% of the LABID budget.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the PBID activities. Corner lots or whole block parcels will be assessed for each side of the parcels' street frontage. Linear street frontage is used as the characteristic to assess 40% of the LABID budget.

To determine the benefit relationship between the assessed parcels we assign Benefit Units to every parcel, which is equal to each parcel's lot square footage plus linear street frontage. In this way we relate the lot square footage and linear street frontage of each parcel to all other parcels in the LABID. Each one of these factors represents the Benefit Units allocated to each specially benefitted parcel. The total number of assessable Benefit Units in the LABID are as follows:

Factor	Benefit Units
Lot Square Footage	316,568
Linear Street Frontage	2,669

Assessment Methodology

The proportionate special benefit each assessed parcel receives shall be determined in relationship to the entirety of the cost of the LABID services and activities, as noted above. Parcels will be assessed at a rate which is proportionate to the amount of special benefits received from LABID services. Only special benefits are assessable, and these benefits must be separated from any general benefits. As required by the California Constitution Article XIII D Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the LABID services and activities that are not: special in nature, "particular and distinct," or over and above the benefits that other parcels receive. The attached Engineer's Report has calculated that 1.39% of the LABID activities is general in nature and will be funded from sources other than special assessments (see Section E of the Engineer's Report for discussion of special and general benefits).

Calculation of Assessments

The LABID services and activities will be provided uniformly throughout the district. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's lot square frontage and linear street frontage as discussed above. Each parcel is assigned a proportionate Benefit Unit for each lot square foot and linear street frontage. The budget is then multiplied by the respective percentage allocation for both the lot square footage and linear street, and then divided by the number of Benefit Units for each assessment factor to determine the assessment rate per foot.

Specifically, the assessment rates are calculated as follows:

Assessment Budget x Percentage / Benefit Units = Assessment Rate per Foot

$$\$217,199 \times 60\% / 316,568 = \$0.4117 \text{ per lot square footage}$$

$$\$217,199 \times 40\% / 2,669 = \$32.5514 \text{ per linear street frontage}$$

The first year's maximum assessment rates are as follows:

Per Lot Sq.Ft.	Per Linear Frontage
\$0.4117	\$32.5514

The following table illustrates the LABID's maximum annual assessment rates per foot for the 10-year life term, adjusting it by the maximum 5% annual increase.

	Lot Square Foot	Linear Frontage
Year 1	\$0.4117	\$32.5514
Year 2	\$0.4322	\$34.1789
Year 3	\$0.4539	\$35.8879
Year 4	\$0.4766	\$37.6823
Year 5	\$0.5004	\$39.5664
Year 6	\$0.5254	\$41.5447
Year 7	\$0.5517	\$43.6219
Year 8	\$0.5793	\$45.8030
Year 9	\$0.6082	\$48.0932
Year 10	\$0.6386	\$50.4978

Sample Parcel Assessment

The first year's assessment for a parcel with 5,000 lot square feet and 50 linear feet is calculated as follows:

Lot square footage x the assessment rate (5,000 x \$0.4117) =	\$2,058.50
Linear feet x the assessment rate (50 x \$32.5514) =	<u>\$1,627.57</u>
Initial annual parcel assessment	\$3,686.07

Annual Assessment Adjustments

Budget Process

Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the LABID Advisory Board and City Council and will be subject to the requirements of the Ordinance.

A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked by program. Prior year surpluses may be used as deemed necessary by the Advisory Board based on the allocations described in the Management District Plan and subsequent annual reports (Oakland Municipal Code 4.48.200) to the City of Oakland and approved by the Oakland City Council. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners, if one is not established, in accordance with the Streets and Highways (S&H) Code section 36671. However, pursuant to S&H Code section 36660, any excess funds can only be used to benefit the properties which paid them.

LABID Guidelines

Time and Manner for 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. The Oakland City Clerk's Office may direct bill any property owners whose special assessment does not appear on the tax rolls for each year of the LABID term. The assessments 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. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

Disestablishment

State law and the Oakland Municipal Code provide for the disestablishment of the LABID pursuant to an annual review process. Each year that the LABID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the District was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay more than 50 percent (50%) of the assessments levied, the LABID may be disestablished. The City Council will hold a public hearing on disestablishing the LABID prior to actually doing so.

Duration

The LABID will have a ten-year term commencing January 1, 2023, through December 31, 2032. Any major modifications or new or increased assessments during the term of the LABID that are not consistent with the provisions of this Management District Plan will require a new mail ballot process.

Future Development

As a result of continued development, the LABID may experience the addition or subtraction of assessable footage for parcels included and assessed within the LABID boundaries. The modification of parcel improvements assessed within the LABID may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750(h)(3), and such change will be prorated to the date the parcel receives the temporary and/or permanent certificate of occupancy.

In future years, the assessments for the special benefits bestowed upon the included LABID parcels may change in accordance with the assessment methodology formula identified in the Management District Plan and Engineer's Report provided the assessment rate does not change. The assessment formula can only be changed in accordance with the provisions of the Ordinance and any other applicable laws.

SECTION 6: LABID GOVERNANCE

City Council

Following the submission of petitions from property owners representing more than 50% of the assessments to be paid, the City Council, upon holding a public hearing on the proposed LABID, may renew the LABID. The LABID is renewed by a City Council resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

LABID Governance

Prior to adopting a resolution establishing the LABID, the Oakland City Council shall appoint a BID Advisory Board ("Advisory Board"), as outlined in Section 4.48.190 of the Oakland BIMD Ordinance. The Advisory Board shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments, on the classification of properties applicable, and on the method and basis of levying the assessments. The Advisory Board shall be comprised of property owners or their designee, and at least 1, but no more than 3, community member(s) who is not also a property owner within the District.

The Advisory Board determines budgets, assessment adjustments and monitors service delivery. The Advisory Board shall also prepare an annual report for each fiscal year, except the first year, for which assessments are to be levied (Oakland Municipal Code 4.48.200). Each annual report must be filed with the City Clerk. The City Council may approve the annual report as filed, or may modify any particulars contained in the report, and then approve it as modified (Oakland Municipal Code 4.48.200 (C)).

Pursuant to the Ordinance, the Advisory Board is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act when conducting PBID business.

ATTACHMENT A: ASSESSMENT ROLL

APN	OWNER NAME	SITE ADDRESS	LOT SF	LINEAR SF	PARCEL ASSMTS
011 0838 022 00	1027 A Street LLC	3233 Lakeshore Ave	5,500	50	\$4,803.15
023 0424 020 00	3240 Lakeshore LLC	3240 Lakeshore Ave	4,791	50	\$3,599.85
023 0424 022 01	3250 Lakeshore LP	3250 Lakeshore Ave	50,000	100	\$22,210.73
011 0838 017 00	3275 Lakeshore LLC	3271 Lakeshore Ave	5,400	50	\$5,120.05
011 0838 014 00	3291 Lakeshore LLC	3293 Lakeshore Ave	4,400	40	\$3,113.37
023 0424 027 00	3300 Lakeshore LLC	3300 Lakeshore Ave	5,930	50	\$5,500.99
011 0838 013 00	3303 09 Lakeshore Avenue LLC	3303 Lakeshore Ave	4,314	30	\$3,403.48
011 0838 008 00	3345-3351 Lakeshore Avenue LLC	3347 Lakeshore Ave	5,400	50	\$3,525.04
011 0837 091 01	470 Lake Park LLC	470 Lake Park Ave	5,500	27	\$3,891.72
011 0838 002 00	Banker Steven H & Jennifer J	3437 Lakeshore Ave	4,600	63	\$2,772.54
023 0424 028 00	Chestnut Lakeshore LLC	3308 Lakeshore Ave	4,919	50	\$3,652.54
023 0424 029 00	Colonial Lakeshore LLC	3318 Lakeshore Ave	4,446	50	\$2,806.80
011 0838 011 00	Durlchae LLC	3329 Lakeshore Ave	5,500	46	\$5,519.28
011 0838 024 00	Gardner Terry L	3219 Lakeshore Ave	4,320	40	\$3,210.64
023 0424 024 00	Gilbert Barry M & Elaine	3258 Lakeshore Ave	4,207	50	\$3,359.44
011 0838 010 00	Goodhue Neil B & Diane C	3333 Lakeshore Ave	4,860	45	\$3,465.49
011 0883 056 01	Gst Anastasia G K	3450 Lakeshore Ave	2,018	100	\$2,132.79
011 0837 086 01	Hahn Alex & Jaehee	504 Lake Park Ave	4,096	40	\$4,941.31
011 0838 009 00	Han Jae K & Agnes K	3339 Lakeshore Ave	5,400	50	\$3,850.55
011 0838 003 00	Harder Richard	3421 Lakeshore Ave	3,853	40	\$3,636.87
011 0838 020 00	Hill Clarence H	3247 Lakeshore Ave	5,500	50	\$3,891.72
011 0837 087 01	Housing Authority Of The City Of	500 Lake Park Ave	16,411	89	\$8,383.37
011 0838 025 00	Jack & Sylvia Dudum LP	3209 Lakeshore Ave	7,500	84	\$4,715.04
011 0900 001 00	Joel and Regina Pahn	3400 Lakeshore Ave	7,076	87	\$4,540.50
011 0838 021 00	Jpmorgan Chase Bank	3241 Lakeshore Ave	5,500	50	\$3,891.72
011 0838 015 01	KEH AND CRH Legacy Trust	3283 Lakeshore Ave	9,720	50	\$5,628.93
011 0874 017 01	Ken Betts Company	3500 Lakeshore Ave	14,500	78	\$9,224.25
023 0425 001 00	Ken Betts Company	770 Wesley Way	1,112	51	\$2,606.16
011 0838 004 00	King Dione	3417 Lakeshore Ave	4,400	44	\$3,438.89

APN	OWNER NAME	SITE ADDRESS	LOT SF	LINEAR SF	PARCEL ASSMTS
023 0424 026 02	Lakeshore Commercial LLC	3276 Lakeshore Ave	6,650	50	\$4,300.03
011 0838 006 01	Lichtenstein Properties LLC	3407 Lakeshore Ave	8,740	100	\$5,225.50
011 0838 023 00	Liu Mae O & Jim K	3225 Lakeshore Ave	4,400	40	\$3,471.44
023 0424 025 00	Monroe Jim S & Anne S	3268 Lakeshore Ave	4,157	50	\$4,315.39
023 0424 018 01	Ng Sam S & Wendy W	3200 Lakeshore Ave	14,235	205	\$7,552.70
011 0837 090 00	Nguyen Long	478 Lake Park Ave	4,849	50	\$2,972.70
011 0837 089 00	Odenheimer R & J	484 Lake Park Ave	5,660	52	\$3,957.58
011 0838 018 00	Plp Piedmont LLC	3265 Lakeshore Ave	5,500	50	\$4,998.46
011 0838 019 00	Saidian Nissan & Carol M	3259 Lakeshore Ave	5,400	50	\$5,054.95
011 0837 085 00	Shiu Peter & Helen	528 Lake Park Ave	5,100	50	\$3,727.05
011 0837 084 00	Three In One LLC	677 Rand Ave	4,439	80	\$3,454.94
011 0837 088 00	Trilateral LLC	498 Lake Park Ave	6,192	48	\$3,851.07
023 0424 001 01	Wells Fargo	3340 Lakeshore Ave	16,050	94	\$8,234.76
011 0838 007 00	Wfgp LLC	3359 Lakeshore Ave	5,400	50	\$3,720.34
011 0838 012 00	Wfgp LLC	3311 Lakeshore Ave	4,158	30	\$3,013.75
011 0900 038 13	Yee Victor K	3410 Lakeshore Ave	4,465	66	\$8,511.11
TOTALS:					\$217,198.98

ATTACHMENT B

Lakeshore/Lake Park Business Improvement District Engineer's Report



**Oakland, California
April 21, 2022**

***Prepared by:*
Kristin Lowell Inc.**

Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 and augmented by the City of Oakland Business Improvement Management District Ordinance 12190, Chapter 4.48 of the Oakland Municipal Code, as amended July 21, 2015, to authorize a Community Benefit District

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ENGINEER'S STATEMENT

This Engineer's Report is prepared pursuant to Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 (California Streets and Highways Code § 36600 et seq.) (the "Ordinance").

The Lakeshore/Lake Park Business Improvement District ("LABID") will provide activities either currently not provided or above and beyond what the City of Oakland ("City") provides. These activities will specially benefit each individual assessable parcel in the LABID. Every individual assessed parcel within the LABID receives special benefit from the activities identified under Section B of this Engineer's Report. Only those individual assessed parcels within the LABID receive the special benefit of these proposed activities; parcels contiguous to and outside the LABID and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the LABID renewal is ten (10) years, commencing January 1, 2023. An estimated budget for the LABID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 5% per year as determined by the Advisory Board. Assessment increases must stay between 0% and 5% in any given year. Funding for the LABID services and activities shall be derived from a property-based assessment of each specially benefitted parcel in the LABID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section E.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the LABID will receive a special benefit which is a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than, the special benefits received.



Respectfully submitted,

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Ordinance is the legislation that authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the LABID. The purpose of the LABID is to encourage commerce, investment, and business activities, and keep the LABID area safe and clean. In order to meet these goals, the LABID funds activities and improvements, such as, enhanced safety and cleaning. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, LABIDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the LABID are over and above those already provided by the City within the LABID's boundaries. Each of the LABID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract businesses that serve the community, and improve the quality of life.

Specifically, the Ordinance defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years...¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

Article XIID of the State Constitution

Article XIID of the California Constitution determines the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36606.

used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.³

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIIIID, the courts have rendered opinions regarding various aspects of Article XIIIID. The notable portions of cases that apply to assessment districts in general and this LABID in particular are noted below.

"The engineer's report describes the services to be provided by the PBID [i.e., the PBID]; (1) security and homeless outreach, (2) maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties within the PBID, not to the public at large—they 'affect the assessed property 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.'"⁵

"...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits."⁶

"...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners."⁷

"...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."⁸

The contents of this Engineer's Report are prepared in compliance with the above noted Ordinance, Article XIIIID of the California Constitution and applicable judicial opinions.

³ Section 4, Article XIIIID of the State Constitution.

⁴ Section 2 (i), Article XIIIID of the State Constitution.

⁵ Dahms v. Downtown Pomona Property and Business Improvement District (2009) 174 Cal.App. 4th 708, 722.

⁶ Beutz v. County of Riverside (2010) 184 Cal. App. 4th 1516, 1532.

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 438.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 439.

SECTION B: IMPROVEMENTS AND ACTIVITIES

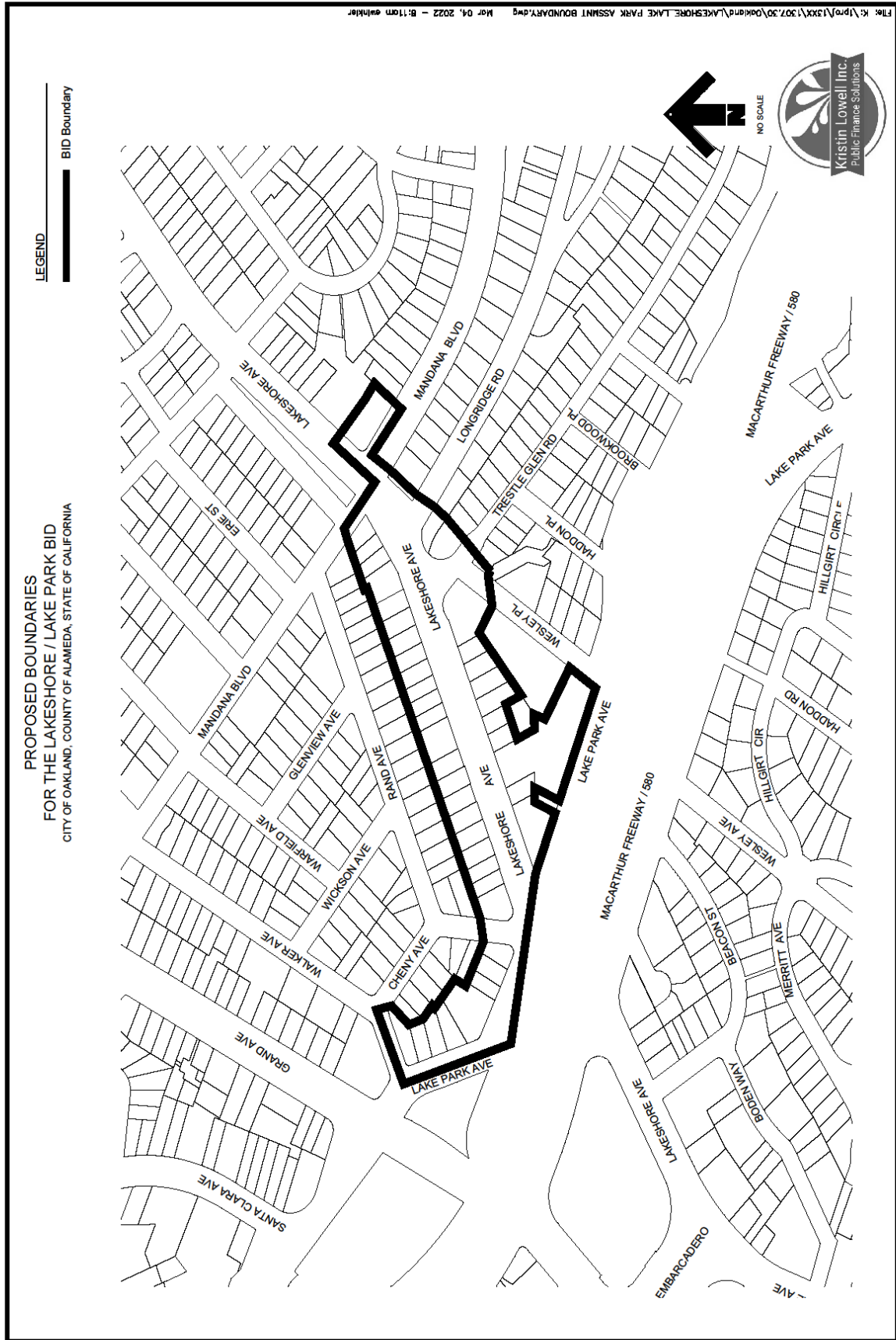
The LABID Renewal Committee collectively determined the priority for improvements and activities that the LABID will deliver. Accordingly, the LABID will provide the services, as described in greater detail in Section 3 of this Management District Plan: Environmental (Clean, Safe & Beautiful); Economic Vitality; and Management/Reserve/City Fees.

SECTION C: BENEFITTING PARCELS

LABID Boundary Description

The LABID generally includes parcels that front Lakeshore Avenue from Walker Avenue to Mandana Boulevard, as described in detail in Section 2 of this Management District Plan.

A map of the proposed district boundary is on the following page.



SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIID Section 4(a) of the State Constitution states that "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided."

Determining the proportionate special benefit for the parcels of real property within the proposed assessment district which benefit from the proposed improvements, services, and activities is the result of a four-step process:

1. Defining the proposed activities,
2. Determining which parcels specially benefit from the proposed activities,
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the LABID receive after subtracting any general benefit.

Each identified parcel within the LABID will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the LABID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factor

The methodology to levy assessments upon real property that receives special benefits from the services and activities of the LABID is Lot Square Footage plus Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Lot square footage reflects the long-term value implications of the improvement district. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for LABID activities. Together, these parcel characteristics serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which then is the basis to proportionately allocate the cost of the special benefits.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps. Lot square footage is used as the factor to assess 60% of the LABID budget.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the PBID activities. Corner lots or whole block parcels will be assessed for each side of the parcels' street frontage. Linear street frontage is used as the characteristic to assess 40% of the LABID budget.

To determine the benefit relationship between the assessed parcels we assign Benefit Units to every parcel, which is equal to each parcel's lot square footage plus linear street frontage. In this way we relate the lot square footage and linear street frontage of each parcel to all other parcels

in the LABID. Each one of these factors represents the Benefit Units allocated to each specially benefitted parcel. The total number of assessable Benefit Units in the LABID are as follows:

Factor	Benefit Units
Lot Square Footage	316,568
Linear Street Frontage	2,669

SECTION E: SPECIAL and GENERAL BENEFITS

Ordinance, Article XIID of the State Constitution, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that "only special benefits are assessable," which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements.

As of January 1, 2015, the State Legislature amended the Ordinance to clarify and define both special benefit and general benefit as they relate to the improvements and activities these districts provide. Specifically, the amendment (Section 36615.5 of the Streets and Highways Code) defines special benefit as follows: "'Special benefit' means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed."

In addition, the amendment (Section 36609.5 of the Streets and Highways Code) defines general benefit as follows: "'General benefit' means, for purposes of a property-based district, any benefit that is not a 'special benefit' as defined in Section 36615.5."

Furthermore, the amendment (Section 36601(h)(2)) states: "Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits."

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Engineer's Report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the LABID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels in the district and the public at large. No parcel's assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601(e) states that "Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments."

The LABID's goal is to fund activities and improvements to provide a cleaner, safer, and more attractive and economically vibrant environment as outlined in Section 3 of this Management

District Plan. The goal of improving the economic vitality is to improve the economic development of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel is assessed for the special benefits it receives from the LABID services, which may include;

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed LABID programs and services

Specifically, the special benefit each assessed parcels receives from each of the LABID activities is defined below.

Environmental - Clean, Safe, and Beautiful

The enhanced safety activities make the Broadway corridor area safer which attracts more businesses, customers, and residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment." Uncertainty affects the investment environment in general, but in particular it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable."⁹

The cleaning and beautification activities specially benefit each assessed parcel within the LABID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping, power washing, removing litter and graffiti, trash removal, and streetscape furniture. These activities create the environment needed to achieve the LABID's other goals. Sidewalks that are dirty and unclean, particularly from vagrant activities, deter pedestrians and commercial activity.

The Clean, Safe and Beautiful activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the LABID. Sidewalks that are dirty and unkempt deter pedestrians and commercial activity. "Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased

⁹ "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists.”¹⁰

- Removing graffiti from assessed buildings to keep the aesthetic appeal uniform throughout the LABID.
- The beautification activities specially benefit each assessed parcel by providing maintained landscaped corridors and streetscape furniture in public places. These activities create the environment needed to achieve the LABID's other goals.

Economic Vitality

The Economic Vitality activities consist of services directly benefitting the assessed commercial parcels. For example, the LABID will promote businesses within the LABID area, help assessed property owners attract high-paying tenants through advertising and neighborhood branding efforts and highlight the special benefits that the assessed commercial parcels are receiving through a website and district marketing and special events. These activities will specially benefit each assessed commercial parcel by encouraging business development and investment and increased commercial activity (e.g., filling vacant spaces, increased lease rates for commercial spaces). Decisions on where to shop, eat or conduct business are largely based on a perception of the place. If these economic vitality activities were not performed, it would be a deterrent to pedestrian traffic, business and commerce for the assessed commercial parcels.

Management and Reserve

The LABID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City departments, and provide leadership. Each parcel will specially benefit from the LABID executive staff that will ensure that the LABID activities are provided and deployed to assessed parcels and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

Based on the special benefits each assessed parcel receives from the LABID activities, each of the proposed activities provides special benefits to applicable real property within the district and that each parcel's assessment is in direct relationship to and no greater than the special benefits received. All parcels within the LABID will specially benefit from the Clean, Safe and Beautiful activities, and all commercial parcels specially benefit from the Economic Vitality activities.

The special benefit to parcels from the proposed LABID activities and improvements described in this report are equal to the total amount of the proposed assessment. Each individual assessed parcel's assessment is in proportion to the special benefit it receives from the LABID activities.

¹⁰ "Benefits of Sidewalks", Iowa Healthiest State Initiative, November 1, 2017

General Benefit Analysis

As required by the State Constitution, Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the LABID activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels in the district or the general public receives. This analysis will evaluate and determine the level of general benefits that (1) parcels inside of the LABID, (2) parcels outside of the LABID, and (3) the public at large may receive.

General Benefit to Parcels Inside the LABID

The LABID provides funds for activities and services that are designed and created to provide special benefits to each individually assessed parcel within the LABID. The Clean, Safe and Beautiful activities are provided to the sidewalks and public rights-of-way in front of each assessed parcel while the Economic Vitality activities are targeted to promote the commercial parcels within the district. The special benefits conferred on these parcels are distinct and special in nature. Any general benefits the parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated to the incidental benefits are not reduced from the cost of providing special benefits to the assessed parcels.¹¹

General Benefit to Parcels Outside of the LABID

All the LABID activities and services are narrowly designed and are provided solely to each of the individual assessed parcels in the LABID boundary. Each of the LABID activities is provided to the public right-of-ways (streets, sidewalks) adjacent to all specially benefitted parcels or tenants in the LABID. None of the surrounding parcels will directly receive any of the LABID activities. "The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel"¹². Any benefits parcels outside the LABID may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated to the incidental benefits are not reduced from the cost of providing special benefits to the assessed parcels.

General Benefit to the Public At Large

In addition to the general benefit analysis to the parcels outside of the LABID boundary, there may be general benefits to the public at large, i.e., those people that are either in the LABID boundary and not specially benefitted from the activities, or people outside of the LABID boundary that may benefit from the LABID activities. In the case of the LABID, the public at large are those people that are within the LABID boundary that do not pay an assessment and do not specially benefit from the LABID activities.

To calculate the general benefit the public at large may receive we determine the percentage of each LABID activity budget that may benefit the general public. In this case, the Economic Vitality activities are tailored to benefit and promote each assessed parcel and are not intended to benefit the general public. Management and Reserve activities are to provide daily LABID management solely for the benefit of the assessed parcels and are not intended to benefit the general public.

¹¹ Streets and Highways Code Section 36622 (k)(2)

¹² Streets and Highways Code, Section 36622 (k)(2)

If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

By contrast, the Environmental activities may benefit the general public to some degree, as the general public may appreciate the enhanced level of maintenance and security as it passes through the district. To quantify this, we first determine a general benefit factor for the Environmental activities. The general benefit factor is a unit of measure that compares the special benefit that the assessed parcels receive compared to the general benefit that the general public receives. To determine the general benefit factor, we used previous districts that conducted intercept surveys in San Francisco (Union Square and West Portal) and Los Angeles (Historic Downtown, Leimert Park, Arts District, Downtown Industrial, Fashion District, and Sherman Oaks). The intent of the surveys was to determine what percentage of the general public was just passing through the district without any intent to engage in commercial activity. The surveys concluded that on average 1.4% of the respondents were within the district boundary with no intent to engage in any business activity. Here, since the LABID is designed to promote the business climate that encourages development, investment, and commerce, it follows that the benefits received by these pedestrians do not translate to a special benefit to the assessed parcels. In other words, based on the results of these surveys it is reasonable to conclude that 1.4% of the Environmental activities provide general benefits. However, to be conservative and to account for any variance in district type, size and services provided, we applied a 2.5% general public benefit factor to account for these variances. The general benefit factor is then multiplied by the Environmental activities percentage of the budget to determine the overall general benefit for the Environmental activities. The following table illustrates this calculation.

	A	B	C	D	E
ACTIVITY	Budget Amount	% of Budget	General Benefit Factor	General Benefit Percent (B x C)	General Benefit Allocation (A x D)
Environmental	\$157,000	71.36%	2.50%	1.7841%	\$2,801

This analysis indicates that \$2,801 of the Environmental activities may be attributed to general benefit to the public at large and must be raised from sources other than the special assessments.

Total General Benefits

Using the sum of the three measures of general benefit described above, in year one of the renewal term, \$2,801 (1.7841% of the Environmental activities budget, which is equal to 1.27% of the total LABID budget) is general in nature and will be funded from sources other than special assessments.

SECTION F: COST ESTIMATE

2023 LABID Assessment Budget

The LABID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the LABID boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

EXPENDITURES	TOTAL BUDGET	% of Budget
Environmental - Clean/Safe/Beautiful	\$157,000	71.36%
Economic Vitality	\$6,000	2.73%
Management/Reserve/Fees	\$57,000	25.91%
Total Expenditures	\$220,000	100.00%
REVENUES		
Assessment Revenues	\$217,199	98.73%
Other Revenues (1)	\$2,801	1.27%
Total Revenues	\$220,000	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Notations

The services proposed for year one of the renewal term are the same services that are proposed for subsequent years. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the LABID Advisory Board and City Council and will be subject to the requirements of the Ordinance.

The cost of LABID improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 10% between them to continue the same level of service. The Advisory Board shall make such determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the LABID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Advisory Board and submitted in the annual report, pursuant to the Oakland BIMD Ordinance.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION G: APPORTIONMENT METHOD

The LABID services and activities will be provided uniformly throughout the district. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's lot square frontage plus linear street frontage, as discussed above. Each parcel is assigned a proportionate benefit unit for each lot square foot and linear street frontage. The total number of assessable Benefit Units in the LABID are as follows:

Factor	Benefit Units
Lot Square Footage	316,568
Linear Street Frontage	2,669

Calculation of Assessments

The LABID services and activities will be provided uniformly throughout the district. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's lot square frontage and linear street frontage as discussed above. Each parcel is assigned a proportionate Benefit Unit for each lot square foot and linear street frontage. The budget is then multiplied by the respective percentage allocation for both the lot square footage and linear street, and then divided by the number of Benefit Units for each assessment factor to determine the assessment rate per foot.

Specifically, the assessment rates are calculated as follows:

Assessment Budget x Percentage / Benefit Units = Assessment Rate per Foot

$$\$217,199 \times 60\% / 316,568 = \$0.4117 \text{ per lot square footage}$$

$$\$217,199 \times 40\% / 2,669 = \$32.5514 \text{ per linear street frontage}$$

The first year's maximum assessment rates are as follows:

Per Lot Sq.Ft.	Per Linear Frontage
\$0.4117	\$32.5514

Sample Parcel Assessment

The first year's assessment for a parcel with 5,000 lot square feet and 50 linear feet is calculated as follows:

Lot square footage x the assessment rate (5,000 x \$0.4117) =	\$2,058.50
Linear feet x the assessment rate (50 x \$32.5514) =	<u>\$1,627.57</u>
Initial annual parcel assessment	\$3,686.07

Maximum Annual Assessment Adjustments

Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates will be subject to review and approval by the LABID Advisory Board and City Council and will be subject to the requirements of the Ordinance.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Owner's Association shall have the right to propose reallocation up to 10% by line item of budget allocation within the budgeted categories. Any change will be approved by the Advisory Board and submitted to the City of Oakland within its annual planning report pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

Future Development

As a result of continued development, the LABID may experience the addition or subtraction of assessable footage for parcels included and assessed within the LABID boundaries. The modification of parcel improvements assessed within the LABID may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750(h)(3), and such change will be prorated to the date the parcel receives the temporary and/or permanent certificate of occupancy.