

Meeting Date: 7/26/2016

Report Type: Public Hearing

Report ID: 2016-00223

Title: Renewal and Expansion of the Oak Park Property and Business Improvement District No. 2016-01 (Noticed 06/10/2016)

Location: District 5

Recommendation: Conduct a public hearing and, upon conclusion, direct the City Clerk to 1) tabulate the assessment ballots submitted and not withdrawn before the hearing is closed; and 2) report back as a Consent item on August 4, 2016, with the tabulation results.

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Presenter: Sini Makasini, Administrative Analyst, (916) 808-7967, Department of Finance

Department: Finance

Division: Public Improvement Finance

Dept ID: 06001321

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Schedule of Proceedings
- 4-Proposed District Map

City Attorney Review

Approved as to Form
Michael W. Voss
7/12/2016 10:50:05 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein - 7/6/2016 11:35:16 AM

Description/Analysis

Issue Detail: The property and business owners within the Oak Park neighborhood and along the Broadway and Martin Luther King, Jr. Blvd corridors have proposed to expand and renew the Oak Park Property and Business Improvement District (PBID) for a ten-year term. Continued participation in the PBID will serve the public interest by providing an enhanced level of maintenance and security, image enhancement, and advocacy/administration. Maintenance and security activities include a crew to remove litter and patrol services with a focus on mitigating nuisance crimes. Advocacy efforts include website development, newsletter publications, and other activities to convey a positive image and attract new business to Oak Park in an effort to increase economic development and revenue.

The existing PBID expires at the end of 2016. The PBID is reforming and expanding the boundary to extend south along Broadway and Martin Luther King, Jr. Blvd corridors and additional properties in the Oak Park area that will benefit from the services provided. Two City-owned parcels within the current PBID: McClatchy Park and the Police Athletic League building. The expanded boundary in the renewal will add 30 City parcels and two Redevelopment Agency Successor Agency (RASA) parcels including the Oak Park Community Center, vacant lots, and Fire Station No. 6.

On June 9, 2016, the City Council passed Resolution 2016-0191: 1) directing staff to mail assessment ballots and notices of public hearing to the owners of real property within the proposed District; and 2) setting July 26, 2016, as the date for a public hearing on the proposed District and assessment.

At the conclusion of the hearing, the City Clerk will tabulate the assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment (i.e., whether a majority of the property owners who submit ballots are opposed to the PBID and assessment). Staff will report the results of the tabulation at the City Council meeting on August 4, 2016. If there is no majority protest from ballots submitted and not withdrawn, staff will recommend that the City Council adopt a resolution declaring the results of the majority protest proceedings and renewing the PBID.

Policy Considerations: The goal of the PBID is to provide maintenance and safety services and to promote image enhancements and economic development within the Oak Park Business corridor in an effort to increase business development and revenue. The City Council delegated the authority to cast ballots in favor of the renewal on April 14, 2016.

Environmental Considerations: The renewal of a PBID does not constitute a project under the California Environmental Quality Act (CEQA) and is therefore exempt from review pursuant to Guidelines Section 15378(b)(4).

Rationale for Recommendation: PBID services include economic development services above what the City currently provides. This includes focused marketing,

outreach and other activities to convey a positive image, expand existing businesses and attract new businesses to the Oak Park commercial corridor resulting in increased economic activity and revenue.

The PBID de facto serves as a key partner to the City's economic development efforts—particularly in the area of enhancing a clean and safe environment, addressing homeless issues, and providing increased marketing for new business development. In addition, the PBID has the potential to serve as a critical partner in identifying both business needs and opportunities, as they will in many instances become the first entity to be contacted by local businesses.

To the extent that expanded boundaries include additional business resources, the City's opportunity for greater economic development activity and effectiveness is increased.

Financial Considerations: Financing will be provided by the levy of assessments upon real property that benefit from improvements and activities of the PBID. The PBID will not issue bonds.

There are 387 parcels in the proposed PBID service area. The total PBID assessment budget for the first year is approximately \$319,895. If the PBID is renewed and expanded, the City will continue to participate as property owners with an increase in parcel participation from two to 30 parcels. The City's current year assessment is \$32,586. If the PBID is renewed and expanded, the City's assessment will increase by \$27,157 to approximately \$59,743 for 32 parcels. The City's assessment will be 19% of the overall PBID assessment. A map of City property in the existing and expanded PBID is provided in the Background section.

Future assessment rates may be subject to further increases of no more than 3% annually based on the proposed Management District Plan that will govern the PBID upon successful renewal and expansion. If the PBID is renewed, the annual budget will be adjusted to reflect the Council approved assessments and expenditure plans.

Local Business Enterprise (LBE): Not applicable.

BACKGROUND

The Oak Park PBID was approved by City Council on August 5, 2004, in accordance with the PBID Area Law of 1994, became effective on January 1, 2005, and was renewed on July 14, 2009 for a seven-year term expiring at the end of 2016. The PBID is reforming and expanding the boundary to extend along the Broadway and Martin Luther King Jr. Boulevard corridors and additional properties in the Oak Park area. A map of the expansion area is provided below. The PBID property owners have successfully petitioned to renew the PBID for a ten-year term.

If renewed with the proposed expansion, the PBID will continue to provide funding and the following services in the Oak Park commercial corridor:

- **Maintenance, Security, and Infrastructure:** litter removal services, security patrols to assist in nuisance crimes and calls, an outreach program to provide a clean and safe environment.
- **Image Enhancement:** street signage, banners, and marketing efforts to promote economic activity, attract investment, and increase commerce within the PBID.
- **Advocacy, Administration, and Contingency:** provides the administrative support to sustain the various services including website development, publications, and community meetings. The contingency portion is included as a buffer to account for possible delinquent assessments.

The District’s Board of Directors has prepared the Management District (Plan) and Engineer’s Report, which is on file with Public Improvement Financing unit of the Department of Finance, designated by the City Clerk to be the repository of documents associated with special districts. The Plan is a comprehensive document that describes the process of forming the District and providing the services identified by the property and business owners. The attached resolution will initiate the renewal proceedings of the District.

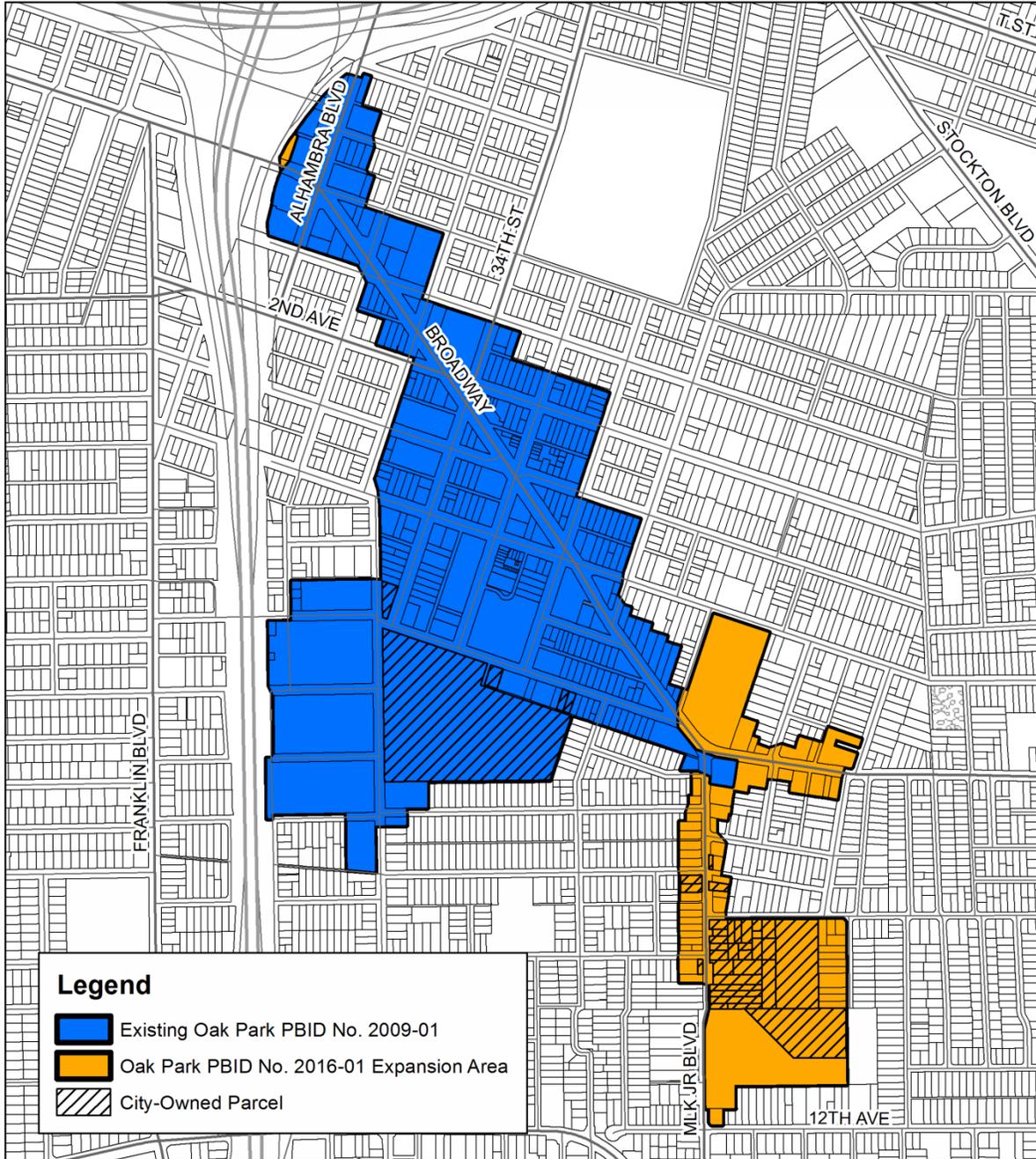
Annual assessment rates are based on an allocation of program costs and a calculation per parcel square foot. Assessment rates may be subject to an increase of no more than three 3% per year.

FY2016/17 Budget

Service	Percent	Zone 1	Zone 2	Total
Maintenance, Security & Infrastructure	66%	\$139,049.68	\$72,081.08	\$211,130.76
Contingency, Advocacy & Administration	25%	\$52,670.34	\$27,303.44	\$79,973.78
Image Enhancement	9%	\$18,961.32	\$9,829.24	\$28,790.56
Total	100%	\$210,681.34	\$109,213.76	\$319,895.10

EXPANSION MAP

Oak Park Property and Business Improvement District



**SCHEDULE OF PROCEEDINGS
OAK PARK
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT NO. 2016-01**

February 2016	Petition Drive Kick-off
April 14, 2016	City Manager Signature Authority – City Council
May 31, 2016	Receive Signed Petitions
June 9, 2016	City Council Resolution of Intention
June 10, 2016	Record Boundary Map Mail Ballot, Publish Notice of Hearing, Management Plan

July 26, 2016	City Council Public Hearing & Ballot Count
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August 4, 2016	City Council Ballot Results for Renewal
August 5, 2016	Record Notice of Assessment and Assessment Diagram
August 2016	Assessment Roll to County
August 2016	Assessment Roll to County

Oak Park Property and Business Improvement District No. 2016-01

