



Office of the City Manager

CONSENT CALENDAR  
MAY 22, 2007

To: Honorable Mayor and  
Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Michael J. Caplan, Acting Manager of Economic Development

Subject: Assessment: Telegraph Property and Business Improvement District

#### RECOMMENDATION

Adopt a Resolution approving the Annual Assessment Report for the Telegraph Property and Business Improvement District (TBID) for FY 2007, declaring an intention to levy special assessments in the District for FY 2008, and setting a public hearing on the levy of assessments for July 17, 2007.

#### FISCAL IMPACTS OF RECOMMENDATION

Special assessment revenues of approximately \$237,930 per year from the Telegraph business district must be spent according to a Management Plan approved by Telegraph commercial property owners and ratified by the City Council when it renewed the TBID on July 15, 2003 (Resolution No. 62,047–N.S.) The Plan requires that revenues be spent for sidewalk cleaning, other maintenance activities, and promotion of the business district. State legislation requires that BID assessment revenues must be used for special services that supplement and enhance existing City services in the district and cannot be used to pay for these City services themselves. The City benefits indirectly through greater tax revenue from a cleaner, more prosperous business district. These assessments are recorded in account 477-8703-465-3038.

#### CURRENT SITUATION AND ITS EFFECTS

The current item reports on activities within the district for the expiring fiscal year and begins renewal of the assessments for FY 2008.

#### BACKGROUND

On July 7, 1998, the Berkeley City Council established the Telegraph Property and Business Improvement District (TPBID) for a five-year period that ended on June 30, 2003. The Council renewed the TPBID for a second five-year period on July 15, 2003. The TPBID finances special maintenance and marketing activities that benefit commercial property and businesses in the Telegraph commercial district. A non-profit corporation, the Telegraph Property and Business Management Corporation, administers these services.

At its meeting of May 15, 2007, the Board of Directors of the TPBID voted to approve an Annual Report for 2007 (Exhibit A) and a proposed budget for 2008 (Attachment 2) that includes a 3%

increase in the assessment. The motion was by Al Geyer, seconded by John Camous, and was approved unanimously.

RATIONALE FOR RECOMMENDATION

Assessments levied in the Telegraph Property and Business Improvement District support a package of improvements and activities approved by the property owners and the City Council at the time the District was renewed in July 2003. The assessment billing is expected to be approximately \$237, 930 in FY 2008.

CONTACT PERSON

Dave Fogarty, Economic Development Project Coordinator, 981-7534

Attachments:

- 1: Resolution  
    Exhibit A: FY 2007 Annual Report
- 2: FY 2008 Budget

RESOLUTION NO. ##,###-N.S.

APPROVING THE ANNUAL ASSESSMENT REPORT FOR THE TELEGRAPH PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR FY 2007; DECLARING INTENT TO LEVY SPECIAL ASSESSMENTS IN THE TELEGRAPH PROPERTY AND BUSINESS IMPROVEMENT DISTRICT FOR FY 2008; AND SETTING A PUBLIC HEARING ON THE LEVY OF ASSESSMENTS FOR JULY 17, 2007

WHEREAS, the Property and Business Improvement District Law of 1994 (California Streets and Highways Code Section 36600 et. seq.) authorizes cities to fund property related improvements, maintenance and activities through the levy of assessments upon the real property that benefits from those assessments; and

WHEREAS, after five years of successful operation, the City Council re-established the District by Resolution No. 62,180-N.S. on July 15, 2003; and

WHEREAS, the City Council has now received a report from the Telegraph Property and Business Management Corporation that describes the successful operations of the District in FY 2007 and proposes a budget for the operations of the district in FY 2008.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Berkeley as follows:

Section 1. Pursuant to provisions of Section 36600 et seq. of the California Streets and Highways Code, the City Council approves the Annual Report for the Telegraph Property and Business Improvement District for FY 2007 (Exhibit A) and declares its intent to levy special assessments on property within the boundaries of the district for FY 2008. The levy is proposed to be increased by 3% for FY 2007 as is allowed by the Telegraph Property and Business Improvement District Management and Service Plan (“the Plan”), which was made part of Resolution No. 62,180-N.S., re-establishing the District.

Section 2. The boundaries of the District and the method and basis for the assessment remain the same as those set forth in the Plan.

Section 3. The improvements and activities to be provided are those described in the Plan and the Report.

Section 4. The cost of providing the improvements and activities is as described in the budget attached to the Report.

Section 5. The contributions made from sources other than assessments levied in the District are those described in the budget attached to the Report.

Section 6. The Report and supporting material, including the Telegraph Property and Business Improvement District Management and Service Plan and the Telegraph Property and Business Improvement District Engineer’s Report, are on file with the City Clerk. A public hearing on the levying of assessments within the District for FY 2008 shall be held before the

City Council on the 17th day of July 2007, in the Council Chambers, 2134 Martin Luther King Jr. Way, Berkeley, California. Council meetings begin at 7 pm. At this hearing, the Council will hear all interested persons for or against the levying of the assessments for the purposes described in the Report. A protest may be made orally or in writing by any interested person. Following conclusion of the public hearing, the City Council may confirm the Annual Report and levy assessments for FY 2008.

**ANNUAL REPORT FOR THE TELEGRAPH BUSINESS IMPROVEMENT  
DISTRICT for 2007**

The Telegraph Business Improvement District has continued to provide services to Telegraph merchants and commercial property owners in much the same way as it has since its inception in 1999. Highlights for the year include the following:

- **Cleaning services:** The Telegraph Business Improvement District has maintained its staff of four full-time persons who pick up litter and remove graffiti on a daily basis. Weather and staffing permitting, some part of the district sidewalks are also steam cleaned. As begun a couple of years ago, Sunday cleaning service has been maintained, but is now staffed full-time by two persons. There were no changes to the cleaning staff in 2006.
- **Fiscal management:** The Telegraph Business Improvement District has not raised its assessment to property owners in seven years, but for fiscal year 2007-08, the Board voted to ask property owners to increase the assessment by the permitted 3%. Although for the third consecutive year the TBID has posted modest deficits, carry forward funds have been more than adequate to cover these deficits. According to the financial review prepared by an outside CPA, the BID posted a deficit of \$18,239 for FY 2005-06. Due to the desire to increase promotions, take steps to market the district to fill vacancies, and maintain cleaning services, the deficit for FY 2006-07 is anticipated to be significantly higher.
- **Promotion:** The Telegraph Business Improvement District continues to promote the district to the surrounding communities. For the third year, the TBID sponsored and helped plan the June World Music Weekend in the Telegraph area and plans to do so again in 2007. The TBID again decorated the district for the holidays with lights and banners. Radio and newspaper advertising and entertainment were also important parts of TBID holiday promotions. The TBID co-formed a marketing committee with marketing staff at UC, and together created a new brochure, poster/calendar, and web site ([www.telegraphlive.com](http://www.telegraphlive.com)) for the district. 50,000 copies of the brochure and 20,000 copies of the poster/calendar were created. Brochures have been distributed at UC campus events, hotels and motels, Convention and Visitors Bureau, Emeryville Amtrak station, and more. Additionally, one staff person with the job title of marketing/administrative assistant was hired in October 2006.
- **UC promotions:** The Telegraph Business Improvement District increased its presence at UC events in 2006. As in previous years, the TBID was fully represented and involved in Cal Day and CalTopia. Additionally, the TBID invested more heavily in promotional give-away items at CalTopia than in prior years. The new brochure and poster/calendar were given to all attendees at CalTopia. The TBID believes that the campus faculty and staff will be important targets for marketing in the future. The aforementioned marketing committee began its work with the successful impact at CalTopia, and will now move into promotional partnerships at a wide variety of UC campus events at levels that it hasn't done in prior years.

- **Community representation:** The Telegraph Business Improvement District continues to be active members and Board members of the California Downtown Association and the Berkeley Chamber of Commerce. The TBID is also an active member of the Berkeley Business District Network.
- **Advocacy:** The Telegraph Business Improvement District continues to advocate on behalf of Telegraph's merchants and property owners. It continues to advocate for keeping Telegraph open for car traffic (in other words, opposing a "transit mall"), opposing conversion of Durant Avenue and Bancroft Way to two-way streets, elimination of quotas, and for improvement of street behavior.
- **Safety:** The TBID continues to meet regularly with the City's police, mental health, and other staff to encourage steady, effective enforcement of the law and civil behavior. The TBID is represented on the Southside Safety Partnership with UC and the Chancellor's Task Force on Student/Neighbor Relations.
- **Decorations:** In 2005, the TBID finished purchase of sets of seasonal pole banners. This regular changing of decorations has continued through the next fiscal year. For the holidays, the TBID purchased extremely energy-efficient LED lights to replace the previous twinkle lights in the trees. In cooperation with the city, this will allow the TBID to illuminate the trees year-round.

### **Looking to 2008 and beyond**

The Telegraph BID welcomed the initiative from the Mayor's office to devote more attention to improving business vitality on Telegraph. An increased number of meetings and dialogue have already begun as a result of this. As a result of this, we believe that we can expect the following:

- Possible changes or relaxation of zoning and permitting issues to facilitate easier filling of store vacancies.
- Additional police enforcement, both from Berkeley Police and the University Police Department. This began in 2006 and has continued in 2007.

The primary function of the BID from its inception was to keep the district clean. That commitment has never wavered, either in staff or financial allocations. Anti-social behavior is usually accompanied with litter and grime, so the need of the BID to maintain a vigilant cleaning emphasis will be needed. The BID does work with the City and BOSS to maximize effectiveness in this effort and will continue to do so.

The Telegraph Business Improvement District seeks to continue to serve the merchants and property owners of the district and welcomes feedback and input.

2007/2008 DRAFT BUDGET		2006/2007		2007/2008		2007/2008		2007/2008	
		100.00%							
ITEM	TOTAL BUDGET FY 06/07	PROJECTED YEAR END FY 06/07	BALANCES	PROJECTED BUDGET FY 07/08	ADMIN BUDGET FY 07/08	MAINT BUDGET FY 07/08	SP BUDGET FY 07/08		
<b>RESOURCES:</b>									
Balance Forward-PRIOR FY	\$311,170	\$311,170		\$231,645	\$85,523	\$111,607	\$34,515		
<b>CURRENT REVENUE</b>									
Tax Assessments	\$231,000	\$231,000		\$237,930 plus 3.0%	\$87,844	\$114,635	\$35,452		
LC Contribution	\$25,000	\$25,000		\$25,000	\$9,230	\$12,045	\$3,725		
Interest	\$6,000	\$6,500		\$4,000	\$1,477	\$1,927	\$598		
<b>SUBTOTAL-CURRENT REVENUE</b>	\$262,000	\$262,500		\$266,930	\$98,551	\$128,607	\$39,773		
<b>TOTAL RESOURCES</b>	\$573,170	\$573,670		\$498,575	\$184,074	\$240,213	\$74,288		
<b>ANNUAL EXPENSES:</b>									
<b>ADMINISTRATIVE</b>									
Salary-BID Director	\$51,950	\$49,510		\$51,985 plus 5.0%	\$51,985	\$750	\$4,515		
BID Director PTO	\$4,090	\$4,050		\$4,250	\$4,250	\$4,000			
Admin/Marketing Assistant	\$33,000	\$21,472		\$34,320 plus 4.0%	\$34,320	\$4,500			
Admin/Marketing PTO	\$2,000	\$2,000		\$2,100 add Asst	\$2,100	\$950			
Health-Dental/Life Insurance- ED	\$10,000	\$6,172		\$12,252 add Asst	\$12,252	\$7,500			
FICA/Medicare- ED Employers share	\$9,000	\$6,935		\$7,500 add Asst	\$7,500	\$18,000			
Rent	\$7,000	\$1,337		\$18,000 new office	\$18,000	\$3,000			
Utilities	\$1,300	\$3,672		\$3,000	\$3,000	\$750			
Repair & Maintenance	\$500	\$1,228		\$750	\$750	\$5,000			
Telephone	\$2,900	\$4,107		\$5,000 phone move	\$5,000	\$400			
Postage	\$400	\$300		\$400	\$400	\$400			
Printing/Newsletter	\$500	\$400		\$400	\$400	\$950			
Office Supplies	\$600	\$650		\$950 new letterhead	\$950	\$500			
Office Equipment	\$500	\$640		\$500	\$500	\$4,500			
Bookkeeping/Accounting	\$4,000	\$4,366		\$4,500	\$4,500	\$1,800			
Insurance- D & O	\$1,500	\$1,800		\$1,800	\$1,800	\$1,750			
Insurance- Workers compensation ED	\$800	\$1,341		\$1,750 add Asst	\$1,750	\$750			
Insurance- General liability	\$1,500	\$617		\$750	\$750	\$750			
Fees/Dues	\$800	\$630		\$750	\$750	\$1,200			
Travel/Conferences	\$1,200	\$950		\$1,200	\$1,200	\$1,500			
Meetings	\$650	\$850		\$1,500	\$1,500	\$100			
Advertising-General	\$500	\$75		\$100	\$100	\$0			
Consultants	\$1,000	\$3,354		\$0	\$0	\$35,000			
Miscellaneous-Petty Cash	\$50	\$50		\$35,000	\$35,000	\$50			
<b>SUBTOTAL-ADMINISTRATIVE</b>	\$135,700	\$116,506		\$188,807	\$188,807	\$188,807			
<b>MAINTENANCE</b>									
Maintenance Supervisor	\$26,650	\$28,737		\$29,750 plus 3.5%	\$29,750	\$8,000			
Maintenance Payroll	\$61,600	\$62,368		\$64,550 plus 3.5%	\$64,550	\$7,000			
Maintenance PTO	\$4,750	\$4,750		\$7,000	\$7,000	\$0			
Overtime/Relief	\$3,400	\$1,480		\$0 eliminated	\$0	\$17,500			
Health-Dental/Life Insurance- staff	\$13,500	\$16,917		\$17,500	\$17,500	\$10,000			
FICA/Medicare- Employer share- staff	\$8,500	\$9,600		\$10,000	\$10,000	\$8,000			
Insurance- Workers compensation- staff	\$17,500	\$7,529		\$8,000	\$8,000	\$1,000			
Uniforms	\$1,000	\$200		\$1,000	\$1,000	\$3,200			
Cleaning Supplies	\$3,200	\$3,236		\$3,200	\$3,200	\$1,100			
Service Equipment	\$1,100	\$1,298		\$1,100	\$1,100	\$3,500			
Mileage	\$1,500	\$2,216		\$3,500	\$3,500	\$2,000			
Steam Cleaning Utilities	\$1,700	\$1,942		\$2,000	\$2,000	\$850			
Repairs & Maintenance	\$1,300	\$1,300		\$850	\$850	\$750			
Other/Miscellaneous	\$500	\$800		\$750	\$750	\$149,200			
<b>SUBTOTAL-MAINTENANCE</b>	\$146,200	\$144,227		\$149,200	\$149,200	\$149,200			

ITEM	2006/2007		2006/2007		2007/2008				
	TOTAL BUDGET FY 06/07	PROJECTED YEAR END FY 06/07	100.00%	ADMIN BUDGET FY 07/08	36.92%	MAINT BUDGET FY 07/08	48.18%	SP BUDGET FY 07/08	14.90%
<b>SPECIAL PROJECTS</b>									
<b>PR/ADVERTISING/EVENTS/DECORATION</b>									
Public Relations Consultant/Contract	\$0	\$0						\$2,500	
Marketing Brochure Prod/Distribution	\$20,000	\$24,611						\$0	
Promotional Printing-Other	\$0	0						\$6,000	
Surveys	\$2,500	\$0						\$2,500	
Visitors Bureau Mag Ad	\$0	\$2,264						\$27,000	
Other Street Events	\$0	\$0						\$2,500	
Holiday Street Faire Advertising	\$12,500	\$20,717						\$6,500	
Cal Topia	\$2,500	\$2,500						\$2,500	
World Music Festival	\$10,000	\$10,000						\$6,500	
Summerfest-Cal Staff Appreciation	\$1,000	\$1,000						\$2,500	
Special Event-Other	\$300	\$0						\$7,500	
Web Site Creation/Maintenance	\$1,000	\$1,000						\$4,500	
Landlord/Merchant Committee	\$1,000	\$1,500						\$0	
Banner Installation/Removal-4	\$4,800	\$5,200						\$4,500	
<b>SUBTOTAL-PR/ADVERT/EVENTS/DECOR</b>	\$64,600	\$68,792						\$61,500	
<b>CAPITAL IMPROVEMENTS</b>									
Banners-New(2)	\$5,000	\$0						\$5,000	
PPS Project	\$0	\$0						\$7,000	
Facade grant program	\$40,000	\$0						\$3,500	
Arch/Pole	\$0	\$12,500						\$2,500	
Kiosks	\$0	\$0						\$2,500	
Other Capital Improvement	\$0	\$0						\$1,600	
<b>SUBTOTAL-CAPITAL IMPROVEMENTS</b>	\$45,000	\$12,500						\$11,000	
<b>TOTAL-SPECIAL PROJECTS</b>	\$109,600	\$81,292						\$1,000	
<b>TOTAL EXPENSES</b>	\$391,500	\$342,025						\$44,100	
<b>NET CURRENT REVENUE</b>	-\$129,500	-\$79,525						\$12,500	
<b>BALANCE CARRY FORWARD</b>	\$181,670	\$231,645						\$0	
								\$25,000	
<b>TOTAL SPECIAL PROJECTS</b>								\$130,600	
<b>TOTAL EXPENSES</b>								\$468,607	
<b>NET CURRENT REVENUE</b>								-\$201,677	
<b>BALANCE CARRY FORWARD</b>								\$29,968	
								-\$4,733	
								\$91,013	
								-\$90,256	
								-\$20,593	
								-\$90,827	
								-\$56,312	

<b>ADVERTISING/MARKETING</b>									
Marketing Surveys			\$2,500					\$2,500	
Brochure Production/Distribution			\$0					\$0	
Calendar Production/Distribution			\$6,000					\$6,000	
Vacancy Marketing			\$2,500					\$2,500	
Website Upgrade/Maintenance			\$27,000					\$27,000	
Internet Advertising			\$2,500					\$2,500	
Holiday Advertising			\$6,500					\$6,500	
Holiday Lights			\$2,500					\$2,500	
Banner Install/Remove-5			\$7,500					\$7,500	
Banner Production			\$4,500					\$4,500	
Other Advertising			\$0					\$0	
<b>SUBTOTAL-ADVERTISING/MARKETING</b>			\$61,500					\$61,500	
<b>EVENTS</b>									
CalTopia/Move-In Day(8/19): 8/25-8/26			\$5,000					\$5,000	
Cal Athletic Event Marketing: 9/07-3/08			\$7,000					\$7,000	
Art Cars: 9/27 or 9/28			\$3,500					\$3,500	
Cal Homecoming: 10/12-10/14			\$2,500					\$2,500	
Holiday Street Faire: 12/07- 6 days			\$2,500					\$2,500	
Chinese New Year: 2/7/08			\$5,000					\$5,000	
Cal Day: 4/12 (9-4)			\$5,000					\$5,000	
Zellerbach Event Marketing: 4/08-6/08			\$1,600					\$1,600	
World Music Festival: 6/2008			\$11,000					\$11,000	
Staff Appreciation Summerfest: 6/2008			\$1,000					\$1,000	
<b>SUBTOTAL-EVENTS</b>			\$44,100					\$44,100	
<b>CAPITAL IMPROVEMENTS</b>									
Facade Grant Program			\$12,500					\$12,500	
Telegraph Pole			\$12,500					\$12,500	
Other Capital Improvement			\$0					\$0	
<b>SUBTOTAL-CAPITAL IMPROVEMENTS</b>			\$25,000					\$25,000	
<b>TOTAL SPECIAL PROJECTS</b>			\$130,600					\$130,600	
<b>TOTAL EXPENSES</b>			\$468,607					\$468,607	
<b>NET CURRENT REVENUE</b>			-\$201,677					-\$90,827	
<b>BALANCE CARRY FORWARD</b>			\$29,968					-\$56,312	

**DECISIONS/NEEDS:**

Pole? Lotsa bucks for one pole  
Façade Grant Program-cancel?  
Need to pump up participation and value of Blue & Gold Specials

**NOTES:**

Train paid temp staff to man FB Game tables, BB Game tables, Zellenbach Event tables, Roland/Johann man CalTropia table, CalDay table & Summerfest  
CallTropia: Giveaways at venue tables, event coordinator for late pm/evening live music at Telegraph location for 2-3 hours, B & G Specials  
Move-In Day: Hire temps to distribute flyers to dorms advertising B & G Specials and 2 for 1 beer at participating merchants  
FB/BB Game tables: coordinate with Diane, offer B & G specials; maybe something extra for Homecoming and/or USC (Stanford BB)  
Cal Homecoming: hire consultant to coordinate Taste of Telegraph event on FR and/or SA evening  
Cal Day: Telegraph event that appeals to students/parents