

# DOWNTOWN SAN LEANDRO

## NEXT MEETING

Thursday, January 24th  
9:00 a.m.  
Englander Pub  
101 Parrott Street

**DOWNTOWN SAN LEANDRO  
COMMUNITY BENEFIT DISTRICT  
JANUARY 2013 NEWSLETTER**

### Introduction

This past September, New City America, Inc. mailed surveys to gauge property-owner support for the concept of a new special-benefits district for the Downtown San Leandro business community. We

stated in the survey that once we had received a reasonable number of responses, we would update the property owners on the results of that survey. This newsletter represents continuation of a series of correspondences and mailings regarding

the proposed Downtown San Leandro Community Benefit District (CBD).

The results of the survey are included in this newsletter, but first we would like to address the current economic climate.

### Changes in Downtown San Leandro

Although this may not seem to be the best time to talk about a new “assessment district” to fund special-benefit services, it is indeed necessary, as we will need a district now more than ever before.

To add even more pain to this equation, the State Supreme Court ruled that all 408 Redevelopment Agencies in the state must be disestablished by February 1, 2012.

We expect City government to provide services that maintain the cleanliness and order of our public rights-of-way. Unfortunately a structural long-term budget crunch and the elimination of redevelopment will ultimately lead to the City’s inability to fund some of the enhanced services previously provided to the Downtown with Redevelopment funds.

The proposed Downtown San Leandro Community Benefit District (CBD) is intended to create a low-cost system in which benefiting property owners and businesses fund services that the City will not or cannot fund. Those services will include the things that make this area cleaner, safer, more livable, and more attractive to new businesses, residents and visitors. The goal is to create a positive image of Downtown San Leandro and to provide a host of other benefits to the community.

The Downtown San Leandro CBD will serve as the funding mechanism for a community-controlled special-benefits program.



*Iconic Memorial to Portuguese Immigrants in Downtown San Leandro*



*Great Historic Architecture*

### Changes Coming to Downtown San Leandro

The purpose of the new SBD Steering Committee is to guide the effort to see if property owners in Downtown San Leandro are willing to form a new property based assessment district to fund activities and improvements. This initiative is being undertaken due to the fact that:

- The San Leandro Redevelopment Agency, as well as all agencies statewide, have been abolished and funding for improvements and enhanced security, maintenance and marketing in Downtown San Leandro has been dramatically reduced;
- Lit San Leandro, the high speed fiber optic loop that will attract new and innovative businesses and employees to the City, will have a dramatic positive impact on Downtown; Lit San Leandro has received nationwide coverage. For more information check out the San Leandro- Get Conneted! short video at: [www.sanleandro.org](http://www.sanleandro.org);
- The Downtown San Leandro BART station will become increasingly important and strategic as a portal of entry to Downtown; in January 2013,

construction will begin on \$6.9 million of improvements to narrow and beautify San Leandro Boulevard and its surroundings, further enhancing the pedestrian connection between BART and Downtown;

- Our plazas – at Estudillo, West Joaquin and the new Village Marketplace – are what set us apart from other Downtowns in the region. As city centers and Downtowns grow, our public spaces are the features that will set us apart from other areas;
- Construction of Village Marketplace, a new quality retail development, is bringing Peet's, The Habit Burger, and Chipotle downtown. There has been significant interest from retailers to locate near this exciting new development in the heart of the downtown;
- A new larger and attractive parking garage was completed to provide short-term parking for customers as well as daily parking for office and retail employees, Caltrans paved East 14th Street, a State-owned highway, between Davis Street and Thorton Street;

- Development of The Crossings, a 200,000 square foot quality office development and 200 units of workforce housing is moving forward; the project includes over \$22 million in State funded infrastructure improvements and will bring more than 1,000 additional quality jobs to Downtown San Leandro.

With so many exciting projects happening, it's an important time for active participation and leadership by Downtown business and property owners. Downtown business and property owners must look at the best, most cost effective ways to increase commerce, increase rents and improve the Downtown area.

The City of San Leandro normally provides general benefit services from "curb to curb" or in the street. The area between the curb and property line is legally the responsibility of the adjacent property owners. Customers and visitors view the business district from the curb to the property line. A Downtown San Leandro SBD could respond to the following issues:

- Providing enhanced security for Downtown businesses and property owners;
- Providing enhanced sidewalk cleaning, steam cleaning and beautification services;
- Providing a coordinated voice for property owners and business owners alike and developing new business friendly policies for consideration by the City Council;
- Developing a marketing plan and promoting district identity to attract new customers, businesses, and eventually residents to Downtown San Leandro;
- Planting of flowers, tree and landscaping planting and maintenance;
- Planning and activating public spaces in the Downtown;
- Shuttling employees from BART and the west side to patronize Downtown businesses during the lunch period and after work.

**Managing the Future**

So with all of these changes, who will be making decisions and providing leadership and vision for Downtown San Leandro? Increasingly, public-benefit non-profit corporations made up of property owners and community members, and funded by assessment districts, are filling this void.

The model of non-profits working as “district management corporations” has worked well in many other communities throughout the State of California.

The need to manage and clean the public rights-of-way, plant and maintain trees, seek funding for curb and gutter installation, create signage and monitor parking demands will grow in the coming years. The Downtown San Leandro CBD would provide the funding, over and above what the City of San Leandro provides, to manage all of these community concerns.

The issues of building a critical mass of

business, attracting new businesses and jobs, and improving the public identity of Downtown San Leandro are paramount to all who work in, conduct business in, live within and visit the Downtown San Leandro area. More importantly, maintaining the value of one’s property, business, or residence is critical today and there is no better way to maintain that value than ensuring that the district as a whole is managed properly.

**Results from Survey of Property Owners**

In determining the results of the survey, our levels of support and opposition to the concept of the new proposed Downtown San Leandro CBD is based upon what each property has in common. Assessments would NOT be based upon the assessed valuation of a property because such valuations are determined by how long someone has owned their property and the price they paid for it (Prop 13). Additionally, publicly-owned parcels will pay into the new CBD, even though they have no

assessed valuation per se. Every property in Downtown San Leandro has been surveyed on their views on the creation of this new CBD. Based upon our survey results, these areas constitute our rough boundaries for this new CBD. (See the map at the end of this newsletter). The following represent the preliminary results of the survey:

Study Area: See map at end of newsletter

Responses: There are 541 parcels in the proposed district study area. Some parcels are very large and some are very small. 39 surveys representing 59 parcels responded to the survey. That represents around 25% of the potential respondents. Their “weight” or size in the district is listed below.

Gross Property Variables included in Downtown San Leandro Database:

- 1,555,867 in building square footage
- 4,421,381 in total lot size
- 43,183 in total linear frontage

**Property Variables Conceptually Supportive in the Downtown San Leandro CBD Survey:**

<i>Property Variable</i>	<i>Level of Support</i>	<i>% of Total</i>
Building Sq. Ft.	428,054 sq.ft.	27.5%
Lot Size	1,573,780 sq. ft.	35.5%
Linear Frontage	11,944 linear feet	27.66%

**Property Variables Conceptually Opposed in the Downtown San Leandro CBD Survey:**

<i>Property Variable</i>	<i>Level of Support</i>	<i>% of Total</i>
Building Sq. Ft.	73,787 sq.ft.	4.7%
Lot Size	124,395 sq. ft.	2.8%
Linear Frontage	1,220 linear feet	2.8%

**Property Variables Registering “No Opinion” in the Downtown San Leandro CBD Survey:**

<i>Property Variable</i>	<i>Level of Support</i>	<i>% of Total</i>
Building Sq. Ft.	30,582 sq.ft.	2%
Lot Size	194,017 sq. ft.	4.3%
Linear Frontage	1,657 linear feet	3.8%

These responses are based upon those who responded to the initial survey and the preliminary boundaries have been finalized.

These figures also don’t include the City-owned properties. No one is exempt from paying into the district and the City always normally votes “yes” on these districts. If we add in the City property, the numbers go up as follows:

- 29% of building square footage support;
- 52% of lot size in support;
- 43% of linear frontage in support.

The way we gauge whether there is a significant base of support to proceed to formation, is to look at the percentage of each property variable. Ideally, linear frontage, lot size and building square-footage (including publicly-owned properties), should equal a base of 30% support. We also know, in reviewing the responses, that a substantial part of the “no opinion” will also be supportive in the final phase of the district formation process.

New City America has formed more than 65 districts statewide over the past 15 years

and the survey results, in our opinion, demonstrate solid support to move forward to the formation stage of the Downtown San Leandro CBD. Property owners will justifiably ask, what will this cost me?

**Prioritized Services According to the Survey**

As many of you recall, the CBD survey asked a series of specific questions about “property- owner funded” services. One of the purposes of the survey was to determine if property owners were inclined to fund these “special benefit services” and



*Historic Retail in Downtown*

which services were priorities for them. The highest ranked services from the respondents were as follows:

- In terms of security and public safety, the overwhelming majority believe that Downtown San Leandro is safe, but suffers from an unsafe image;
- 85% of the respondents believe that safety ambassadors should be funded to supplement San Leandro Police services;
- 80% of the respondents support regular sidewalk sweeping services and steam cleaning services over and above what

the City currently provides;

- 69% of the respondents support supplemental planting, trimming and maintenance of trees, flowers and shrubs to beautify the area;
- 58% support special events and marketing and promotional activities that will improve the image of Downtown San Leandro;

#### **Function of the Downtown San Leandro CBD Steering Committee**

The Downtown San Leandro CBD Steering Committee is the entity that is guiding this

effort. The Steering Committee has met three times and has set the preliminary boundaries and reviewed the survey results above.

Based upon the solid conceptual support demonstrated through the survey, the Steering Committee elected to move ahead to look at costs of the new CBD. The function of the Steering Committee is to review the data and come up with a preliminary plan to show the community-at-large. Once that is done, property owners will know what the proposed services are, what the frequencies of services are, and the proposed costs per property owner. Therefore, the function of the Steering Committee will be to:

1. Finalize the boundaries;
2. Determine the type and frequency of services to be funded by the CBD;
3. Determine if "benefit zones" will be created based upon different levels of services;
4. Set a possible term for the district;
5. Determine a non-profit management entity to run the district.

Once the plan has been approved and adopted by the Steering Committee, a series of public meetings will be held to discuss the plan with any property owner who is interested. We anticipate those meetings being held sometime in March. The timeline for formation of the district can be found on the following page.

#### **Next Steps and Time Line for Establishment of the Downtown San Leandro Community Benefit District Plan of 2013**

In order to develop and finalize the Management Plan which outlines the level of services and costs to be provided, multiple meetings are required in early 2013. Below, please find a list of the proposed meeting dates: January 24th at 9:00 a.m.; February 7th at 9:00 a.m., February 28th at 9:00 a.m. and March 7th at 9:00 a.m. All of the meetings will be held at the Englander, 101 Parrott Street. That will keep us all on schedule and hopefully enable everyone to schedule around the meetings.

**Task**

**When?**

Meeting of the Downtown San Leandro Community Benefit District Plan Committee – open to the public	Thursday, January 10th at 9:00 at Englander Pub, 101 Parrott Street
Write a newsletter summarizing survey results and explaining what a Downtown San Leandro Community Benefit District could do	Mid-January, mailed out to all property owners in the proposed Downtown San Leandro CBD
Send out property verification forms to validate the data we have accumulated	Already done in early January
Write Downtown San Leandro CBD Management District Plan with direction by Management Plan Committee	January - February
Have plan approved by Downtown San Leandro CBD Steering Committee	January – February
Have plan approved by San Leandro City Attorney	March
Have plan approved by Independent Assessment Engineer	March
Initiate petition drive based upon City Attorney approved plan	March – April
Submit 30% threshold of weighted petitions of support to the City Manager to trigger the mail balloting procedure	April
Staff report and submittal of Resolution of Intent to the City Council	May
Resolution of Intent, ballots mailed out to all affected property owners	Early June
Public hearing held, all returned ballots are counted	July
Interim Board of Directors appointed	August
First revenues to the management corporation from the County property tax collections	December

The balance of this newsletter will include information that will be used as the foundation of the Downtown San Leandro CBD plan, which will be released in late February.

**District Name: The Downtown San Leandro Community Benefit District of 2013**

**Management Entity:** Pending a decision of the CBD Steering Committee and to be determined as part of the planning process. There will be a new public benefit non-profit corporation established to oversee the proposed CBD special benefit services. This non-profit corporation will run by affected and assessed business and property owners in Downtown San Leandro CBD area.

**Enabling Legislation:** The newly adopted

San Leandro Community Benefit District ordinance of 2012.

**Purpose of new district:** The purpose of the Downtown San Leandro CBD is to create a sustainable and systematic method for funding special-benefit services desired by business and property owners in the proposed area.

If adopted by a weighted vote of the affected property owners, the Downtown San Leandro CBD would be a mandatory assessment district which would fund services put forward by a broad-based CBD Steering Committee. This district could be put in place by the initiative and mail balloting of Downtown San Leandro property owners

**State law requires that all benefiting parcels, whether public or private, for**

**profit or non-profit pay into the property assessment district if they are receiving special benefits.**

**Only special benefits can be assessed to real property owners. Current City “general benefits”, the benefits that other commercial areas receive, must be maintained at their current levels and cannot be replaced by “special benefit” services. However, some of the enhanced downtown services previously funded by Redevelopment are at risk. The City Council committed to continue to fund these enhanced security, maintenance and marketing services on an interim basis during the CBD initiative process. Assessments cannot fund general services, but may fund some of the enhanced services previously funded by Redevelopment revenue or any other services determined by the property**



*Good Public Spaces in Need of Activation*

owners.

The CBD Steering Committee hopes to have these special benefits in place commencing January 2014.

### **General Questions about the proposed Downtown San Leandro Community Benefit District**

#### **What “special benefits” can a Downtown San Leandro CBD fund?**

The special services to be funded are spelled out in the enabling ordinance or legislation. They can only legally include those services over and above what a City will normally provide through the general fund. Such special benefit services may include:

- Cleaning of the public rights-of-way, sidewalks and gutters (general vs. special benefit). These special-benefit services are usually carried out only from the curb to the property line.
- Providing enhanced security services over and above those from the SLPD;
- Regular steam-cleaning of the sidewalks of the district;
- Economic development projects;
- Graffiti removal within 24 hours;
- Special beautification programs for Downtown San Leandro sidewalks;

- Administration and advocacy on behalf of the area stakeholders;
- Public-space development and management;
- Business-attraction services and strategies to build a retail critical mass in the community;
- Funding regular special events which build the image of Downtown San Leandro.

#### **Can the City reduce its general benefit services in Downtown San Leandro once the special benefits district has been formed?**

By law, (Article XIII (d) of the state constitution), property assessments can only fund special, not general benefits. General benefits are those allocated to all parcels in the City and funded out of public or general fund revenues. Cities throughout the state normally adopt “baseline services agreements”, that require the City not to withdraw services once the special benefits district has been formed. Experience has shown that once the assessment district - management corporation has been formed, the private property owners in the district can normally leverage a greater amount of general benefit City services than before the establishment of the district. This is due to

the fact that those property owners are now organized and can request things such as additional trees, trash cans, lighting, sidewalk repairs, and the CBD assessment revenues can maintain these additional capital improvements.

#### **How would the Downtown San Leandro CBD assessments be collected?**

As provided by local ordinance, the CBD assessments will appear as a separate line item on the annual property tax bills prepared by Alameda County. Property tax bills are distributed in the fall and payment is expected by lump sum or in two installments. The County will distribute the assessments collected from the Downtown San Leandro CBD to the City of San Leandro, which will in turn then forward them to the designated Management Corporation, pursuant to the authorization of the plan. Existing laws for enforcement and appeal of property taxes apply to the CBD assessments.

#### **Once established, must every parcel in the district pay?**

Unless specifically mentioned in the plan, every single parcel owner deriving special benefit must pay into the district. This includes local, county, state and federal properties. In addition, parcels owned by tax-exempt designated organizations may be exempt from paying property taxes but will not necessarily be exempted from the assessment district. The only way to be exempted is to demonstrate by “clear and convincing evidence” that no benefit will be received from the special benefit services funded by the district.

#### **How could a district be disestablished if it is not functioning as envisioned?**

The new ordinance provides for the disestablishment of the CBD pursuant to an annual review process. Each year that the district 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. Within that 30 day period, if the owners of real property who pay 30% or more of the assessments levied submit a written petition, the CBD district disestablishment procedure may be initiated. The City Council will hold a public hearing on disestablishing the CBD prior to actually doing so.

**Who controls the funds once the district is established?**

The Downtown San Leandro CBD stakeholders will form a new non-profit corporation to administer the District on behalf of the property owners. The non-profit CBD management corporation would then enter into a contract with the City, to administer the district on behalf of the stakeholders. Bylaws are normally written to ensure that the property owners can be freely nominated to the Board. By law, the assessments generated within the district must be allocated to fund special services within the boundaries of the district.

**Once established, can the City increase the assessments?**

By law, the only increases in the annual assessments must be pre-determined and placed in the CBD plan for the district. The City cannot arbitrarily increase the assessments because these are not funds created by or controlled by the City. The assessments may be increased only

through a pre-designated CPI factor, or changes in land use such as parking lots being converted to commercial buildings or condos. The property owners themselves, through their designated management corporation, determine if and when the CPI factor will be triggered on an annual basis.

**How do I get involved in this process?**

The Downtown San Leandro CBD Steering Committee, working with its consultant, New City America, will coordinate the effort for the Downtown San Leandro CBD in the next six months. Once a preliminary plan has been adopted by the Steering Committee, special CBD public meetings and forums will be held and will be open to all affected business and property owners.

Please contact Monica in the New City America office if you would like to attend the upcoming CBD Steering Committee meetings. Monica can be reached at 888 356-2726. The next Downtown San Leandro CBD Steering Committee meeting will be held on Thursday, January 24th at

9:00 a.m. at Englander Pub, 101 Parrott Street.

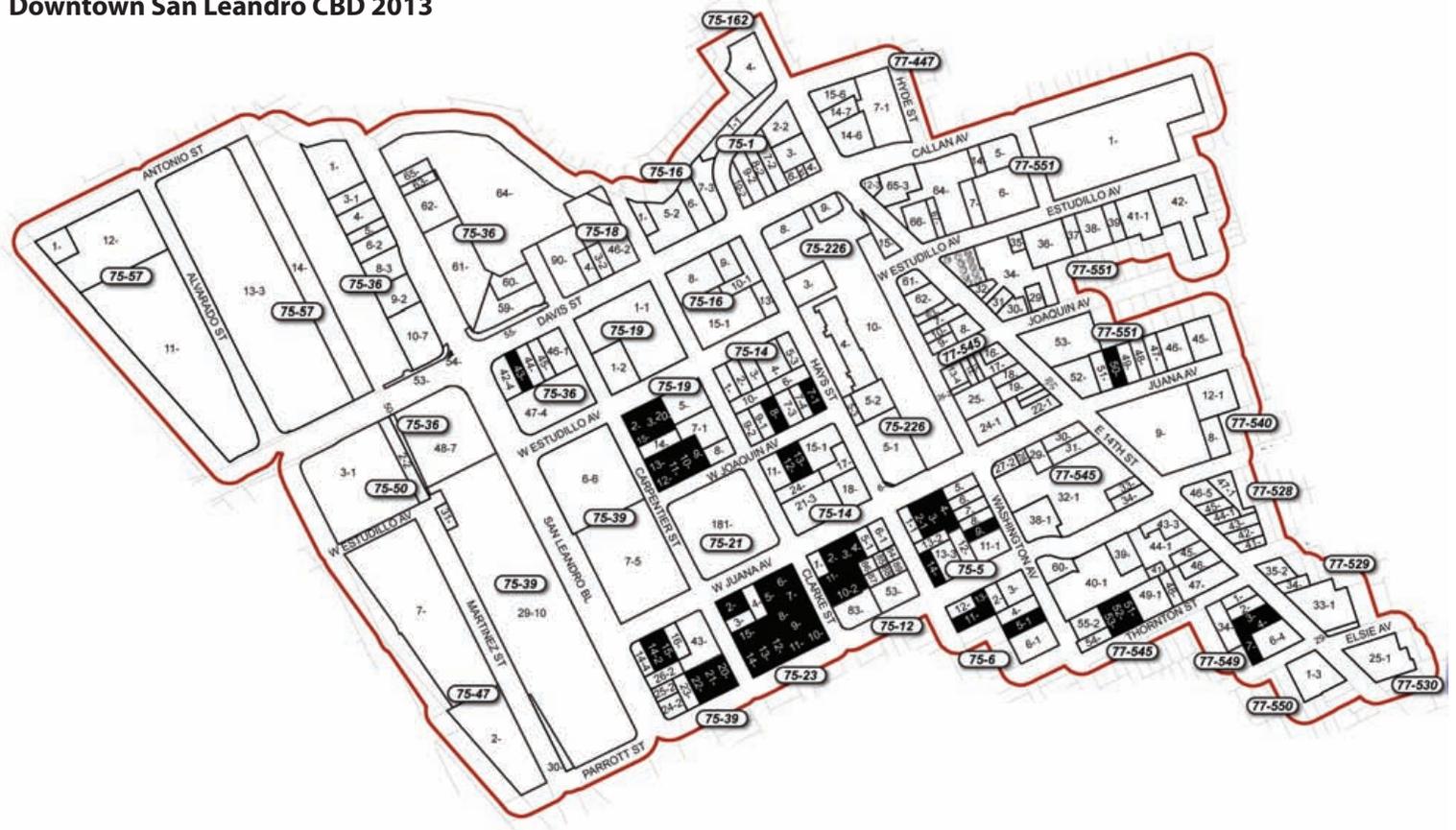
If you are not able to attend, please call the New City America office or e-mail us at [mail@newcityamerica.com](mailto:mail@newcityamerica.com) and we will update you on the results of the meeting. Thank you

Newsletter written and produced by New City America, Inc.

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This effort to investigate and establish the Downtown San Leandro Community Benefit District is being funded by the City of San Leandro and being implemented under contract with New City America. It is the City's desire to support benefitting businesses and property owners in exploring this initiative.

**Proposed Boundaries of Downtown San Leandro CBD 2013**



# **DOWNTOWN SAN LEANDRO**

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