



Text File

Introduced: 10/2/2017

Bill No: 2017-1950, **Version:** 2

Committee: Committee on Finance and Law

Status: Passed Finally

Resolution amending Resolution No. 816, effective January 2, 2014 by updating the continued designation of an Oakland Business Improvement District.
(Public Hearing Held October 18, 2017)

WHEREAS, pursuant to an act of December 19, 1996, P.L. 1158 (53 Pa. C.S.A. § 5401 et seq.), as amended, known as the "Business Improvement District Act" (the "Act"), municipal corporations are authorized to establish areas designated as business improvement districts within commercial districts; and

WHEREAS, under the Act, Cities of the Second Class are authorized to create business improvement districts to acquire property for improvement and provide administrative services which improve the ability of the commercial establishment of the business improvement district to serve the customer, including, but not limited to, public relations programs, group advertising and district maintenance and security services; and

WHEREAS, City Council is empowered by the Act to authorize an assessment within a business improvement district based on the total cost of approved services and improvements; and

WHEREAS, the Oakland Business Improvement District was created as a business improvement district pursuant to Resolution No. 142, approved March 2, 1999, effective March 18, 1999; amended by Resolution No. 86 approved March 10, 2004, effective March 18, 2004; amended by Resolution 628 approved November 17, 2008, effective November 21, 2008 amended by Resolution 816, approved December 23, 2013, effective January 2, 2014; and

WHEREAS, at the behest of the Oakland Business Improvement District Board of Directors, and in order to keep up with the demands of Oakland's growth in vehicle and pedestrian traffic, the City has been presented with proposed updated terms for the continued designation of an Oakland Business Improvement District, as set forth herein.

Be it resolved by the Council of the City of Pittsburgh as follows:

Resolution 816 of 2013 is hereby amended to read as follows:

Section 1. Continued Designation as Oakland Business Improvement District. Amending Resolution No. 628, effective November 21, 2008 entitled providing for the continued designation of an Oakland Business Improvement District at the behest of the Oakland Business Improvement District, a coalition of property owners, business leaders, retailers, and local government and institutional representatives. As authorized by an Act of December 19, 1996, P.L. 1158 (53 Pa. C.S.A. § 5401 et seq.), as amended, known as the "Act", the designation of the Oakland Business Improvement District (the "District") as shown on the amended map

attached as Exhibit "A" is hereby continued.

Except as provided for herein, owners of office and retail buildings, parking facilities and hotels located within the District shall be subject to the special assessments authorized by the Act.

Section 2. Services and Improvements. Special assessment revenues shall be used solely for administrative services and improvements permitted by the Act and not essential government services provided by Pittsburgh City government.

Section 3. Levy of Special Assessment. There is hereby levied an assessment to pay the cost of the programs computed as follows:

A. Amount of Assessment - It is recognized that, pursuant to Section 4 of this Resolution, the Oakland Business Improvement District ("OBID") will have administrative responsibility for the District subject to Council's oversight. The amount to be raised annually by assessment ~~is approximately \$290,000~~ shall not exceed \$472,808 in 2018, \$472,808 in 2019, \$578,258 in 2020, ~~and \$601,619~~ **\$589,823** in 2021, **and \$601,619** **in 2022**, but shall not exceed 3.8 mills based on the combined land and building values established by the Allegheny County Board of Property Assessment as of December of the preceding year. The actual cost of services and improvements to be provided will be budgeted on an annual basis, which budget shall be presented to Council by November of the preceding year. A general estimate of improvements and respective costs for the following year is attached here as "Exhibit B". Projections for future appropriate spending will be presented at the time of the hearing on the ordinance.

B. Method of Assessment - All benefited property will be assessed at or below the maximum millage rate set by Council, which shall in no event exceed 3.8 mills. The OBID Board (as defined in Section 4), shall annually calculate the applicable millage rate based upon the combined land and building values of the benefited properties in light of the cost of planned improvements set forth in the operating budget. The millage rate may be adjusted annually by the OBID Board within the range authorized by Council. For purposes of this Resolution, "benefited properties" shall mean all taxable properties located in the geographic area contained in the District but shall specifically exclude primary residential dwellings.

C. Payment of Assessment - The assessment shall be payable each year beginning in 2009 until the termination of the District. The total annual assessment shall be paid either in a single payment made by the last day of February of each year; or in three equal payments, the first payment made by the last day of February, the second made by the last day of April, and the third by the last day of July each year. Penalty and interest shall coincide with the current City of Pittsburgh rate structure and procedures for penalty and interest payments, after the due date.

D. Collection of Assessment - The OBID shall be responsible for the collection of assessments. The OBID shall mail all notices regarding collection of the assessment to property owners in a manner consistent with the City of Pittsburgh Department of Finance preparation of tax notifications. The OBID shall establish a separate account, the OBID Assessment Fund, for deposit of all assessment collections. Upon the request of OBID, the City of Pittsburgh Department of Finance shall file liens as appropriate for delinquent

assessments. The OBID shall provide the City Treasurer with periodic and annual reports on collections and delinquencies.

E. Claims on Assessments - The City Treasurer shall file claims to secure assessments in a manner consistent with the manner that City claims are filed and collected. All assessments shall constitute liens and encumbrances upon the benefited properties at the beginning of the year in the amount payable in such year only in an amount equal to the sum of: (1) the annual or installment payments becoming payable in such year, with interest and penalties, if any, thereon; and (2) the total of all payments, with interest and penalties thereon, which became due during prior years and which remain due and unpaid at the beginning of the current year.

Section 4. Administration of the District.

A. Composition of the Board of Directors - Council delegates the administration of the District's program to the OBID Board of Directors ("OBID Board"), composed of owners, their executives and agents, of properties and businesses within the Oakland Business Improvement District area, and representatives of organizations and institutions active within the OBID area. The OBID Board shall include the following:

- (i) No more than five (5) owners, executives or agents of properties within the Oakland Business Improvement Area, each property with a combined land and building value for assessment purposes of less than \$600,000;
- (ii) No more than five (5) owners, executives or agents of properties within the Oakland Business Improvement Area, each property with a combined land and building value for assessment purposes of more than \$600,000;
- (iii) No more than five (5) owners, executives or agents of retail, service and restaurant businesses, each business a building tenant within the Oakland Business Improvement Area;
- (iv) One owner, executive or agent of a financial institution within the Oakland Business Improvement Area;
- (v) One representative of an Oakland based community, civic, or cultural organization;
- (vi) One representative of the Department of City Planning;
- (vii) One representative of the City Council;
- (viii) One representative from the Mayor's office;
- (ix) One representative from the University of Pittsburgh;
- (x) One representative from the UPMC; and

(xi) One representative of a nonprofit organization within the Oakland Business Improvement District Area not otherwise represented on the board.

The OBID Board shall consist of not less than 23 members or more than 32 members, each of whom shall be selected by the OBID Board.

B. Powers - The OBID shall have the power to contract on behalf of the District for the service described in Section 2 above.

C. Indemnity - Should any claim arise alleging that the OBID Board acts or has acted as an agent of the City, the OBID Board agrees to indemnify, defend and hold the City harmless from all claims, judgments and costs arising out of actions taken by the OBID Board in furtherance of the services and improvements described herein.

Section 5. Annual Information. The OBID will present to Council annually a budget as well as a list of current OBID Board members in November, before Council budget discussions. The OBID will also present to Council annually, within a reasonable time after they become available, audited financial statements of OBID.

Section 6. Sunset. The continued designation of the District shall become effective on ~~March 18, 2014~~ **January 1st, 2018**. The District shall terminate on the earlier of five years from ~~March 18, 2014~~, **January 1st, 2018** or by a dissolution proposed by the majority of voting members of the OBID Board of Directors.

Section 7. Amendment. Upon the approval of a majority of the voting members of the OBID Board of Directors, OBID may present a proposal to City Council to amend any provision of this Resolution.