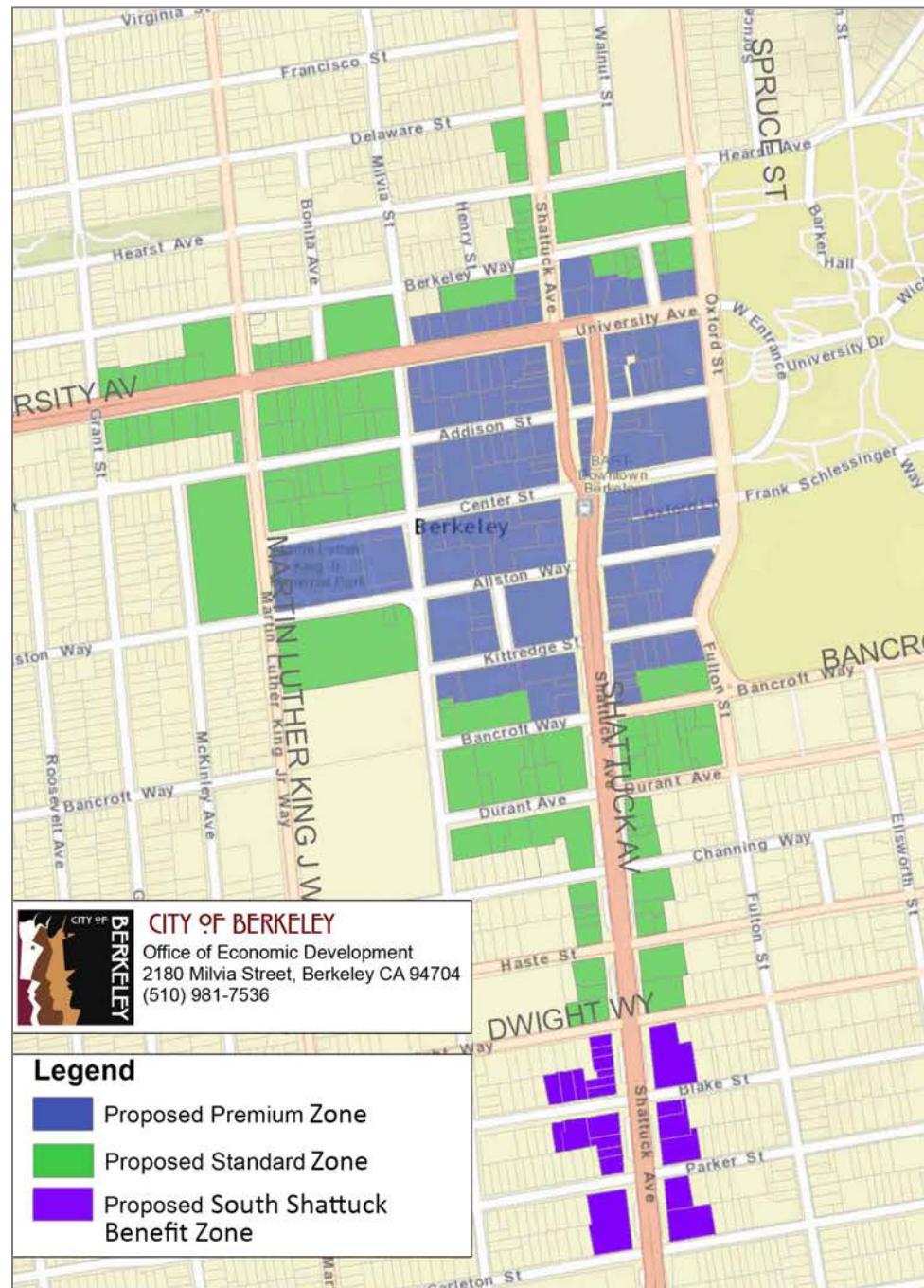
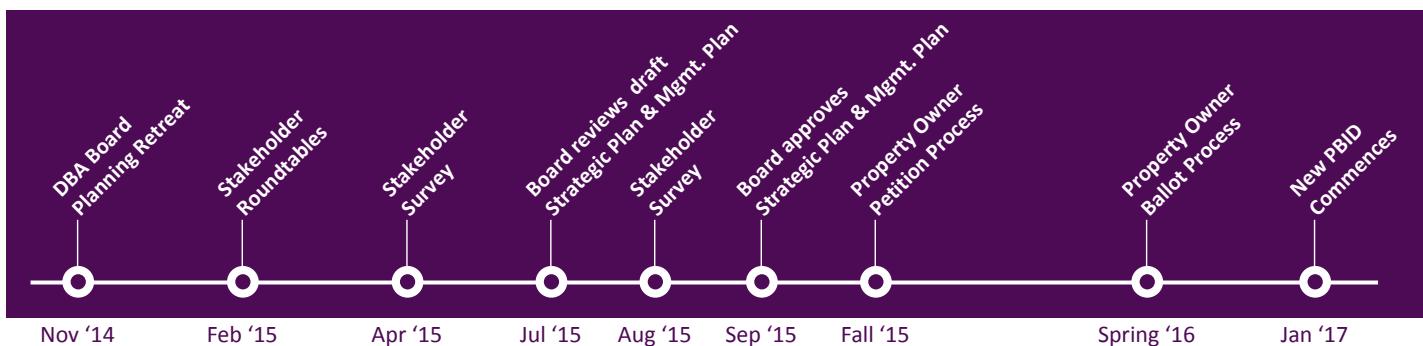


Proposed Downtown Berkeley PBID Boundaries



Two Year PBID Renewal Process



it starts here.

DOWNTOWN BERKELEY

Creating a Welcoming, Vibrant, and Prosperous City Center



Dear Fellow Downtown Property and Business Owners

Five years ago we reached out to you to form a Property Based Business Improvement District (PBID), in order to create a cleaner, safe, vibrant, prosperous Downtown Berkeley. You approved our first PBID for a term of five years, January 2012 through December 2016, by a vote of 71%.

While challenges remain, particularly with problematic street behavior, we have made significant strides in the past four years. With our dedicated Ambassador staff our streets are cleaner and more welcoming, as well as landscaped with updated planters and new flower baskets. Moreover we launched a successful new brand identity (Downtown Berkeley -- it starts here), and brought thousands of new visitors to the Downtown via a slew of new programs and events. And while we cannot take all the credit, we have experienced a significant decrease in vacancy rates, an increase in lease rates, and a flood of new investment with almost 2,000 new housing units in the pipeline for Downtown. And soon we will share in the opening of a new museum, new music venues, and a new BART Plaza.

Our PBID is now up for renewal. For the past year, our board and staff have been engaged in a strategic planning process to continue the work of the PBID for another decade. From extensive outreach via interviews, roundtables and surveys with property and business owners, and other stakeholders, we have established the following goals in support for the continuation of PBID services:

- Make Downtown safer and more welcoming with an emphasis of reducing homelessness and disruptive street behaviors
- Improve cleaning in Downtown, particularly in light of recent drought
- Fill vacant storefronts and support local businesses
- Invest in placemaking to create better public amenities and more walkable/bikeable streets
- Improve parking experience for residents, visitors and employees

To achieve these goals, we are proposing to modestly expand our PBID cleaning, landscaping, hospitality and economic vitality services, and continue our leadership role with the City of Berkeley. Specifically we are requesting a rate increase of 10% to help fund rising labor costs and other expenses and to improve services. Also, we are expanding boundaries one block down University and three blocks down Shattuck to include new housing projects contributing to the new Downtown vitality. The new assessments and boundaries will go into place in January 2017.

As a first step for PBID renewal we hope that fellow property owners will join us by signing the enclosed petition to initiate the PBID process. In the spring 2017, you will then vote by ballot whether to formally adopt the new PBID.

Thank you for your support in helping create and sustain a more welcoming, vibrant, and prosperous Downtown Berkeley.

Downtown Berkeley Association Board of Directors



DBA Board of Directors

Michael Caplan
City of Berkeley

Fran Gallati
YMCA

Bob Hathaway
UC Berkeley (emeritus)

Chris Hudson
Hudson McDonald

John Hyjer
Equity Residential

Laksh Lakireddy
Everest Properties

John Lineweaver
2000 Center St LLC

Susie Medak
Berkeley Rep

Dorotheé Mitrani-Bell
La Note & Café Clem

Scott Newman
Beacon Group Ventures

John Paluska
Comal

Larry Rinder
BAM/PFA

Ito Ripsteen
Vine Street Investments

Bill Schrader
Austin Group

Kristine Seinsch
Jazzcaffé

Sean Slater
ELS Architecture

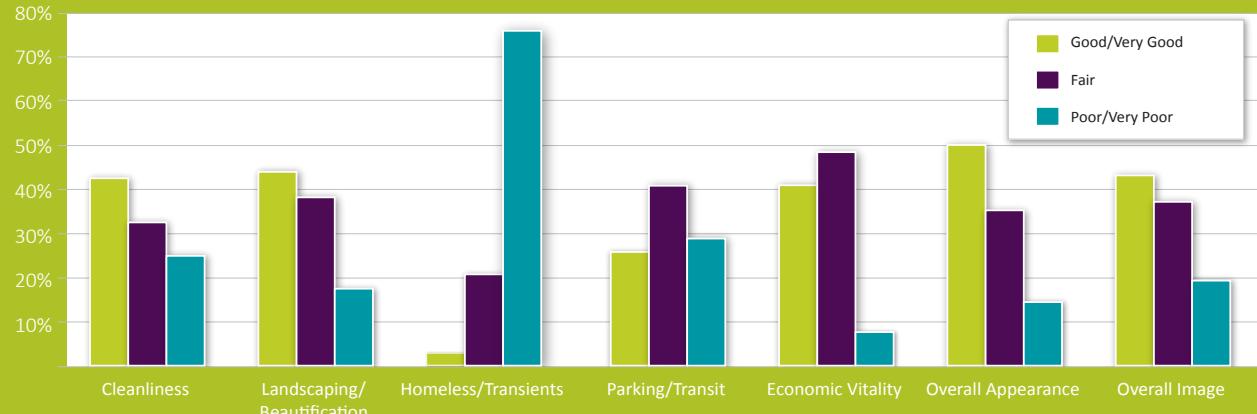
Amy Thomas
Pegasus Books

Steve Tipping
Tipping Engineer



Track Record to Date

Our annual stakeholders survey shows a cleaner, better looking and vibrant Downtown, but challenges remain particularly with parking and homeless and transient issues. We have cleaned miles of sidewalks and greeted thousands of visitors--and much more. Retail vacancies are down significantly, and we are experiencing wave of new investment particularly in new housing transforming the Downtown.



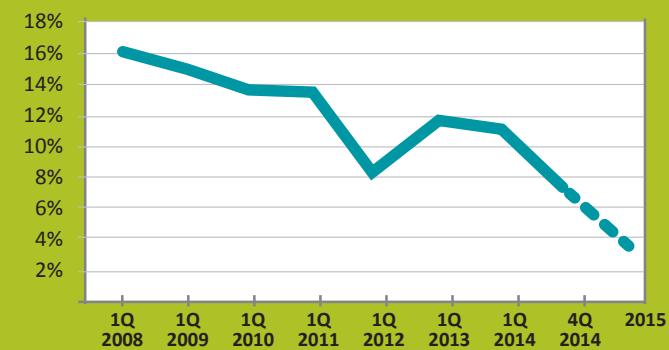
Service Metrics*

(Jan. 2012 - Sept. 2015)

Graffiti Removed	18,666
Hazardous Waste Cleanup	14,227
Block Faces Powerwashed	892
Trash Picked Up (lbs)	321,275
Fixtures Painted	1,159
Treewells Weeded	7,737
Flower Baskets Hung	720
Hospitality Contacts	95,708
Business Contacts	34,711
Street Pop Contacts	27,352

* Please contact DBA for complete report

Downtown Retail Vacancy (Sq. Ft.)



PBID Management Plan Highlights

2017 Proposed Budget

ACTIVITY	ANNUAL BUDGET
Environmental Enhancements	
Clean & Safe Program	\$927,500
Beautification & Placemaking	\$150,000
Economic Enhancements	\$252,500
Administration: Economy	\$199,500
TOTAL	\$1,529,500

The pie chart illustrates the breakdown of the 2017 Proposed Budget:

- 70% Environmental Enhancements
- 17% Economic Enhancements
- 13% Administration: Economy

Proposed Annual Assessment Rates

multiplied by both lot and building square footage

Premium: Commercial	\$0.2232
Standard: Commercial	\$0.1398
Premium: Residential	\$0.1668
Standard: Residential	\$0.0834
Premium: Tax Exempt/Gov't	\$0.1251
Standard: Tax Exempt/Gov't	\$0.0626



Q&A

What is the Downtown Berkeley PBID?

A PBID, or "Property-Based Business Improvement District", is a self-imposed and self-governed benefit assessment district that finances enhanced services. A PBID is "self-imposed" in that it requires affected property owners to sign petitions and ballots in order to form the district. It is "self-governed" in that PBID program and management decisions are made by the property and business owner board of the Downtown Berkeley Association, a non-profit organization.

Why renew for 10 years?

A first PBID can be for only 5 years. A renewal PBID can be for up to 10 years. We decided on a 10 year renewal because of the high cost of renewal. However, we will have a mid-term review after five years to make sure the organization is on track.

What services does PBID provide?

The PBID funds enhanced services that are over and above the basic services provided by the City of Berkeley. Environmental enhancement services include: cleaning, landscaping, placemaking, holiday decor, hospitality and homeless outreach. Economic service enhancements include: marketing, communications, events, business support, parking and transit management.

What are the major changes to the PBID?

With renewal we have expanded services to include an expanded placemaking role to make streets more welcoming to pedestrians and cyclists. We also have expanded boundaries to include new housing projects and businesses one block west on University and three blocks south on Shattuck. We have also included a one-time 10% rate increase to fund rising labor, office, and other expenses.

Why do you assess both lot and building square footage?

More services and value is provided to ground floor tenants. Hence it makes sense that higher floors are effectively assessed at a lower rate.

I already pay taxes! Why pay more?

Your assessment pays for enhanced services in addition to base level services that City cannot reduce because we have a PBID. The PBID is able to provide services at a lower cost structure than the City and is directly accountable to our board of directors.

Is this PBID unique to Berkeley?

No. There are now over 1,000 business improvement districts throughout North America, as a proven model to efficiently fund, create, and sustain change in an urban environment. And there are dozens of PBID's throughout the Bay Area including Berkeley, Oakland, San Francisco, and San Jose.

Will the City reduce services?

No. Under state law the City cannot reduce services because we have a PBID. Moreover we have a base level services agreement with the City that documents City services provided in the Downtown.

How much will it cost?

Your cost depends on the zone in which your property is located and your type of ownership. A higher level of services and hence assessment is provided in the Premium Zone where there is greater pedestrian traffic. The Standard and South Shattuck Zones are charged at the same rates. Commercial properties pay a higher rate because of higher services than those provided to Residential and Nonprofit/Government owned properties.

How much can it go up?

The board of directors can increase rates up to 5% per year to keep pace with inflation and other program costs. Likewise the board can lower rates due to lower costs or discontinued program. In the first PBID the board raised rates only 5% over a five year period, or 1% per year.