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Office of the City Manager

PUBLIC HEARING
December 1, 2026

To: Honorable Mayor and Members of the City Council

From: Paul Buddenhagen, City Manager

Submitted by: Eleanor Hollander, Economic Development Manager

Subject: Renewal of the Elmwood Avenue BID for Calendar Year 2027

RECOMMENDATION

Conduct a public hearing and, upon conclusion, adopt a Resolution confirming the Annual Report and Budget for the Elmwood Business Improvement District (hereafter, "the District", "the Elmwood BID" or "the BID") for 2026-2027 and, if no majority protest exists, levy annual assessments in the District for calendar year 2027 to finance services and improvements and authorize a fiscal agency contract with Elmwood Business Association for receipt and expenditure of District funds.

FISCAL IMPACTS OF RECOMMENDATION

Projected BID revenue of approximately $30,000 will be deposited into the Elmwood BID Fund and expensed from budget code 782-21-208-251-0000-000-446-636110. The BID constitutes an independent funding source that must be targeted to commercial revitalization efforts that are recommended by the Advisory Board. The City of Berkeley operates a parking lot within the district and will thus be assessed $2,000, paid through the Parking Meter Fund (631-54-622-665-3009-000-474-639990-). To the extent that the work of the Elmwood BID enhances the development of the Elmwood and its business climate over the long term, the BID contributes towards improving City revenues through increased sales and property taxes.

CURRENT SITUATION AND ITS EFFECTS

Under the State of California Parking and Business Improvement Area law of 1989 (California Streets and Highways Code Section 36500 et. seq.) that authorized the establishment of the Elmwood BID, the City Council must hold a public hearing before levying assessments for 2027. The renewal process was initiated on November 17, 2026, when Council approved by Resolution No.- 72,520 N.S. (Attachment 1, Exhibit A) the Annual report and budget for 2026-2027 and set the public hearing date for December 1, 2026. The City Clerk noticed businesses in the Elmwood BID area by publishing a draft of Resolution No. -72,520 N.S. in a newspaper of general circulation. If no majority protest is received at the public hearing, at its conclusion the City Council may confirm the Annual report of 2026 and budget for 2027 and levy assessments.

BACKGROUND
The Elmwood BID was established in November 2013 to provide the Elmwood Business Association with a sustainable, predictable source of funding for its activities to promote, maintain and beautify the Elmwood commercial district. The BID boundary was expanded in January 2024 to include areas along College Avenue to the southern border of Berkeley. The Elmwood Business Association has used the funds raised through the BID to implement a variety of activities such as marketing, place-based branding, events, and capital improvements.

ENVIRONMENTAL SUSTAINABILITY
By maintaining and enhancing the district, the Elmwood BID creates shopping opportunities for residents and visitors alike while encouraging alternative forms of transportation. Because the district is served by public transportation and biking infrastructure, these services indirectly support environmental sustainability goals of encouraging alternative transportation choices.

RATIONALE FOR RECOMMENDATION
State law requires that the City Council annually renew the Elmwood BID by conducting a public hearing on the proposed renewed assessment for the coming year.

ALTERNATIVE ACTIONS CONSIDERED
The Advisory Board has considered many alternatives for expenditure of its limited revenues and has decided upon the activities described in the Annual Report as the priorities for 2027.

CONTACT PERSON
Vincent McCoy, Office of Economic Development, 510-981-2490

1: Resolution
Exhibit A: Resolution No. 72,520 -N.S., with incorporated Annual Report, map of the District and Assessment table
2: Public Hearing Notice

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

CONFIRMING THE ANNUAL REPORT FOR THE ELMWOOD BUSINESS IMPROVEMENT DISTRICT (BID), LEVYING AN ANNUAL ASSESSMENT FOR THE ELMWOOD BID FOR 2027, AND AUTHORIZING A CONTRACT OR CONTRACT AMENDMENTS WITH ELMWOOD BUSINESS ASSOCIATION TO SERVE AS FISCAL AGENT FOR RECEIPT AND EXPENDITURE OF ELMWOOD BID FUNDS

WHEREAS, the Elmwood Business Improvement District (BID) Advisory Board recommended an Annual Report to the Berkeley City Council that outlined the activities of the District proposed for the year 2027, including a budget for said activities, as required by California Streets and Highways Code Section 36533 and Berkeley Municipal Code Section 7.97.080; and

WHEREAS, on November 17, 2026, the City Council by Resolution No.72,520-N.S (attached as Exhibit A) approved the Annual Report and proposed budget of the Elmwood BID for 2026-27 and declared its intent to levy an assessment in the District to finance the proposed activities for the calendar year 2027; and

WHEREAS, Resolution No. 72,520 -N.S. also scheduled a public hearing for December 1, 2026, to consider levying said assessment and gave notice that interested parties could attend and be heard on the issue, for and against; and

WHEREAS, the City Clerk has notified potential assessees of the public hearing by publishing the draft Resolution of Intention in a newspaper of general circulation; and

WHEREAS, the public hearing has now been held and there has not been protests by business owners who collectively pay 50 percent or more of the assessment proposed to be levied.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that any protests are overruled and the Annual Report of the Elmwood BID is confirmed, thereby levying an annual assessment for the Elmwood BID for calendar year 2027.

BE IT FURTHER RESOLVED that the Council authorizes the City Manager to enter into a contract or contract amendments with Elmwood Business Association to receive and spend funds for purposes approved in the Annual Report and Budget and as directed by the Elmwood BID Advisory Board.

Exhibit A: Resolution No. 72,520 N.S., including the 2026-27 Annual Report, map of the District and Assessment Table

RESOLUTION NO. 72,520-N.S.

APPROVING THE 2026 ANNUAL REPORT AND PROPOSED BUDGET OF THE ELMWOOD BUSINESS IMPROVEMENT DISTRICT FOR 2027; DECLARING COUNCIL'S INTENTION TO LEVY AN ASSESSMENT IN THE DISTRICT FOR 2027; AND DIRECTING THE CITY CLERK TO SCHEDULE A PUBLIC HEARING FOR DECEMBER 1, 2026 REGARDING LEVYING OF A RENEWED ASSESSMENT FOR 2027

WHEREAS, the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code section 36500 et seq.) authorizes cities to establish parking and business improvement areas for the purpose of imposing assessments on businesses for certain purposes; and

WHEREAS, on November 19, 2013 the Berkeley City Council established such an area known as the Elmwood Business Improvement District (the "District"); and

WHEREAS, the City Council established the Elmwood Business Improvement District Advisory Board (Advisory Board) to act in compliance with State law to oversee the activities of the District; and

WHEREAS, the Advisory Board has submitted an Annual Report to the Berkeley City Council that outlines the activities of the District proposed for 2027 as required by the California Streets and Highways Code Section 36533; and

WHEREAS, the Annual Report is clear and complete and found to comply with the interests of Elmwood BID assessees; and

WHEREAS, the annual process for levying assessments in Business Improvement Districts requires that cities adopt a Resolution of Intent that declares their intent to levy such an assessment and then set a date for a public hearing where interested parties may be heard on the issue.

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

Section 1. The City Council hereby approves the Elmwood Business Improvement District Annual Report (Exhibit A) as submitted to the City Clerk by the Elmwood Business Improvement District Advisory Board.

Section 2. Pursuant to the provisions of Section 36500 et seq. of the California Streets and Highways Code (the "Act"), the City Council declares its intent to levy an annual assessment for the parking and business improvement area known as the Elmwood Business Improvement District.

Section 3. The boundaries of the District are set forth in Exhibit A1 to the Elmwood BID Annual Report and Budget which is attached hereto and incorporated herein by reference.

Section 4. The improvements and activities proposed for the District are as described in the Report and Budget (Exhibit A) and appended hereto. Council intends that these funds be used for designated activities and improvements in the Elmwood commercial

area. Council explicitly intends that funds generated through this BID shall not be used to pay for activities routinely paid for by the City.

Section 5. The City Council intends to levy assessments on businesses located within the boundaries of the District shown Exhibit A1 and according to the business classifications and rates set forth in Exhibit A2 which is attached hereto and incorporated herein by reference.

Section 6. A public hearing shall be held before the City Council on December 1, 2026. Following the hearing the Council will consider adoption of a resolution levying an assessment as recommended by the Elmwood Business Improvement Advisory Board. At this hearing the Council will hear all interested persons for or against the levying of such an assessment.

All formal written and oral protests against the levying of the District assessment should contain the following certification: "I certify that I am the owner of the business listed below, and that the business is located or operates within the boundaries of the Elmwood Business Improvement District." Protests should also contain the following information: business name (printed), business address (printed), City Business License Tax Registration number, name of protester (printed), signature of protester, date of protest and the reason(s) the protester is against the levying of the District assessment. Protests will not be considered valid unless signed and submitted by the owner of a business located within the boundaries of the proposed District. Written protests shall be filed with the City Clerk, First Floor, City Hall, at 2180 Milvia Street, Berkeley, California, 94704, at or before 3 pm on December 1, 2026 and shall contain a description of the business sufficient to identify the business, and if the person so protesting is not listed on City records as the owner of the business, the protest shall be accompanied by written evidence that the person subscripting the protest is the owner of the business. Any protest pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularity or defect to which the objection is made. If written protests are received from the owners of businesses in the District which will pay fifty percent (50%) or more of the assessment proposed to be levied, no further proceedings to levy the assessment shall be taken for a period of one year from the date of the finding of a majority protest by the City Council. If the majority protest is only against the furnishing of a specified type or types of improvements or activities within the District, those types of improvements or activities shall be eliminated.

Section 7. The City Clerk is directed to give notice of said public hearing by publishing the draft of the Resolution of Intention in a newspaper of general circulation.

Exhibit
A: Annual Report for the Elmwood Business Improvement District for ‘26 & Budget ‘27
A1: Map of the Elmwood BID 2027
A2: Assessment Rates 2027

EXHIBIT A

Annual Report for the Elmwood Business Improvement District for 2026

October 16, 2026

To: Members of the Berkeley City Council
From: The Elmwood Business Improvement District Advisory Board
Re: 2027 Elmwood BID Renewal

We respectfully request that the Elmwood Business Improvement District be renewed for the 2027 calendar year, with the same boundary as the prior year (Exhibit A1). The assessment method and basis remain the same.

The Elmwood BID was established in November 2013 to promote, maintain and beautify the Elmwood commercial district. Revenues of roughly $30,000 per year provide a regular, predictable source of funding for the Elmwood Business Association (EBA) activities, and an additional $5,000 of grant funding and fundraising is also anticipated. The Elmwood BID has allowed the EBA to expand its activities into areas such as maintenance and capital improvements.

The Elmwood Business Association is continuing to be the catalyst for Elmwood Business District's ongoing vitality. Here are some highlights:

- Engaging the merchants in the expanded BID to envision how EBA can assist in supporting their businesses
- Successfully put on the Third Elmwood Music Festival on three stages, partnering with the Berkeley Public Library – Claremont Branch, local food truck vendors, and local craft artists, bringing together the community on May 3, 2026.
- Hosted The Elmwood Beer Crawl on July 18, 2026.
- Hosting the Wine Walk on September 19, 2026
- Secured a funding commitment for the Music in the Elmwood event for two years, 2027 & 2028.
- Represented the interests Elmwood merchants on important issues such as Corridors Upzoning, marketing, and parking management.
- Maintenance of year-round lighting installation on district buildings
- Website: www.shoptheelmwood.com serves as one of the district's main marketing tools – District Events, Introducing New Businesses, and ongoing marketing updates
- Continued maintenance of Welcome to Elmwood banners as well as seasonal banners on light posts and ongoing maintenance
- Quarterly weeding and cleaning of Russell St. parking lot partnering with UC Berkeley
- Maintenance of security camera at Russell St. parking lot
- Maintaining a part-time Administrative Assistant to:
    - Engage the public on social media
    - Manage merchant communications

  - Promote monthly specials among Elmwood Merchants
  - Updating the website to keep it current
  - Project management of events around Elmwood BID
- Sponsored the following events:
  - Spring and Fall Outdoor Movie Nights
  - Spring Elmwood Music Festival
  - Where's Waldo Events
  - Summer Merchant Social to integrate merchants from the expanded BID
  - Fall Live Music Stroll
  - Stop for Berkeley Bicycle Day participants for snacks and water
  - Craft Fair featuring local artists
  - Fall Wine Walk
  - Holiday Season Events
  - Shop Local Promotions
- Members of the board are active in other Berkeley commercial and residential neighborhoods to promote harmony and cooperation

Below is a summary of our current financial position and our proposed budget for 2027 for your review.

2026-2027 Actual and Projected Expenditures
Elmwood Business Association

INCOME	2026 Budget	2027 Budget
Operating Income		
BID Membership dues	$ 35,000	$ 33,000
Other Revenue		$ 5,500
Special Allocation Fund (2026 Music in the Elmwood) – From Berk. City Council	$7,000	
Sponsorship for Wine Walk	$2,000	
Wine Walk + Vendor Fees	$15,000	
November Craft Faire	$1,300	
Other (Russell Lot Revenue)	$2,000	
Total Operating Income	**$ 62,300**	**$ 38,500**
Non-Operating Income		
Fees Collected from Vendors		$ 1,000
Total Non-Operating Income		**$ 1,000**
Total INCOME	**$ 62,300**	**$ 39,500**

EXPENSES		
Advertising & Marketing		
Various Holiday/Seasonal Marketing	$13,000	
Web Hosting and marketing	$3,000	
Banner Maintenance		$ 1,800
Building Light Maintenance		$ 250
Spring event production		$ 500
Merchant Social - Summer		$ 1,300

	Artisan Craft Event		$ 300
	Web Hosting and marketing		$ 1,000
	Halloween event production		$ 600
	Holiday season event production (incl. tree lights)		$ 2,500
Events (including Music in the Elmwood)		$10,000	
	Music Festival Expenses		$ 7,000
Consulting & Accounting		$300	
	Square Payment System		$ 120
	Accounting S/W (Xero)/Tax Filing		$ 200
Dues and Subscriptions		$350	
	Chamber of Commerce		$ 350
Insurance		$1,500	
	Liability for EBA		$ 650
	Liability for Board members		$ 900
License & Permits			
	Taxes & Licenses	$ 250	$ 200
Other: Office Supplies/Annual Mtg.			
	Office Expense	$1,000	
	Printing/copy	$ 700	$ 1,200
	Postage & Delivery (PO Box)	$ 250	$ 250
	Annual Mtg. Food/Beverage/Merchant Social	$ 2,500	$ 1,300
Repairs and Maintenance			

	Gardening (Tree wells)	$ 400	$ 400
Professional Fees			
	Legal and Professional Fees	$ 100	$ 100
Bank Fees			
	Wells Fargo Bank	$ 160	$ 150
Security			
	Holiday Private Security	$ 7,000	$ 10,000
Admin Support			
	Wages	$ 12,000	$ 12,500
	Total Operating Expenses	**$ 52,510**	**$ 43,570**

Retained Earnings		**$ 9,760**	**$ (4,070)**

Exhibit A1: Elmwood Business Improvement District (BID), Map

Elmwood BID Boundaries



City of Berkeley

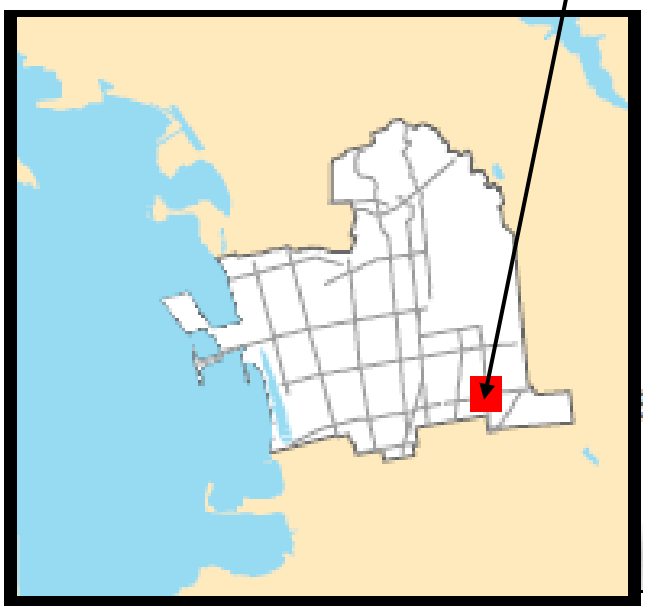


Exhibit A2: Elmwood Business Improvement District, Assessment Rates

Business Classifications and Assessment Rates	
Classifications	**Annual Rates**
Retail including jewelers & groceries but not restaurants (Tax Codes R, M and G but without NAICS 722, Food Services & Drinking Places)	
• Gross receipts under $350,000	$250
• Gross receipts $350,000--$999,000	$350
• Gross receipts $1,000,000	$500
Restaurants, including all businesses that prepare and serve food at the request of customers (NAICS 722)	$500
Professionals including offices of real estate brokers (Tax Code P)	
• Gross receipts under $100,000	$300
• Gross receipts over $100,000	$400
Entertainment and Recreation (Tax Code E)	$450
Business, Personal and Repair Services (Tax Code B) except Hair, Nail and Skin Care Services (NAICS 81211)	$200
Hair, Nail and Skin Care Services (NAICS 81211)	$200
Parking lot operators	$2,000
Financial Institutions	$2,500

Any business that is classified as a nonprofit (Tax Code N) for business licenses purposes, shall nevertheless pay the assessment at the rate that corresponds to its North American Standard Industrial Classification if it is engaged in the sale of products or services. Any new business established within the District shall not be required to pay an assessment on application for its business license but only on renewal at the end of the year it was initiated. (Ord. 7317-NS § 3 (part), 2013)

NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL

RENEWAL OF THE ELMWOOD BUSINESS IMPROVEMENT DISTRICT AND LEVYING OF ASSESSMENT FOR 2027

The Elmwood Business Improvement District (BID) Advisory Board is proposing that the Berkeley City Council confirm the Annual Report of the Elmwood BID for 2026 and levy an assessment for 2027.

The hearing will be held on December 1, 2026 at 6:00 p.m. at the SCHOOL DISTRICT BOARD ROOM - 1231 ADDISON STREET, BERKELEY, CA 94702 and via teleconference.

A copy of the agenda material for this hearing will be available on the City's website at www.berkeleyca.gov as of **November 19, 2026.**

Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Councilmembers. Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your e-mail address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or clerk@berkeleyca.gov for further information.

For further information, please contact Vincent McCoy, Office of Economic Development, at 510-981-2490.

Published: Draft Resolution of Intention, November 20, 2026 – The Berkeley Voice
As required by Streets and Highways Code Section 36534.

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of 2134 Martin Luther King Jr. Way, as well as on the City's website, on November 19, 2026.

Mark Numainville, City Clerk
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