

RESOLUTION NO. RES-05-0081

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH DECLARING THE INTENTION OF THE CITY COUNCIL TO AMEND THE MANAGEMENT PLAN FOR THE DOWNTOWN LONG BEACH PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FIXING THE TIME AND PLACE OF A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

WHEREAS, a property and business improvement district has been created pursuant to California Streets and Highways Code Section 36600 et seq. by certain property owners located within the City of Long Beach (the "Downtown Long Beach Property and Business Improvement District"); and

WHEREAS, the City Council of the City of Long Beach has received a request from the Owners' Association of the Downtown Long Beach Property and Business Improvement District to consider an amendment to the District's Management Plan, with regard to the governance of the Owners' Association.

NOW, THEREFORE, the City Council of the City of Long Beach resolves as follows:

Section 1. That the City Council hereby declares its intention to amend the Management Plan for the Downtown Long Beach Property and Business Improvement District under and pursuant to the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Section 36600, et seq.).

Sec. 2. The proposed Amended Management Plan for said District is attached as Exhibit "A" hereto.

Sec. 3. Notice is hereby given that a public hearing will be held concerning this matter on September 20, 2005 at the hour of 5:00 p.m., in the Council

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**Management Plan**  
for the continuation of the  
**Downtown Long Beach**  
**Property-Based Business Improvement District**

**AMENDED SEPTEMBER 9, 2005**

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**Exhibits:**

- Roster of the DLBA Board of Directors and PBID Steering Committee
- Engineer's Certification
- List of properties to be benefited
- Map with parcel detail

*Exhibits are available upon request from the Downtown Long Beach Associates*

**Prepared for the Downtown Long Beach Associates by**

**Progressive Urban Management Associates, Inc.**

Terrance E. Lowell & Associates

Downtown Resources

**I. DOWNTOWN LONG BEACH  
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID)  
SUMMARY**

Established in 1998 by downtown property and business owners, in cooperation with the Downtown Long Beach Associates (DLBA) and the City of Long Beach, the Downtown Long Beach Property-Based Business Improvement District (PBID) is a special benefit assessment district that conveys special benefits to the properties located within the district boundaries. As described in this plan, it is proposed that the PBID will continue to provide enhanced safety, maintenance, image enhancement and advocacy programs, above and beyond those provided by the City. This approach has been used successfully in downtown Long Beach, improving the district's business climate by making it safer, cleaner and more vibrant.

**Location:** The District currently encompasses approximately 72 blocks in an area bounded roughly by Seaside Way to the south, Alamitos Avenue on the east, the Long Beach Freeway on the west and Broadway, 6<sup>th</sup> Street, 8<sup>th</sup> Street and 4<sup>th</sup> Street to the north. This plan proposes that the district boundary be expanded to the south beyond Seaside Way to include much of the Waterfront area east of Golden Shore, west of Pine Avenue, east of Magnolia and south of Shoreline Drive, and west of Magnolia and north of Shoreline Drive. *A map of the proposed district boundary is attached and a more detailed map with specific parcel lines will be provided upon request.*

**Improvements & Activities:** **Downtown Clean Team** to continue the scope and frequency of enhanced sidewalk sweeping, power washing, litter and graffiti removal.  
**Downtown Guides** to support crime prevention, reduce the incidence of nuisance crimes, productively address the challenges associated with street populations and generally make downtown streets more hospitable.  
**Image Enhancement** through economic development and destination marketing initiatives that improve the overall business climate, marketability and regional profile of Downtown.  
**Special Projects** that add visible improvements to downtown streets and sidewalks.  
**Advocacy** through a unified voice to advance projects and issues.

**Method of Financing:** Levy of assessments upon real property that benefits from improvements and activities.

**Budget:** Total District budget for its first year of operation is **\$1,510,600:**

<b>Activity</b>	<b>Budget</b>	<b>% of Total</b>
Clean Team	\$ 540,000	35.7
Downtown Guides	\$ 475,000	31.4
Image/Communications	\$ 150,000	9.9
Special Projects	\$ 100,000	6.6
Advocacy & Administration	\$ 187,500	12.4
Reserve	\$ 58,100	3.8
<b>Total</b>	<b>\$ 1,510,600</b>	<b>100.0</b>

**Benefit Zones:** Enhanced PBID services will be provided in each of three benefit zones within the District.

**Cost:** Annual assessments are based upon an allocation of program costs and a calculation of linear frontage and lot plus building square footage.

Expenses for Image/Communications will be increased over the first three years from \$150,000 to \$300,000 and annual cost of living allowances of 3% are projected for Downtown Guides and Clean Teams during the first three years, resulting in the following maximum assessments:

	Year 1	Year 2	Year 3
<b>Maximum Assessment per Linear Foot of Frontage</b>			
Zone 3: Premium	\$ 13.02	\$ 13.41	\$ 13.82
Zone 2: Standard	\$ 7.56	\$ 7.78	\$ 8.02
<b>Maximum Assessment per Square Foot of Lot plus Building</b>			
Zones 3 & 2: Premium and Standard	\$ 0.0298	\$ 0.0338	\$ 0.0378
Zone 1: Basic	\$ 0.0159	\$ 0.0196	\$ 0.0233

Following Year Three, annual assessments may increase by as much as 5% per year to keep pace with the consumer price index and other program costs.

**City Services:** The City of Long Beach has established and documented the base level of pre-existing City services. The PBID will not replace any pre-existing general City services.

**District Governance:** The PBID will continue to be operated by the Downtown Long Beach Associates, a non-profit organization consisting of property owners, businesses and other assessment ratepayers within the District.

**District Continuation:** District continuation requires submission of petitions from property owners representing more than 50% of total assessments. Petitions are then submitted to City Council and a mail ballot is sent to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID to allow Council to renew it.

**Duration:** The district will have a 10-year life beginning January 1, 2004. After five years, the DLBA will undertake a review of the plan and PBID programs. Any change in boundaries and/or assessments that are not consistent with the provisions of this plan will require a new mail ballot process.

## II. WHY CONTINUE THE DOWNTOWN LONG BEACH PBID?

The Downtown Long Beach PBID was established by property and business owners in 1998. In the mid to late 1990s, Downtown was perceived as unsafe, dirty and deteriorating. The PBID was viewed as a pro-active private sector initiative to stabilize Downtown's streets by expanding the deployment of the clean teams and guides.

At the beginning of 2003, Downtown's fortunes have greatly improved. More than \$1 billion in new investment is currently underway, including the recently opened CityPlace shopping center, the Pike retail/entertainment complex and more than 3,000 new downtown housing units that are under construction or planned. To protect and leverage Downtown's existing and new investment, the following reasons have been voiced by Downtown property and business owners for continuing the PBID:

- **Maintain the level of enhanced cleanliness and safety that has visibly improved Downtown since the PBID was formed.** Responses from property and business owner surveys and interviews find that Downtown has become remarkably cleaner and safer in the past four years. PBID services are directly attributed to these positive changes.
- **Accommodate Downtown's evolution as an emerging consumer destination – make sure that the Downtown experience is clean, safe and fun for employees, visitors and tourists.** As Pine Avenue, the East Village, CityPlace, the Pike and other parts of Downtown continue to bloom, Downtown is becoming a stronger regional draw. The PBID is necessary to continue to provide a secure and reliable environment for the Downtown experience.
- **Be more competitive in a changing and challenging market by creating and implementing more aggressive destination marketing, economic development and image enhancement initiatives.** The regional and national economic environment is far more challenging today than it was four years ago. In uncertain times, the PBID can be a tool to elevate Downtown's profile and help Long Beach shed its reputation as a minor league affiliate in a major league market.
- **Maintain private sector control and accountability for enhanced services.** The PBID will continue to be managed by the private non-profit Downtown Long Beach Associates guided by its board of directors composed of Downtown property and business owners.
- **Simplify the PBID service and assessment structure.** This management plan proposes to reduce the number of benefit zones from five to three and create a more equitable and understandable rate structure.
- **Strengthen and unify downtown's private sector voice and influence.** The PBID is helping Downtown to become a stronger partner in the design and implementation of city policies and practices – a role that is more critical during a time of declining municipal budgets and uncertainty.

### III. HISTORY AND TRACK RECORD OF THE DOWNTOWN PBID

#### What is a PBID?

The International Downtown Association estimates that more than 1,000 property-based business improvement districts (PBID) currently operate throughout the United States and Canada. **A PBID provides enhanced improvements and activities, such as maintenance and marketing, in addition to those provided by local government.** PBIDs are proven to work by providing services that improve the overall viability of business districts -- resulting in higher property values and sales.

Since the creation of California's Property and Business Improvement District Law in 1994, more than 60 new PBIDs have been established in California downtowns and business districts, including more than 30 in Southern California.

#### Downtown Long Beach PBID Performance: 1999 through 2002

The Downtown Long Beach PBID was formed in 1998 following the submission of petitions from downtown property owners to the Long Beach City Council. Beginning on January 1, 1999, the Downtown Long Beach Associates began to deploy services financed by the PBID, including:

- Brightly uniformed **Clean Teams** offer regular sweeping, litter and graffiti removal and power washing of downtown sidewalks.
- Deployed on foot and bicycle, **Downtown Guides** provide "eyes and ears" for the Long Beach Police. In addition to working with the police, the Guides are trained to assist downtown employees and visitors, work with social service agencies to address street populations and deter graffiti and other maintenance problems.

Downtown Guides are currently deployed in four of the District's five benefit zones and the Clean Teams currently service three of the District's benefit zones.

- PBID **Special Projects** have supported a variety of visible improvements throughout the District, including new signage, banners and public art. Special project funds are currently raised and expended in three of the district's five benefit zones.
- **Image and Communications** programs include support for downtown marketing and economic development efforts.
- **Advocacy** services have ensured that PBID ratepayer interests are represented in policies and issues that affect downtown.

The entire district shares in the costs and benefits from image enhancement and advocacy services.

## Property Owner Satisfaction with PBID Services

During the Summer of 2002, a ratepayer satisfaction survey was distributed to property owners within the Downtown Long Beach PBID. The responses, which echo similar sentiments from additional property and business owner interviews, include:

### **Change in character of Downtown since 1999:**

- 95% respond that Downtown is cleaner
- 94% respond that Downtown's overall appearance has improved
- 80% respond that Downtown's image has improved
- 70% respond that Downtown is perceived as safer
- 67% respond that Downtown really is safer

### **Satisfaction with PBID services:**

- 83% rate sidewalk sweeping, litter and graffiti removal as good to very good
- 71% rate pressure washing of sidewalks as good to very good
- 66% rate Downtown Guides as good to very good

### **Emphasis for future PBID activities:**

- 76% would like more retail recruitment
- 72% would like more advocacy/economic development
- 70% would like more marketing/image activities
- 65% would like more street beautification/banners

### **Overall change in Downtown since 1999?**

- 86% respond that services have somewhat or greatly improved.

## Fiscal Responsibility

With services delivered by the private non-profit Downtown Long Beach Associates and governed by a Board of Directors consisting of downtown property and business owners, the PBID has exercised a high degree of fiscal responsibility over its first four years. Key fiscal management measures include:

- **Accountability:** While the original management plan allows for annual rate increases of up to 5% per year, actual rate increases have averaged less than 3% per year, and the rate increase was zero for the final year of the district.
- **Efficiency:** Advocacy and administrative costs have consistently stayed at about 12% of the total budget, well under the administrative average of more than 15% for similarly sized districts.
- **Transparency:** Annual independent audits have been performed and all PBID meetings and records are subject to California Brown Act requirements.

#### IV. IMPROVEMENT AND ACTIVITY PLAN

##### A. Process to Establish the Management Plan

To form the Management Plan for the continuation of the Downtown Long Beach PBID, more than 75 area property and business owners and civic leaders have been involved in a participatory process that was initiated in the Spring of 2002. The consulting firm of Progressive Urban Management Associates was retained by the Downtown Long Beach Associates to guide the process for renewing the Downtown PBID. Key steps of the process included:

1. **PBID Steering Committee:** To guide the consultant team and test PBID renewal concepts, a PBID Steering Committee composed of district property and business owners was created. The board of directors of the Downtown Long Beach Associates provides the foundation for the Steering Committee. A roster of the PBID Steering Committee is provided in the *Appendix*.
2. **One-On-One and Small Group Meetings with Key Property Owners:** The consultants held a series of one-on-one and small group meetings with property owners located throughout the PBID renewal study area. Small group meetings included property owners within the existing zones, including the East Village and West Gateway, large office and retail property owners and representatives from the City of Long Beach and the Long Beach Redevelopment Agency.
3. **Direct Mail Survey:** In the Summer of 2002, a direct mail survey was sent to property owners within the Downtown PBID study area. Thirty-seven (37) surveys were returned providing additional input into the design of the improvement and activity plan.

Top community improvement priorities that emerged from surveys completed by participants in one-on-one and small group meetings and the direct mail survey included:

- Continue clean and safe programs
  - Create a new emphasis on improving image, occupancy and sales
  - Keep costs reasonable
  - Streamline and simplify the existing PBID structure
4. **Plan Review Workshops/Final Plan:** The draft PBID management plan and budget were reviewed by the PBID Steering Committee and then presented in four workshops held in early December 2002 and then two additional workshops in early February 2003. Input from the workshops and the PBID Steering Committee led to the completion of the final plan.

**B. PBID Boundaries and Benefit Zones**

**Existing Boundaries and Zones:** The Downtown Long Beach PBID currently services a 72-block area that is roughly bounded by:

- Seaside Way to the south;
- Alamitos Avenue on the east;
- The Long Beach Freeway (I-710) to the west;
- Broadway, 6<sup>th</sup> Street, 8<sup>th</sup> Street and 4<sup>th</sup> Street to the north.

Within this boundary, the PBID currently provides services within five benefit zones. Each zone receives a different mix of PBID services, ranging to the full deployment of clean, safe and image enhancement services to limited service of image enhancement only.

**Proposed Boundaries and Zones:** No change is proposed to the external boundary of the PBID, with the exception of adding the Waterfront area to include new development located east of Magnolia and west of Pine Avenue, Elm from 4<sup>th</sup> Street to 6<sup>th</sup> Street to include the full CityPlace development.

Within the PBID, the existing five benefit zones will be consolidated to three service areas as follows:

<b>New Service Area</b>	<b>Former Benefit Zone</b>
<b>Zone 1: Basic Service Area</b>	Zone 1
<b>Zone 2: Standard Service Area</b>	Zones 2, 3, 4, 5 and part of the new Waterfront area
<b>Zone 3: Premium Service Area</b>	Pine and Promenade, CityPlace and the Pike

*A map illustrating the new boundaries and zones is attached.*

## C. Work Program

The following narrative provides recommendations for the first operating year of the PBID. Program activities may be amended in subsequent years within the following general categories. Final programs and budgets will be subject to the review and approval of the Downtown Long Beach Associates board of directors.

### 1. Clean Team

Uniformed clean teams will continue to provide enhanced maintenance services, including:

- Sidewalk sweeping and litter removal
- Power washing and scrubbing of sidewalks
- Graffiti removal
- Clean-up of unusual maintenance problems, ranging from illegal dumping to stray shopping carts.

The proposed service frequencies for Clean Team services by zone is provided below:

ACTIVITY	Zone 1: BASIC SERVICE AREA	Zone 2: STANDARD SERVICE AREA	Zone 3: PREMIUM SERVICE AREA
Sidewalk Sweeping	No	Daily	Daily
Power Washing Sidewalks	No	Once every 4 to 6 weeks	Weekly
Sidewalk Scrubber	No	Once every 2 weeks	Weekly
Graffiti removal & "SWAT" Team	No	As Needed	As Needed

*The Clean Team is budgeted for 35.7% of first year PBID assessments.*

### 2. Downtown Guides

Uniformed downtown guides will continue to provide downtown ambassadorial services by assisting visitors and employees, and support police crime prevention efforts to reduce the incidence of nuisance crimes and productively address the challenges associated with street populations. Deployment of guides will include:

- Foot patrols
- Bicycle patrols
- Escort and visitor services

The proposed service frequencies for Downtown Guide deployment is provided below:

ACTIVITY	Zone 1: BASIC SERVICE AREA	Zone 2: STANDARD SERVICE AREA	Zone 3: PREMIUM SERVICE AREA
Foot Patrols	No	No	Yes
Bicycle Patrols	No	Yes	Yes
Escort & Visitor Services	No	Yes	Yes

*Downtown Guides are budgeted for 31.4% of first year PBID assessments.*

### 3. Image Enhancement

Image enhancement activities will aim to improve the overall business image of Downtown with the goal of attracting and retaining businesses, jobs and investment. Initiatives must be designed to provide collective benefits to businesses and property owners. While annual work programs and budgets will be developed in collaboration with targeted stakeholders and approved by the Downtown Long Beach Associates board of directors, programs will be selected from a variety of options that may include the following:

**Destination Marketing** programs that aim to position Downtown Long Beach as a consumer destination. Marketing programs must demonstrate collective benefits to business and property owners. Options include:

- Advertising, including branding and cooperative campaigns and increased placement and frequency in print media.
- Increased distribution and enhanced quality of publications, including the downtown map and directory and activity guides.
- Improved and increased special event production.
- Public relations efforts to promote a positive image and overall experience.

**Investor Marketing/Economic Development** services to aide in efforts to attract new office tenants and retail businesses to Downtown and elevate Downtown's business profile in the regional market. Options include:

- Design and production of investor marketing packages to assist real estate brokers, developers and property owners in business recruitment efforts.
- Maintenance of a district database with local market and real estate information.
- Trouble-shooting and permitting liaison services to assist property and business owners to invest and operate in the district.
- Enhanced research and development of the [www.downtownlongbeach.org](http://www.downtownlongbeach.org) website.
- Incentives and marketing activities targeted to regional real estate brokers.
- Increased business retention efforts to encourage existing businesses to grow.

**Communications** services to better inform business and property owners.

- Continued publication of a periodic newsletter
- PBID ratepayer surveys to measure overall satisfaction with programs.
- Media relations activities to project a positive business image in local, regional and national media.

*Image enhancement activities are budgeted for 9.9% of funds raised from first year PBID assessments.*

#### **4. Special Projects**

Special project funds support improvements that improve the visual appearance of Downtown and may include:

- Seasonal banners and decorations
- Public art
- Street furniture and amenities
- Feasibility analyses and plans for design and physical improvements
- Other activities and improvements that visibly enhance the Downtown environment

Funds for special projects would be generated from assessments within the standard and premium service areas. Annual recommendations regarding the allocation of special project funds will be determined by the PBID representatives on the DLBA board of directors.

*Special projects are budgeted for 6.6% of first year PBID assessments.*

#### **5. Advocacy, Administration and Reserve**

Through the Downtown Long Beach Associates, the PBID supports a professional staff that delivers programs and advocates on behalf of the Downtown community. The PBID allows Downtown stakeholders to project a unified voice and elevate their influence in policies and issues that affect the central business district.

Funds are allocated to office and support services such as bookkeeping, office rent, insurance, office equipment and professional development and training for the staff and Downtown Long Beach Associates board. A 4% operating reserve is also budgeted as a contingency for any payment delinquencies and/or unforeseen budget adjustments.

*Advocacy and administration accounts for 12.4% of the proposed first year PBID operating budget. Nationally, PBIDs of similar size require 12% to 15% of overall budget to support these functions.*

## D. Plan Budgets

### 1. 2004 Operating Budget Summary

The summary of the 2004 operating budget for the Downtown Long Beach PBID is provided in the attached Proposed 2004 Operating Budget exhibit. The total improvement and activity plan budget for 2004 is projected at \$1,510,600 with the following components:

<b>Improvements &amp; Activities</b>	
Clean Team	\$ 540,000
Downtown Guides	475,000
Image/Communications	150,000
Special Projects	100,000
Advocacy & Administration	187,500
PBID Reserve	58,100
<b>Total</b>	<b>\$ 1,510,600</b>

### 2. Ten Year Operating Budget

A projected ten year operating budget for the Downtown Long Beach PBID is provided in the attached Proposed 2004 Operating Budget exhibit. The projections are based upon the following assumptions:

- Expenses for Image/Communications will be increased over the first three years from \$150,000 to \$300,000. Annual cost of living allowances of 3% are also projected for Downtown Guides and Clean Team programs during the first three years.
- Following Year 3, total program revenue increases by 5% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with changes in the consumer price index and other program costs. Actual budgets may not increase 5%, as determined by the Downtown Long Beach Associates board of directors. During the first five years of the current PBID, actual annual increases averaged less than 3%.
- Revenues for specific activities (i.e. Clean Team, Downtown Guides, image enhancement, special projects, advocacy, administration and reserve) may be reallocated among activities from year to year based upon district needs and budgets developed by the Downtown Long Beach Associates board of directors.

## V. ASSESSMENTS

### A. Assessment Methodology

To develop the PBID assessment methodology, the consulting team included participation from Terrance E. Lowell & Associates, a certified engineer. Lowell evaluated several methods of assessment for conveying special benefits from the type of improvements and activities described within the Downtown Long Beach PBID Management Plan.

**Cost Allocation Approach:** The existing and proposed assessment methodologies are based upon a cost allocation approach, by which the direct cost of PBID services within a specific benefit zone are allocated to the properties within the specific zone. The benefit zones receive different services as illustrated on the following chart:

ACTIVITY	Zone 1: BASIC SERVICE AREA	Zone 2: STANDARD SERVICE AREA	Zone 3: PREMIUM SERVICE AREA
<b>Clean Team</b>			
Sidewalk Sweeping	No	Daily	Daily
Power Washing Sidewalks	No	Once every 4 to 6 weeks	Weekly
Sidewalk Scrubber	No	Once every 2 weeks	Weekly
Graffiti removal & "SWAT" Team	No	As Needed	As Needed
<b>Downtown Guides</b>			
Foot Patrols	No	No	Yes
Bicycle Patrols	No	Yes	Yes
Escort & Visitor Services	No	Yes	Yes
<b>Image Enhancement</b>			
Economic Development Services	Yes	Yes	Yes
Destination Marketing Program	Yes	Yes	Yes
<b>Advocacy</b>	Yes	Yes	Yes
<b>Special Projects</b>	No	Yes	Yes

**Special Benefit:** The cost allocation approach respects the notion of special benefit resulting from assessments. The PBID assessment includes several benefit zones and property variables that narrowly tailor the assessments to benefits received. The property-related services described within the Management Plan are designed to provide special benefit to properties within the district. General benefit to properties is provided by the basic services delivered by the City of Long Beach. Services provided by the PBID are supplemental to City services and therefore convey special benefit.

**Assessment Variables:** The current assessment methodology for the Downtown Long Beach PBID is based upon a combination of linear frontage and lot square footage. To distribute benefits from Downtown Guides and new image enhancement programs, building square footage is being introduced into the methodology. Variables include:

- **Linear Frontage:** Linear frontage remains a primary assessment variable in the standard and premium service areas. All Clean Team costs and one-half of the Downtown Guide costs are allocated through linear frontage, acknowledging the benefit of these services to make downtown sidewalks cleaner and safer.
- **Lot plus Building Square Footage:** The sum of lot and building square footage is a primary assessment variable for one-half of the Downtown Guide costs and the full costs of image enhancement, special projects, advocacy and administration. Benefits from image enhancement activities are designed to improve image, occupancy and sales, benefits that are distributed throughout buildings. One-half of Downtown Guide costs allocated through lot and building square footage acknowledge benefits to all employees and visitors. The inclusion of lot square footage in the calculation acknowledges the greater benefits of these services to the ground level of property. Building square footage is defined as "rentable building square footage".
- **Premium Service Area Frontage Assessment:** The linear frontage assessment is higher in the premium service area than the standard service area, acknowledging the greater frequency in Clean Team and Downtown Guide services.

## **B. Calculation of Assessments**

The preceding methodology is applied to a database that has been constructed by the NBS Government Finance Group with primary data provided by the Los Angeles County Assessor and the City of Long Beach. The process for compiling the property database includes the following steps:

- Since the initiation of the PBID in 1999, NBS has obtained property data from the County of Los Angeles Assessor's Office. This data, which includes ownership and property characteristics, is updated annually by NBS.
- Building square footage information was obtained from the City of Long Beach in 2002 and was added to the NBS database by Downtown Long Beach Associates.
- A site survey was undertaken to verify data on a random case basis.
- Final data was verified by Downtown Long Beach property owners through individual data verification forms that were distributed to each property owner in January of 2003.

As an attachment to the Management Plan, an assessment notice will be sent to all property owners within the proposed PBID. The assessment notice will contain frontage, lot and building size information. Property owners may request final verification of data by submitting documentation of property characteristics to DLBA before July 1, 2003, which is one month prior to the submission of assessment information to the County Auditor.

A list of properties to be included in the PBID is provided within the *Appendix*.

**Maximum Rates of Assessment:** Based upon the methodology, property data, the proposed PBID budget and a maximum annual adjustment of 5%, approximate assessment rates for linear frontage and lot plus building square footages are calculated. In future years, assessment rates may change, up or down, if linear frontage or building and lot square footage information changes and/or PBID budgets change pursuant to the annual budget adjustment. At no time during the 10-year term of the PBID will assessments exceed the following amounts:

	Year 1 (2004)	Year 2 (2005)	Year 3 (2006)	Year 4 (2007)	Year 5 (2008)	Year 6 (2009)	Year 7 (2010)	Year 8 (2011)	Year 9 (2012)	Year 10 (2013)
<b>Zone 1: Basic Service</b>										
\$/Per building plus lot sq.ft.	0.0159	0.0196	0.0233	0.0244	0.0257	0.0270	0.0283	0.0297	0.0312	0.0328
<b>Zone 2: Standard Service</b>										
\$/Per linear foot of frontage	7.555	7.781	8.015	8.416	8.836	9.278	9.742	10.229	10.741	11.278
\$/Per building plus lot sq.ft.	0.0298	0.0338	0.0378	0.0397	0.0417	0.0437	0.0459	0.0482	0.0506	0.0532
<b>Zone 3: Premium Service</b>										
\$/Per linear foot of frontage	13.022	13.413	13.815	14.506	15.231	15.993	16.792	17.632	18.514	19.439
\$/Per building plus lot sq.ft.	0.0298	0.0338	0.0378	0.0397	0.0417	0.0437	0.0459	0.0482	0.0506	0.0532

**Comparison of Existing vs. Proposed Assessment Rates (Year 1)**

Activity	Existing Rates	Proposed Rates
<b>Basic Service Areas</b> (formerly Zone 1)	3.3 cents per sq.ft. of lot	1.59 cents per sq.ft. of lot + building
<b>Standard Service Areas</b> (formerly Zones 2, 3, 4 and 5)	\$7.91 to \$10.79 per linear ft of frontage plus 4.4 to 5.5 cents per sq.ft. of lot	\$7.56 per linear ft of frontage plus 2.98 cents per sq.ft. of lot + building
<b>Premium Service Areas</b> (Pine/Promenade, CityPlace and the Pike)	\$10.79 per linear ft of frontage plus 4.4 cents per sq.ft. of lot	\$13.02 per linear ft of frontage plus 2.98 cents per sq.ft. of lot + building

## C. Assessment Adjustments

**Annual Adjustment:** Annual assessment rates may be adjusted for annual changes in the Tri-County Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed 5%. Actual annual adjustments may range from 0% to 5%. Assessment rates will not exceed the levels illustrated by the table on the preceding page.

**Budget Adjustment:** Any annual budget surplus or deficit will be rolled into the following year's PBID budget. Assessments will be set accordingly, within the constraints of the CPI adjustment, to adjust for surpluses or deficits that are carried forward. Note that the PBID Operating Reserve will be maintained at approximately 4% of the PBID operating budget.

**Time and Manner for Collecting Assessments:** As provided by state law, the Downtown Long Beach PBID assessment appears as a separate line item on annual property tax bills prepared by the County of Los Angeles. Property tax bills are distributed in the Fall and payment is expected by lump sum or installment. Existing laws for enforcement and appeal of property taxes apply to PBID assessments.

**Disestablishment:** State law provides for the disestablishment of a PBID pursuant to an annual review process. Each year that the PBID 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. This 30-day period begins each year on the anniversary day that the district was first established by City Council.

Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the PBID may be disestablished. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so.

**Property Use Considerations:** The methodology provides the following treatments for property used exclusively for residential, parking structure, non-profit and government uses:

- **Treatment of Residential Property:** Properties used exclusively for rental residential use are considered commercial income-producing property and will be subject to PBID assessments. Properties used exclusively for owner-occupied residential use will not benefit from PBID services are not subject to PBID assessments.
- **Treatment of Mixed Residential/Commercial Property:** Mixed-use properties that contain both rental residential and commercial uses will be subject to PBID assessments. Mixed-use properties that contain both owner-occupied residential uses and commercial uses will be assessed only on the property that is occupied by a commercial use.
- **Parking:** Parking structures will be subject to one of the following assessment treatments:

1. Frontage, lot and building square footage for parking that is integrated within a building (and the building has other uses in addition to parking) will be excluded from assessment calculations.
2. Frontage, lot and building square footage for stand-alone structured public parking and surface parking will be assessed for all PBID services.

- **Assessment Policy on 501c3 Organizations:** Because tax-exempt properties will not benefit from the PBID, they may be excluded from assessments. An owner of real property located within the PBID may reduce the amount of the assessment to be levied if all of the following conditions are met:

1. The property owner is a non-profit corporation that has obtained federal tax exemption under Internal Revenue Code section 501c3 or California franchise tax-exemption under the Revenue and Taxation Code Section 23701d.
2. The class or category of real property is eligible for exemption, in whole or in part, from real property taxation.
3. The property owner makes the request in writing to the Downtown Long Beach Associates prior to the submission of the PBID assessment rolls to the County Assessor (on or before July 1 of each year), accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property.

If these conditions are met, the amount of the PBID assessment to be levied shall be reduced in the same proportion to the real property tax exemption granted to the property by the County of Los Angeles.

- **Long Beach Unified School District:** Properties owned by the Long Beach Unified School District will be exempt from assessment calculations.
- **Government Assessments:** The Downtown Long Beach PBID Management Plan assumes that the City of Long Beach, Long Beach Redevelopment Agency, County of Los Angeles and other government entities will pay assessments for the special benefits conferred to government property within the boundaries of the PBID. Article XIII D of the California Constitution was added in November of 1996 and provides for these payments.

## **VI. GOVERNANCE**

Management Plan amended September 6, 2005 to remove this section.