



# CITY OF LONG BEACH

# R-17

DEPARTMENT OF PUBLIC WORKS

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April 23, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to sign the petition relating to City-owned properties located within the District to re-establish the Magnolia Industrial Group Property and Business Improvement District. (District 1)

## DISCUSSION

The State of California Property and Business Improvement District Law of 1994 (Section 33600 et seq. of the California Streets and Highways Code) and Article XIID of the California Constitution (Proposition 218) enables the City to create a property-based assessment district allowing property owners to voluntarily assess themselves for various services beyond those provided by the City, including enhanced maintenance, public safety, beautification, marketing and economic development programs. The Magnolia Industrial Group Property and Business Improvement District (MIG-PBID) was initially established by the City Council in 1996. On July 15, 2003, the City Council re-established the District for a term of 10 years. The current MIG-PBID terminates on November 30, 2013, and MIG property owners are now seeking to re-establish the MIG-PBID for an additional 10-year term.

Re-establishment of the MIG-PBID is accomplished through a majority vote of the property owners in favor of the proposed assessment for the new term. Pursuant to the California Constitution, the vote on a proposed special assessment must be weighted according to the proportional financial obligation of the affected properties. The assessment is based upon the special benefits each individual parcel receives as determined by an independent Engineer's Report prepared pursuant to State law. In order for the MIG-PBID to be re-established and the contract renewed, petitions must first be signed by property owners within the MIG-PBID boundaries who will pay more than 50 percent (based on assessment value) of the proposed assessments. These petitions have been delivered to each individual parcel owner within the District, and once the signed petitions representing more than 50 percent of the assessment proposed to be levied have been received by the City, the City Council may initiate proceedings to reform the District by the adoption of a Resolution of Intent (ROI) to re-establish the District, and to set public hearings and issue ballots to each individual parcel owner.

Within the District, two different special benefit zones are proposed based on square footage of each parcel. The proposed assessment methodology is described as:

Zone 1 will include all properties under or equal to 20,000 square feet, and the monthly assessment amount will be \$62.01 to each property owner.

Zone 2 will include all properties over 20,000 square feet and the monthly assessment amount will be \$62.01 + \$0.001116 for each square foot over 20,000. If the resulting assessment is in excess of \$124.01, the excess will be eliminated and the property owner will pay \$124.01.

Using this formula no property owner will pay less than \$62.01, nor more than \$124.01 per month.

Contained within the District is the City's Public Service Yard located at 1651 San Francisco Ave. The City Council's action to authorize the City Manager's signature on the petition in favor of the MIG-PBID's re-establishment will contribute toward the requirement for more than 50 percent support (based on assessment value) needed to proceed to a vote of the property owners.

In the past, City owned parcels within the boundaries of the MIG-PBID were not assessed, but in accordance with current State Law, as well as legal precedence, all parcels located in the District are required to be assessed. The assessment amount owed by the City is based upon the special benefit received by the properties in accordance with their size. The calculation of the assessment is consistent with the Management Plan and the methodology detailed in the Engineer's Report. The City's anticipated assessment amount in the first year of the newly reauthorized District is estimated to be \$1,488.

If more than 50 percent support is indicated in the petitions, petition results will be presented to the City Council along with a proposed ROI to proceed to re-establish the District. If the City Council adopts the ROI, a formal vote of the property owners (including the City) will be conducted in accordance with State law. This will include written notice of the proposed assessment to the record owners of all assessed parcels, a voting ballot, and a statement that a majority protest vote will prevent the assessment's passage. The City will conduct a public hearing upon the proposed assessment, not less than 45 days after mailing the notice to the record property owners, and consider all protests against the proposed assessment and tabulate the ballots. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

This matter was reviewed by Assistant City Attorney Charles Parkin on March 20, 2013 and Budget Management Officer Victoria Bell on April 13, 2013.

TIMING CONSIDERATIONS

The current MIG-PBID contract terminates on November 30, 2013. City Council approval to sign the petition is needed at this time to allow completion of the renewal process within the time frames allowed under State law.

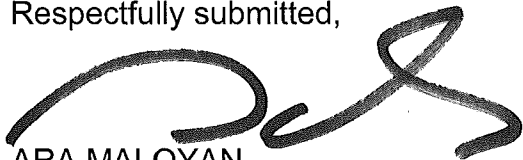
FISCAL IMPACT

Sufficient funds to cover the MIG-PBID contract will be included in the FY 14 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Department of Public Works (PW). The contract amount includes the City's anticipated assessment of \$1,488 for the City-owned parcels. There is no fiscal impact to the General Fund (GP) and no local job impact associated with the recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN  
ACTING DIRECTOR OF PUBLIC WORKS

AM:VSG:jsf  
Magnolia Industrial CM sign petition.v3

APPROVED:



PATRICK H. WEST  
CITY MANAGER