



Legislation Details (With Text)

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Title: Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report for the period of January 1, 2020 through December 31, 2020, extending the agreement for funding with the Downtown Long Beach Alliance for one year; authorize payment of \$545,519 in City property assessments from the Civic Center Fund Group in the Public Works Department, and \$4,208 from the General Fund in the Economic Development Department; and

Increase appropriations in the General Fund Group in the Economic Development Department by \$4,208, offset by funds available.
(Districts 1,2)

Sponsors: Economic Development

Indexes:

Code sections:

Attachments: 1. 111919-R-18sr&att.pdf

Date	Ver.	Action By	Action	Result
11/19/2019	1	City Council	approve recommendation	Pass

Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report for the period of January 1, 2020 through December 31, 2020, extending the agreement for funding with the Downtown Long Beach Alliance for one year; authorize payment of \$545,519 in City property assessments from the Civic Center Fund Group in the Public Works Department, and \$4,208 from the General Fund in the Economic Development Department; and

Increase appropriations in the General Fund Group in the Economic Development Department by \$4,208, offset by funds available.
(Districts 1,2)

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that are received by the City of Long Beach (City) and distributed to the organization. These include business licenses assessments, property owner assessments, and parking meter revenue sharing from the Downtown area. This recommended action relates to property owner assessment funds generated by the Downtown Long Beach Property and Business Improvement District (DLBPBID).

The DLBPBID was established by the City Council in 1998 for an initial term of five years. The DLBPBID was renewed in 2003 for a term of ten years, and, again in 2012 for an additional ten-year term. The City contracts with the DLBA to manage the DLBPBID, and the

DLBA Board of Directors serves as the Advisory Board to the City Council on matters related to the DLBPBID. The DLBA utilizes DLBPBID funding to provide enhanced maintenance, public safety, beautification, marketing, and economic development programs, above and beyond those provided by the City.

State law governing Property and Business Improvement Districts requires that an Annual Report be submitted to the City Council by the Advisory Board designated for this Assessment District. The DLBPBID 2019-2020 Annual Report (Annual Report) describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment (Attachment A). The Annual Report proposes no change to the DLBPBID boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the Advisory Board, proposes the following assessment rates:

Method of Assessment

Property and Business Improvement District (PBID) assessments are collected through the County of Los Angeles from property owners within a geographical boundary in Downtown Long Beach. The assessment methodology is based on the parcel and building square footage, the linear footage of the property, and the level of services rendered to the benefit areas.

Assessments are computed using five property characteristics: land use type, benefit zone, linear frontage, lot square footage, and building square footage. Each assessable parcel is categorized into one of the following land use types: Commercial, Government, Residential, Non-Profit, and Parking.

After each parcel is categorized into its proper land use type, linear frontage, lot square footage and building square footage are determined and those values are multiplied by the assessment rates shown below to determine the total assessment.

Category	Actual Rates 2019/20	
	Standard Zone	Premium Zone
Frontage	11.7793537882	19.0270718150
Lot + Building (Com/Gov)	0.0514118540	0.0564771555
Lot + Building (Parking)	0.0336163029	0.0386816043
Lot + Building (Non-Profit/Residential)	0.0158207517	0.0208860532

The DLBA Advisory Board voted on April 17, 2019 to raise assessment rates by 3.5 percent as allowed per the DLBPBID Management Plan that was approved by the City Council in

2012.

The DLBPBID assessment area contains properties owned by private commercial and residential property owners, the City, and other government agencies. In FY 20, the City assessment is \$549,727. Of this assessment, \$160,692 is related to the Pike property development and will be paid to the City by Site Centers (previously Developers Diversified Realty), as required by their lease. The City will forward those funds to the DLBPBID to fund that portion of the assessment. The City's assessment, less the Pike Property, is \$389,035. The City's assessment represents approximately 14.2 percent of the total levy of \$2,736,950 for program year 2020. Attachment B lists City-owned properties located within the DLBPBID.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on October 29, 2019 and by Budget Management Officer Rhutu Amin Gharib on October 30, 2019.

City Council action is requested on November 19, 2019 so that FY 20 assessment transfers may be made as required by the Agreement for Funding with the DLBA.

It is estimated that the DLBPBID will generate \$2,736,950 in FY 20 through the proposed continuation of the assessment. Assessment funds are collected through additional fees attached to property owner assessment payments in the DLBPBID area. All revenues are distributed directly to the DLBA for implementation of annual programs.

The total City share of the DLBPBID assessment for FY 20 is \$549,727. The Public Works Department is responsible for \$545,519 of the assessment and sufficient appropriations are currently budgeted in the Civic Center Fund Group in the Public Works Department to cover their portion of the assessment.

The Economic Development Department is responsible for \$4,208 of the assessment. An appropriation increase of \$4,208 is requested in General Fund Group in the Economic Development Department, offset by funds available, to cover the unbudgeted portion of the assessment. The assessment is an ongoing expense and will be requested as part of the FY 21 budget development process. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA

ACTING CITY MANAGER