



Legislation Text

File #: 13-0609, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the hearing to consider the re-establishment of the Magnolia Industrial Group Property and Business Improvement District (MIG-PBID); direct City Clerk to tabulate the ballots and report the results of the tabulation to the Mayor and City Council during the July 23, 2013 City Council meeting; and, if a majority of ballots received are in favor of the re-establishment of the MIG-PBID, adopt resolution to re-establish the MIG-PBID for an additional term of ten years, effective December 1, 2013 through November 30, 2022. (District 1)

The State of California Property and Business Improvement District Law of 1994 (Section 33600 et seq. of the California Streets and Highways Code) Law 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 City Council initially established the Magnolia Industrial Group Property and Business Improvement District (MIG-PBID) in 1996. On July 15, 2003, the City Council re-established the District for a term of ten 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 ten-year term.

In accordance with the Law, the MIG wishes to re-establish the District and continue the security and clean-up programs for another ten years. A majority of the property owners voted via a petition in favor of re-establishment. As required by law, an election of property owners to be assessed must be conducted, with each vote proportionally weighted according to the amount of each assessment. The Office of the City Clerk has on file petitions signed in support of renewal by property owners, who will pay more than 50 percent of the total proposed assessment.

The MIG Management District Plan and Engineering Report (attached to the Resolution as Exhibit A) detail the amount and method of assessment, District boundaries, and improvements for which the funds will be used. A registered professional engineer, who is certified by the State of California, has approved the Plan (attached to Resolution as Exhibit B). The Board-approved MIG-PBID rate of assessment is based on the square footage of developed property within the boundaries as shown on the map in Section III of the attached Management District Plan. The Plan allows up to a 4 percent per year cost-of-living increase in the assessment rate.

The total assessment for the newly re-established District is projected to be \$85,889, and the City's anticipated assessment amount in the first year (beginning January 2014) is estimated to be \$1,488 for the Public Service Yard. The assessment amount owed by the City is based upon the special benefit received by City-owned properties and is calculated using the parcel size total of 91,476 square feet. The calculation of the assessment is consistent with the Management District Plan and the methodology detailed in the Engineer's Report.

As approved by City Council action on June 4, 2013 (Resolution of Intention, Resolution Number

RES-13-0042), and to comply with the California Constitution, a notice of assessment and an assessment ballot were mailed to property owners who were proposed to be assessed. At the conclusion of this public hearing, an independent third party will tabulate the votes, and will return to City Council during this July 23, 2013 meeting to announce the results. If a majority of ballots received (with ballots weighted by assessment amount) are in favor of the re-establishment of the MIG-PBID, the City Council may proceed with the adoption of the Resolution re-establishing the MIG-PBID. If a majority of the ballots received do not support the re-establishment of the MIG-PBID, then the MIG-PBID cannot be re-established.

This matter was reviewed by Assistant City Attorney Charles Parkin on June 18, 2013, and Budget Management Officer Victoria Bell on June 26, 2013.

The current MIG-PBID contract terminates on November 30, 2013. City Council action is requested on July 23, 2013 to allow a timely completion of the balloting process and submittal of the supplemental levy to the Los Angeles County Assessor before August 9, 2013 in order for the new ten-year term and the proposed new assessment to become effective December 2013.

Sufficient funds to cover the MIG-PBID contract will be included in the FY 14 budget in the Parking and Business Area Improvement Fund (SR132) in the Department of Public Works (PW). The contract amount will be fully offset by the FY 14 estimated assessment revenue of \$85,889. This revenue includes the City's anticipated assessment of \$1,488 for City-owned parcels, which will be absorbed in the General Fund (GP) budget in the Department of Public Works (PW). Approval of this recommendation will result in a positive local job impact.

Approve recommendation.

A RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH
DECLARING THE INTENTION OF THE CITY COUNCIL TO RE-ESTABLISH THE MAGNOLIA
INDUSTRIAL GROUP PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FIXING THE TIME
AND PLACE OF A PUBLIC HEARING THEREON AND GIVING NOTICE THEREOF

ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER