



Legislation Text

File #: 22-0606, **Version:** 1

Recommendation to adopt Resolution of Intention to renew the Midtown Business Improvement District; set the date of July 19, 2022 for public hearing, receive petitions, authorize City Manager, or designee, to sign in favor and return the City's ballot, and designate the Owners' Association. (District 6)

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 of Long Beach (City) to create a property-based assessment district allowing property owners to be assessed for various services beyond those provided by the City, including enhanced maintenance, public safety, marketing, and economic development programs.

The Midtown Business Improvement District (MBID) was initially established for a five-year term by the City Council on August 11, 2015. MBID area property owners and the Midtown Property and Business Owner's Association (MPBOA) have circulated a petition to initiate special assessment proceedings to renew the MBID for a term of ten years. The MBID renewal is required to build on the successes accomplished in Midtown due in part to the special assessment revenue generated by the MBID.

Renewal of the MBID 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. For the MBID to be renewed, petitions signed by the property owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied must be submitted to the City. Following the submission of these petitions, the City Council may initiate proceedings to renew the MBID by the adoption of a Resolution of Intention (ROI) and set a public hearing and issue ballots to each individual parcel owner in the MBID. On January 7, 2022, petitions signed by property owners who will pay more than 50 percent of the proposed assessments were submitted to the City.

The MBID Management District Plan (MDP) (attached to the Resolution as Exhibit A) details the boundaries of the MBID, the method of assessment for each parcel, and the improvements and activities for which the assessment funds will be used. If renewed, the MBID will have a ten (10) year life. Special benefit services will begin January 1, 2023 and end December 31, 2032. The City Council will annually review and consider approving the renewal of the levy, budgets, and reports as submitted by the Owners' Association for the

MBID. The assessment methodology will generate approximately \$158,944 in revenue for the MBID during the first year. Property owned by the City will be assessed at \$22,499. A summary of the City's parcels and assessments is attached.

The MDP proposes that the MPBOA will manage the MBID under contract with the City and shall serve as the Owners' Association per California Streets and Highways Code Section 36651. The MPBOA Board of Directors is required to adhere to the Ralph M. Brown Act. Pursuant to the Streets and Highways Code, Section 36650, the MPBOA will provide the City with an Annual Report. The City will pay its assessment as a parcel owner for the duration of the MBID.

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 on July 19, 2022, to consider the renewal of the MBID, hear all protests or arguments against the proposed assessment, and tabulate the assessment ballots. In tabulating the ballots, each ballot shall be weighted according to the proportional financial obligation of the affected property. The results of the tabulated ballots will be announced prior to the conclusion of the hearing. The City Council's adoption of the ROI also services to appoint the MPBOA Board as the Owners' Association for the MBID.

This matter was reviewed by Deputy City Attorney Lauren Misajon on May 6, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on May 9, 2022.

City Council action is required on May 24, 2022, to allow timely completion of the balloting process and submittal of the levy to the Los Angeles County Assessor before August 10, 2022, for the new ten-year term beginning January 1, 2023.

Approval of this recommendation would adopt a Resolution of intent to renew Midtown Business Improvement District. If the MBID is approved and renewed, the estimated total annual City share of the MBID assessment for Fiscal Year 2023 (FY 23) will be \$22,499 which is not currently budgeted in FY 23. The assessments will be paid by various City departments for properties in the General Fund Group. Special impacts at the department level are under review and will be presented to the City Council should the MBID be approved and renewed. Upon annual review, the City Council can increase the property assessment up to four (4) percent based on demonstrated need. The MPBOA is not suggesting an increase to property assessment at this time. 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.

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JOHNNY M. VALLEJO
ACTING DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER