



## Legislation Text

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**File #:** 12-0445, **Version:** 1

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Recommendation to adopt Resolution of Intention to form the Downtown Long Beach Property and Business Improvement District; set date of hearing for Tuesday, August 7, 2012 at 5:00 p.m.; receive petitions; and authorize City Manager to sign in favor and return the City's Ballot, and designate the Administrative Board. (Districts 1,2)

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. All properties located within the boundaries of the Long Beach Property and Business Improvement District (DLB-PBID) that receive special benefits, as determined by the engineer's report, must be allocated a proportional share of the assessment.

The DLB-PBID was initially established by the City Council on August 4, 1998. On January 12, 2001, the City Council executed an Agreement for Funding (Contract) with the Downtown Long Beach Associates (DLBA). The contract set forth the duties of the parties under an annual Budget and Management Plan with respect to the use of property owner assessment funds within the DLB-PBID area (District). On July 22, 2003, the City Council re-established the DLB-PBID for a term of ten years. The current DLBA-PBID Contract terminates on December 31, 2013, and downtown property owners are now seeking to re-establish the DLB-PBID for a new ten-year term. On May 1, 2012, the City Council authorized the City Manager to sign the petition in favor of the DLB-PBID's re-establishment. If re-established, the properties within the District would be levied an assessment beginning in January 2013 in accordance with the methodology detailed in the Management Plan and Engineer's Report.

Re-establishment of the DLB-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 DLB-PBID to be re-established and the Contract renewed, State law requires that petitions be delivered to each individual parcel owner within the District. As a result of this action, the signed petitions that were returned met the required threshold of more than 50 percent of the proposed assessment to be levied. The City Council may initiate proceedings to form the District by the adoption of a Resolution of Intention (ROI) to re-establish the District, and to set public hearings and issue ballots to each individual parcel owner.

Two different special benefit zones are proposed with two corresponding levels of service (Standard and Premium) within the District. The proposed assessment methodology includes linear street frontage, lot square footage, and building square footage. In addition, the District boundaries as

proposed are expanded to the west along 3<sup>rd</sup> Street to Golden Avenue, and certain benefit zones have been modified to reflect the level of service and benefits that will be provided.

The assessment amount owed by the City is based upon the special benefit received by City-owned properties in accordance with their size and location in the District. 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 (beginning in January 2013) of the newly reauthorized District is estimated to be \$389,493, of which \$172,710 is related to Pike property and will be paid by Developers Diversified Realty (DDR) as required by their lease.

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, will consider all protests against the proposed assessment, and will tabulate the ballots. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property. The results of this special election shall be announced at the August 7, 2012 public hearing. The Resolution also appoints the Downtown Long Beach Associates (DLBA) Board as the owners' association for the DLB-PBID.

This matter was reviewed by Assistant City Attorney Charles Parkin on May 29, 2012 and Budget Management Officer Victoria Bell on May 24, 2012.

The current DLBA-PBID contract terminates on December 31, 2013. City Council action is required on August 7, 2012 to allow timely completion of the balloting process and submittal of the levy to the Los Angeles County Assessor before August 9, 2012 in order for the new ten-year term and proposed new assessment to become effective in January 2013 .

The City's assessment for Fiscal Year 2013 (FY13) is \$389,493. Of this amount, \$172,710 is associated with Pike development property and will be paid to the City by DDR. The City will pay the portion of the assessment attributable to DDR after receipt of those funds from DDR. The balance of the City's FY13 assessment, \$216,783, will be paid in FY13 from the Civic Center Fund (IS 380) in the Department of Public Works (PW). There is no impact to General Fund and no local job impact associated with the recommendation.

Approve recommendation.

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

MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER