



## Legislation Text

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**File #:** 12-0637, **Version:** 1

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Recommendation to receive supporting documentation into the record, conclude the hearing to consider the re-establishment of the Downtown Long Beach Property and Business Improvement District (DLB-PBID); direct City Clerk to tabulate the ballots and report the results of the tabulation to the Mayor and City Council during the August 7, 2012 City Council meeting; and, if a majority of ballots received are in favor of the re-establishment of the DLB-PBID, adopt resolution to re-establish the DLB-PBID for an additional 10 years, effective January 1, 2013 through December 31, 2022. (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. The Downtown Long Beach Property and Business Improvement District (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 the Downtown Long Beach Associates (DLBA) setting forth the duties and delegation 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 10 years. The current DLB-PBID contract terminates on December 31, 2013, and downtown property owners are now seeking to re-establish the DLB-PBID for an additional 10-year term.

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 property. 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. Within the District, two different special benefit zones are proposed with two corresponding levels of service (Standard and Premium). The proposed assessment methodology includes linear street frontage and lot square footage plus 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 are modified to reflect the level of service and benefits that will be provided. Contained within the District is the City's Civic Center complex including City Hall, the Main Library and the City parking structure.

The assessment amount owed by the City is based upon the special benefit received by the properties in accordance with their size and location. 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 \$389,493, of which approximately \$172,710 is related to Pike property and will be

paid by DDR as required by their lease. Therefore, the City's anticipated net obligation is estimated to be \$216,783 (compared to approximately \$228,000 as calculated under existing assessment methodology). This amount is subject to an annual increase of assessment not to exceed 5 percent per year consistent with the increase in the Tri-County consumer price index (CPI) and increases in other program costs.

As approved by City Council action on June 19, 2012 (Resolution of Intention, Resolution Number RES-12-0057) and to comply with the California Constitution, a notice of assessment and an assessment ballot were mailed to property owners that 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 later during this August 7, 2012 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 DLB-PBID, the City Council may proceed with the adoption of the Resolution re-establishing the DLB-PBID. If a majority of the ballots received do not support the re-establishment of the DLB-PBID, then the DLB-PBID cannot be re-established.

This matter was reviewed by Assistant City Attorney Charles Parkin on July 19, 2012 and Budget Management Officer Victoria Bell on July 25, 2012.

On June 19, 2012, the City Council adopted a Resolution of Intention setting the date of August 7, 2012 for the public hearing to allow completion of the balloting process. The current DLB-PBID contract terminates on December 31, 2013. If the Resolution to Establish the DLB-PBID is adopted, the submittal of the levy to the Los Angeles County Assessor is required prior to August 9, 2012, and 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.

The City's Fiscal Year 2013 (FY 13) assessment is estimated to be \$389,493, of which approximately \$172,710 is related to Pike property and will be paid by DDR as required by their lease. The balance of the City's FY 13 assessment, \$216,783, will be paid in FY 13 from the Civic Center Fund (IS 380) in the Department of Public Works. The re-establishment of the DLB-PBID is anticipated to result in a positive local job impact.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH ESTABLISHING THE DOWNTOWN LONG BEACH PROPERTY AND BUSINESS IMPROVEMENT DISTRICT, FIXING THE BOUNDARIES THEREOF AND PROVIDING FOR THE LEVY OF ASSESSMENT

MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST  
CITY MANAGER