



## Legislation Text

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**File #:** 07-1129, **Version:** 1

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Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report for the period of January 1, 2008 through December 31, 2008, automatically extending the current agreement with the Downtown Long Beach Associates for one year; and increase budget appropriation by \$22,777 in the Civic Center Fund (IS 380) in the Department of Public Works (PW). (Districts 1,2)

Downtown Long Beach Associates (DLBA) has three routine sources of revenue that pass through the City to the organization. They are: business operator assessments, property owner assessments and downtown parking meter revenue sharing. This action relates to property owner assessment funds for expenses related to security, maintenance, public relations, special projects, advocacy and economic development in Downtown Long Beach. The City Council approves the business operator assessment separately. DLBA's 2007 comprehensive budget, including all sources of revenue, is provided for reference in Attachment A.

The Downtown Long Beach Property and Business Improvement District (DLB-PBID) was established by the City Council on August 4, 1998. On July 22, 2003, City Council again re-established the DLB-PBID. This re-establishment required a majority vote of the property owners in favor of re-establishing the district for a new term of ten years.

The Property and Business Improvement District Law of 1994 (Law) requires that the DLBA Board of Directors file an Annual Report detailing the DLB-PBID assessment methodology and assessment levy filed with Los Angeles County. The subject levy of assessment will cover the DLB-PBID contract period with the DLBA from January 1, 2008 through December 31, 2008. The Annual Report of Levy and Assessment is provided as Attachment B for City Council approval.

The law also allows the City to contract with service providers to carry out the DLBPBID program. For the past nine years, the City has contracted with the DLBA to carry out the DLB-PBID Management Plan. The current agreement provides that the contract term be automatically extended on a year-to-year basis upon City Council approval of the Annual Report and related levy of assessment.

Properties are assessed based upon location within three defined zones in the DLBPBID area. The assessment rate and level of program service provided varies, depending upon the zone in which the property is located. Assessment rates for 2008 are described in Section 6.3 of Attachment B. Total property assessment revenue of \$1,805,325 is reported in Section 8.

The DLB-PBID assessment area contains properties owned by private commercial property owners, the City of Long Beach, and the Long Beach Redevelopment Agency (RDA). In Fiscal Year 2007, the City assessment is \$385,546, of which \$188,298 is related to Pike property development and will be paid to the City by Developers Diversified Realty (DDR), as required by their lease. Thus, the City's net assessment is estimated at \$197,248, while the RDA assessment is estimated at \$88,443. City and RDA payments total \$473,989 and represent approximately 26 percent of the total estimated levy

of \$1,805,325 for program year 2008. Attachment C details City and RDA-owned properties located within the DLB-PBID.

This letter was reviewed by Assistant City Attorney Heather Mahood on September 13, 2007, Budget and Performance Management Bureau Manager David Wodynski on September 24, 2007, and the City Treasurer's Office on September 17, 2007.

The current DLB-PBID contract terminates on December 31, 2007. City Council approval of the Annual Report and related levy of assessment is requested on October 2, 2007 to ensure timely extension of the contract for another year.

The City's assessment for Fiscal Year 2008 is \$385,546. Of this amount, \$188,298 is associated with Pike development property and will be paid to the City by DDR. The City will pay on this contract the portion of the assessment attributable to DDR after receipt of those funds from DDR. The balance of the City's assessment, \$197,248, will be paid from the Civic Center Fund (IS 380) in the Department of Public Works (PW). The Civic Center Fund (IS 380) Fiscal Year 2008 adopted budget was \$362,769. Therefore, an appropriation increase of \$22,777 is required in the Civic Center Fund (IS 380) to reflect the assessment amount for FY 08. There is no impact to the General Fund.

Approve recommendation.

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NAME  
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APPROVED:

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