



Legislation Text

File #: 13-0640, **Version:** 1

WITHDRAWN

~~Recommendation to receive supporting documentation into the record, conclude the hearing to consider the establishment of the Uptown Property and Business Improvement District (UPBID); direct City Clerk to tabulate the ballots and report the results of the tabulation to the Mayor and City Council during the Tuesday, August 6, 2013 City Council meeting; and, if a majority of ballots received are in favor of the establishment of the UPBID; and adopt resolution to establish the UPBID for an initial term of five (5) years, effective January 1, 2014 through December 31, 2018. (Districts 8,9)~~

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.

Property owners of record along Atlantic Avenue, between Market Street and Artesia Boulevard, and Artesia Boulevard, between Atlantic Avenue and Gundry Avenue, who will pay more than 50 percent of the proposed assessment, have submitted petitions to the City for the establishment of a business improvement district; i.e., the Uptown Property and Business Improvement District (UPBID). The new Property and Business Improvement District shall be comprised of property owners within the proposed boundaries, as described later in this report. The UPBID Management District Plan (MDP) (attached to the Resolution as Exhibit A) details the boundaries of the UPBID, the amount and method of assessment for each parcel, and the improvements and activities for which the assessment funds will be used. It should be noted that the Successor Agency took action on April 2, 2013 to authorize the City Manager to sign the ballot for Successor Agency-owned parcels located within the proposed district.

If established, the UPBID shall commence on January 1, 2014, for the initial five-year period of January 1, 2014 through December 31, 2018, and the City Council will annually review and consider approving renewal of the levy, budgets and reports as submitted by the UPBID. The assessment methodology will generate approximately \$199,769 in revenue during the first year. The total proposed assessment for the parcels owned by the City during the first year is \$58,229 (a detail of each parcel assessment is found in the MDP). Upon annual review, City Council can increase the levy up to 4 percent. If the levy is not renewed, a subsequent public hearing must occur to dis-establish the UPBID.

The Uptown Property and Community Association (UPCA) will govern the UPBID, and shall serve as the Owners' Association per the California Streets and Highways Code Section 36651. The UPCA Board of Directors will be comprised of a majority of parcel owners paying the assessment that will

adhere to the Ralph M. Brown Act requirements. Pursuant to the Streets and Highways Code, Section 36650, the UPCA will also provide an annual report to the City. A portion of the proposed assessment is attributable to City-owned parcels and would be paid from the City's General Fund going forward. The Successor Agency would pay its assessment as a Parcel Owner until such time as the Successor Agency's parcels located within the UPBID boundaries are transferred, or for the duration of the UPBID in the event the Successor Agency is still in possession of the parcels in question prior to expiration of the UPBID.

As approved by City Council action on June 11, 2013 (Resolution of Intention, Resolution Number RES-13-0043) 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 later during this August 6, 2013 meeting to announce the results. If a majority of ballots received (with ballots weighted by assessment amount) are in favor of the establishment of the UPBID, the City Council may proceed with the adoption of the Resolution establishing the UPBID. If a majority of the ballots received do not support the establishment of the UPBID, then the UPBID cannot be established.

This matter was reviewed by City Attorney Amy Webber on July 15, 2013 and by Budget Management Officer Victoria Bell on July 18, 2013.

City Council action is requested on August 6, 2013 so that submission to the County Assessor's Office for FY 14 can be sent prior to the August 9, 2013, County Assessor deadline.

A budget of \$199,769 in the Parking and Business Improvement Fund (SR 132) in the Department of Public Works (PW) will be requested in FY 14 for the agreed upon UPBID expenditures funded by the assessment revenues received from the property owners.

If the UPBID is approved and established, the annual General Fund (GP) cost of \$27,589 for the Fire Department (FD) and Parks, Recreation and Marine (PR) is unbudgeted. The proposed assessment for all Successor Agency-owned parcels in the UPBID is estimated at \$30,640 annually. If approved by the Successor Agency and the Oversight Board, the State Department of Finance (DOF) could choose to deny the approval and disallow the assessment on future Recognized Obligation Payment Schedules (ROPS).

Approve recommendation.

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ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

APPROVED:

PATRICK H. WEST
CITY MANAGER