



## Legislation Text

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**File #:** 09-1041, **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, 2010 through December 31, 2010, automatically extending the Agreement for Funding with the Downtown Long Beach Associates for one year; and authorize payment of \$404,380 in City property assessments from the Civic Center Fund (IS 380) in the Department of Public Works (PW). (Districts 1,2)

Downtown Long Beach Associates (DLBA) has three established 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 recommended 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. City Council approves the business operator assessment separately. DLBA's 2010 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, the City Council 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.

On January 12, 2001, the City Council and DLBA executed an Agreement for Funding setting forth the duties and delegations of the parties. This Agreement is automatically extended on a year-by-year basis upon approval of the annual Assessment Report and related levy of assessments by the City Council.

For the second year in a row, the DLBA Board voted on April 15, 2009 not to raise assessment rates. This is reflected in the attached budget and report. Properties are assessed based upon location within three defined zones in the DLB-PBID area. The assessment rate and level of program service provided varies, depending upon the zone in which the property is located. Assessment rates for 2010 are described in Section 6.3 of Attachment B. Estimated total property assessment revenue of \$1,799,250 is reported in Section 8. Section 5 of the report shows a DLB-PBID budget of \$1,803,042 for the period. Adequate reserve funds (4 percent of estimated revenue) are available to make up any deficit between budgeted expenditures and actual revenue received for the period (Section 5 of Attachment B).

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 FY 10, the City assessment is \$404,380, 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 \$216,082. The Redevelopment Agency's assessment is estimated at \$64,505, which is approved by the Redevelopment Agency Board separately. City and RDA

payments together total \$468,885 and represent approximately 26 percent of the total estimated levy of \$1,799,250 for program year 2010. Attachment C details City and RDA-owned properties located within the DLB-PBID.

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, 2010 through December 31, 2010. 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 DLB-PBID program. For the past ten years, the City has contracted with the DLBA to carry out the DLB-PBID Management Plan.

This letter was reviewed by Chief Assistant City Attorney Heather Mahood on September 16, 2009, Budget and Performance Management Bureau Manager David Wodynski on September 21, 2009, and the City Treasurer's Office on September 18, 2009.

The current DLB-PBID contract terminates on December 31, 2009. City Council approval of the Annual Report and related levy of assessment is requested on October 6, 2009 to ensure timely transfer of assessment revenue as required by City contract.

The City's assessment for FY 10 is \$404,380. Of this amount, \$188,298 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 assessment, \$216,082, will be paid from the Civic Center Fund (IS 380) in the Department of Public Works (PW).

There is no impact to the General Fund.

Approve recommendation.

DENNIS J. THYS  
DIRECTOR  
DEPARTMENT OF COMMUNITY DEVELOPMENT

MICHAEL P. CONWAY  
DIRECTOR  
DEPARTMENT OF PUBLIC WORKS

APPROVED:

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PATRICK H. WEST  
CITY MANAGER