

# H-16

July 19, 2022

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive supporting documentation into the record, concluding the public hearing to consider the modification and renewal of the Downtown Property and Business Improvement District (DLBPBID); direct the City Clerk to tabulate the ballots and report the results of the tabulation to the Mayor and City Council during the July 19, 2022 meeting; and, if a majority of ballots received are in favor of the renewal of the DLBPBID, adopt the Resolution to modify and renew the DLBPBID for a term of 10 years, effective January 1, 2023 through December 31, 2032. (Districts 1, 2)

## DISCUSSION

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 of Long Beach (City) to create a property-based assessment district allowing property owners to be assessed for various services beyond those provided by the City, including enhanced maintenance, public safety, marketing, and economic development programs. All properties located within the DLBPBID that receive special benefits, as determined by the Engineer's Report, must be allocated a proportional share of the assessment.

Property owners of record located in the DLBPBID, who will pay more than 50 percent of the proposed assessment, have submitted petitions to the City for the modification and renewal of the DLBPBID. Modification and renewal of the DLBPBID 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.

The DLBPBID Management District Plan (MDP) (Resolution, Exhibit A) which includes the Engineer's Report as an exhibit, details the boundaries of the DLBPBID, the method of assessment for each parcel, and the improvements and activities for which the assessment funds will be used. The MDP proposes to expand the DLBPBID boundaries to the north along the Pacific Avenue corridor to 8th Street and to include the Convention Center building and major walkways in the Rainbow Harbor area to help support a seamless Downtown visitor experience with continuity of clean services. If renewed, the expanded DLBPBID will have a

## HONORABLE MAYOR AND CITY COUNCIL

July 19, 2022

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ten (10) year life. Special benefit services will begin January 1, 2023, and end December 31, 2032. The City Council will annually review and consider approving the annual assessment of the levy, budgets, and reports as submitted by the Owners' Association for the DLBPBID. The assessment methodology will generate approximately \$3,782,348 in revenue for the DLBPBID during the first year. Property owned by the City will be assessed at \$785,156 for the first year.

The MDP proposes that the Downtown Long Beach Alliance (DLBA) will manage the DLBPBID under contract with the City and shall serve as the Owners' Association per California Streets and Highways Code Section 36651. The DLBA Board of Directors is required to adhere to the Ralph M. Brown Act. Pursuant to the Streets and Highways Code, Section 36650, the DLBA will provide the City with an Annual Report. The City will pay its assessment as a parcel owner for the duration of the DLBPBID.

As approved by the City Council on May 24, 2022, and to comply with the California Constitution, a notice of assessment and an assessment ballot were mailed to property owners who are proposed to be assessed. During the public hearing held at the City Council meeting on July 19, 2022, an independent third party will tabulate the ballots, and will return to the City Council later during the July 19, 2022 meeting to announce the results. If a majority of ballots received are in favor of the renewal of the DLBPBID, the City Council may proceed with the adoption of the Resolution renewing the DLBPBID. If a majority of the ballots received do not support the renewal of the DLBPBID, then the DLBPBID cannot be renewed.

This matter was reviewed by Deputy City Attorney Lauren Misajon on June 28, 2022 and by Budget Operations and Development Officer Rhutu Amin Gharib on June 30, 2022.

### TIMING CONSIDERATIONS

City Council action is requested on July 19, 2022, to allow timely completion of the balloting process and submittal of the levy to the Los Angeles County Assessor before August 10, 2022, for the new ten-year term.

### FISCAL IMPACT

If a majority of ballots received are in favor of renewal approval of this recommendation, the City Council will adopt a Resolution to renew the DLBPBID for a term of 10 years, effective January 1, 2023. If the DLBPBID is approved and renewed, the estimated total annual City share of the DLBPBID assessment for Fiscal Year 2023 (FY 23) will be \$785,156, an increase of \$180,983 over the current assessment. This increase is due in part to the proposed expansion of the DLBPBID to include the frontage along the Convention Center building and major walkways in the Rainbow Harbor area.

Of the total amount, \$220,484 will pass through the City and be paid by property management contractor Site Centers for the Pike property development. The remaining assessment of \$564,672 will be paid by various City departments for properties in the General Fund Group, Civic Center Fund Group, Successor Agency Fund Group, and Tidelands Operating Fund Group in the estimated amounts by fund of \$253,869, \$108,343, \$1,189, and \$201,271

HONORABLE MAYOR AND CITY COUNCIL

July 19, 2022

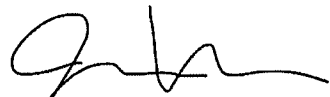
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respectively. Specific impacts at the department level are under review and will be presented to the City Council should the DLBPBID be approved and renewed. City staff will return to City Council in FY 23 to request any needed appropriation. Upon annual review, per the MDP, the City Council can increase the property assessment up to five (5) percent per year based on demonstrated need. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

**SUGGESTED ACTION:**


Approve recommendation.

Respectfully submitted,



JOHNNY M. VALLEJO  
ACTING DIRECTOR  
ECONOMIC DEVELOPMENT

APPROVED:



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THOMAS B. MODICA  
CITY MANAGER

ATTACHMENT: RESOLUTION

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RESOLUTION NO.

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

The City Council of the City of Long Beach resolves as follows:

Section 1. This resolution is made and enacted pursuant to the provisions of the Property and Business Improvement District Law of 1994 (Section 36600, et seq. of the California Streets and Highways Code, hereinafter sometimes referred to as “the law”).

A. On May 24, 2022, the City Council of the City of Long Beach adopted Resolution No. RES-22-0082, entitled “A Resolution Of Intention of the City Council of the City Of Long Beach Declaring the Intention of the City Council to Modify and Renew the Downtown Long Beach Property and Business Improvement District; Fixing the Time and Place of a Public Hearing and to Receive Petitions; Giving Notice Thereof; Authorizing the City Manager to Sign in Favor and Return the City’s Ballot; and to Designate the Owners’ Association”.

B. Pursuant to California Constitution Article XIII D, ballots were mailed to the property owners within the proposed boundaries of the Downtown Long Beach Property and Business Improvement District (the “District”).

C. Further, pursuant to Resolution of Intention, Resolution No. RES-22-0082, a public hearing concerning the formation of said District was

1 held before the City Council of the City of Long Beach on July 19, 2022, at  
2 the hour of 5:00 p.m. in the City Council Chambers of City Hall of the City of  
3 Long Beach.

4 D. All written and oral protests made or filed were duly heard,  
5 evidence for and against the proposed action was received, and a full, fair  
6 and complete hearing was granted and held.

7 E. At the conclusion of the public hearing, the tabulation of the  
8 ballots was performed and among those ballots returned to the City, a  
9 weighted majority of the property owners within the District have approved  
10 the formation of the District.

11 F. That following such hearing, the City Council did and does  
12 hereby find that the properties and businesses lying within the property and  
13 business improvement district herein created, in the opinion of the City  
14 Council, will be benefitted by the expenditures of funds raised by the  
15 assessment or charges proposed to be levied hereunder.

16 G. A copy of the Management District Plan is attached as Exhibit  
17 "A" hereto ("Management District Plan").

18 Section 2. That pursuant to said law a property and business  
19 improvement district is hereby renewed for a term of ten years, effective January 1, 2023  
20 through December 31, 2032, in the City of Long Beach as herein set forth and that all  
21 properties in the district established by this resolution shall be subject to any  
22 amendments made hereafter to the law or to other applicable laws.

23 Section 3. That the boundaries of the property and business  
24 improvement district, the activities and improvements to be funded, and the amount of  
25 the proposed assessments shall be as indicated in Exhibit "A". No bonds will be issued  
26 under the Management District Plan.

27 Section 4. That the City Council hereby levies and imposes and orders  
28 the collection of an annual assessment to be imposed upon properties in the proposed

1 property and business improvement district described above. Such annual assessment  
2 shall be equal to the amounts set forth in Exhibit "A".

3 Section 5. That the Management District Plan, attached hereto as Exhibit  
4 "A", is hereby approved.

5 Section 6. That the improvements and activities to be provided in the  
6 property and business improvement district shall be funded by the levy of assessments  
7 and that the proposed uses to which the proceeds of the annual assessment shall be put  
8 are limited to those set forth in California Streets and Highways Code Sections 36600 et  
9 seq., as amended. The revenue from the levy of assessments within the District shall not  
10 be used to provide improvements, maintenance, or activities outside the District or for  
11 any purpose other than the purposes specified in Exhibit "A".

12 The City Council of the City of Long Beach shall have sole discretion as to  
13 how the revenue derived from said assessments is to be used within the scope of the  
14 above purposes; provided, however, it shall consider recommendations as to the use of  
15 said revenue made by the Downtown Long Beach Association ("DLBA"), which has been  
16 previously designated as the "Owners' Association" for the District.

17 Section 7. If any section, subsection, sentence, clause or phrase of this  
18 resolution is for any reason held to be invalid or unconstitutional by the decision of any  
19 court of competent jurisdiction, such decision shall not affect the validity of the remaining  
20 portions of the resolution. The City Council hereby declares that it would have passed  
21 this resolution and each section, subsection, sentence, clause and phrase hereof,  
22 irrespective of the fact that any one or more of the sections, subsections, sentences,  
23 clauses or phrases hereof be declared invalid or unconstitutional.

24 Section 8. This resolution shall take effect immediately upon its adoption  
25 by the City Council, and the City Clerk shall certify to the vote adopting this resolution.

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OFFICE OF THE CITY ATTORNEY  
CHARLES PARKIN, City Attorney  
411 West Ocean Boulevard, 9th Floor  
Long Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2022, by the following vote:

Ayes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Noes: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Absent: Councilmembers: \_\_\_\_\_

\_\_\_\_\_

Recusal(s): Councilmembers: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

City Clerk

**MANAGEMENT PLAN**  
**Downtown Long Beach**  
**Property-Based Business Improvement District (PBID)**

**FINAL DRAFT PLAN**  
January 27, 2022

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**Exhibits**

- i. Engineer's Report with list of properties to be benefited
- ii. Map with parcel detail
- iii. Base level of service letter of intention from City of Long Beach
- iv. Legal memorandum

Prepared for the  
**Downtown Long Beach Alliance (DLBA) PBID Steering Committee**  
by  
Progressive Urban Management Associates, Inc.  
and NBS



# DOWNTOWN LONG BEACH PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID) MANAGEMENT PLAN SUMMARY

## FINAL DRAFT PLAN – January 27, 2022

The Downtown Long Beach Property-Based Business Improvement District (PBID) is a special benefit assessment district that conveys special benefits to each individual assessed parcel located within the district boundaries. The district was formed in 1998 and renewed twice – once in 2003 and again in 2012. Downtown property owners are now seeking to continue the PBID for an additional ten-year term. As described in this plan, it is proposed that the PBID will continue to provide funding for enhanced maintenance, public safety, beautification, marketing and economic development programs, above and beyond those provided by the City of Long Beach.

The PBID Management Plan has been informed and shaped by an extensive strategic planning process undertaken during the first half of 2021. With input gained from interviews, roundtable discussions, leadership meetings and an online survey from more than 500 downtown stakeholders, and developed under the guidance of a 35-member steering committee and the board of directors of the Downtown Long Beach Alliance (DLBA), the strategic plan explored how the PBID could help Downtown Long Beach recover from the COVID-19 pandemic in the near term, and respond to anticipated trends that will shape downtown in the longer term. The new strategic plan is anchored by five goals:

1. Master the fundamentals, ensuring a model clean and safe program for Downtown;
2. Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown;
3. Market and promote Downtown as a whole and as a collection of unique neighborhoods;
4. Showcase the beauty, creativity and unique sense of place in Downtown for all to enjoy;
5. Be a leading voice in planning for the future of Downtown.

Grounded in the findings of the strategic plan, the primary changes to the PBID will:

- Support a more robust clean and safe initiative that adds new services;
- Catch up to and anticipate increasing labor and equipment costs;
- Create new approaches to help address downtown’s unhoused population; and
- Increase DLBA’s capacity to assist small businesses and office properties recover from the Covid-19 pandemic, plus provide adequate resources to support marketing, placemaking and other activities that aim to bring prosperity and vitality to Downtown.

To meet the strategic plan goals and incorporate the preceding changes to the PBID-funded clean and safe program, the overall operating budget of the PBID will increase by 41% -- nearly 70% of this increase is due to adjustments and expansions in clean and safe services. Due to boundary expansion and a general benefit adjustment, assessment rates are projected to increase one-time by an average of 34.5%. Increases in subsequent years will be limited to a maximum 5% adjustment.

The PBID Management Plan is summarized as follows:

<p><b>Location</b></p>	<p>The district will encompass the core of Downtown Long Beach, including approximately 70 blocks that are bounded approximately by Shoreline Drive to the south, Golden Shore to the west, and Alamitos Avenue to the east. The northern boundary is 3rd Street along the western part of the district, 8th Street in the central part and 4th Street along the eastern part. The district is being expanded to the north along the Pacific Avenue corridor to 8<sup>th</sup> Street, and to include the Convention Center building and major walkways. A map of the proposed district boundary is provided on page 9.</p>
<p><b>Improvements and Activities</b></p>	<p>The PBID will finance improvements and activities that will improve the Downtown environment and experience for all downtown stakeholders, including: property owners, businesses, residents, employees, and visitors.</p> <p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• <b>Clean Teams.</b> Clean Teams sweep and pressure wash sidewalks, sweep gutters, remove litter, graffiti, and stickers, remove weeds, provide light landscaping, and spot cleaning as needed.</li> <li>• <b>Safety Ambassadors &amp; Homeless Outreach.</b> Safety Ambassadors provide a daily presence in the district, either on foot or wheels, to enhance the sense of safety, help to prevent crime, provide safety escorts, assist with nuisance calls, and report more serious issues to law enforcement. Additionally, Safety Ambassadors provide information on Downtown activities and attractions to visitors.  Under the direction of a new Homeless Outreach Manager, the team will also provide more robust assistance to unhoused individuals in the District, collaborating with social service agencies, non-profits and City departments to address the needs and connect individuals to services and housing.</li> <li>• <b>Public Space Management.</b> Public space management projects and initiatives are used to make Downtown more visually attractive, enhance the sense of place, and celebrate the unique culture of Long Beach. Such activities can include, but are not limited to, activating outdoor spaces, planting trees, signage, festive lighting, wayfinding and public art.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• <b>Economic Development.</b> Economic development services strengthen existing businesses and support entrepreneurship and innovation in Downtown, including assistance in filling vacant storefronts, helping businesses to navigate City processes, marketing Downtown to the broader leasing community, and helping property owners understand the evolving office and retail markets.</li> </ul>

	<p>• <b>Marketing &amp; Special Events.</b>  Marketing and special events promote Downtown as a whole and as a unique collection of neighborhoods, generate visitors and customers to support Downtown businesses, highlight and celebrate the diversity of Long Beach, and build awareness of DLBA programs and services.</p>																																						
<b>Method of Financing</b>	Levy of assessments upon real property that benefit from improvements and activities.																																						
<b>Budget</b>	<p>The total district budget for the first year of operation beginning in 2023 is <b>\$3,965,000</b> allocated as follows.</p> <table border="1"> <thead> <tr> <th><b>REVENUES</b></th> <th><b>TOTAL</b></th> </tr> </thead> <tbody> <tr> <td><i>PBID Assessments</i></td> <td><i>3,782,348</i></td> </tr> <tr> <td>Other (General Benefit)</td> <td>182,652</td> </tr> <tr> <td><b>TOTAL REVENUES</b></td> <td><b>\$3,965,000</b></td> </tr> <tr> <td colspan="2"><b>EXPENDITURES</b></td> </tr> <tr> <td colspan="2"><b>Environment</b></td> </tr> <tr> <td>Clean Team</td> <td>\$1,220,000</td> </tr> <tr> <td>Safety Ambassadors &amp; Homeless Outreach</td> <td>\$1,350,000</td> </tr> <tr> <td>Public Space Management</td> <td>\$ 125,000</td> </tr> <tr> <td><b>Total Environment</b></td> <td><b>\$2,695,000</b></td> </tr> <tr> <td colspan="2"><b>Economy</b></td> </tr> <tr> <td>Economic Development</td> <td>\$450,000</td> </tr> <tr> <td>Marketing &amp; Special Events</td> <td>\$385,000</td> </tr> <tr> <td><b>Total Economy</b></td> <td><b>\$835,000</b></td> </tr> <tr> <td colspan="2"><b>Administration &amp; Reserves</b></td> </tr> <tr> <td>Administration &amp; Communications</td> <td>\$316,050</td> </tr> <tr> <td>Delinquency Reserve (3%)</td> <td>\$118,950</td> </tr> <tr> <td><b>Total Administration &amp; Reserves</b></td> <td><b>\$435,000</b></td> </tr> <tr> <td><b>TOTAL EXPENDITURES</b></td> <td><b>\$3,965,000</b></td> </tr> </tbody> </table> <p><b>General Benefit Allowance:</b> An allowance is made for general benefits that the District may provide to either the parcels outside the district boundary or to the public at large. Any PBID services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from services accounts for \$182,652 of the estimated budget, resulting in a total assessment budget of \$3,782,348.</p>	<b>REVENUES</b>	<b>TOTAL</b>	<i>PBID Assessments</i>	<i>3,782,348</i>	Other (General Benefit)	182,652	<b>TOTAL REVENUES</b>	<b>\$3,965,000</b>	<b>EXPENDITURES</b>		<b>Environment</b>		Clean Team	\$1,220,000	Safety Ambassadors & Homeless Outreach	\$1,350,000	Public Space Management	\$ 125,000	<b>Total Environment</b>	<b>\$2,695,000</b>	<b>Economy</b>		Economic Development	\$450,000	Marketing & Special Events	\$385,000	<b>Total Economy</b>	<b>\$835,000</b>	<b>Administration &amp; Reserves</b>		Administration & Communications	\$316,050	Delinquency Reserve (3%)	\$118,950	<b>Total Administration &amp; Reserves</b>	<b>\$435,000</b>	<b>TOTAL EXPENDITURES</b>	<b>\$3,965,000</b>
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<b>Cost</b>	To develop the PBID assessment methodology, the consulting team included participation from NBS, a certified engineer. <b>Additional information and justification for the proposed assessment methods and adjustments will be provided in the Engineer’s Report, prepared by NBS and will be provided as an attachment to the Final Management Plan.</b>																																						

The assessment methodology apportions the special benefits from PBID services to properties based on a combination of several factors that have been in place since the last renewal of the PBID in 2012. These factors include:

- **Benefit Zones:** Two zones of benefit delineate different frequencies of services between the premium zone (higher frequency of services) and standard zone (lower frequency of services).
- **Land Use Factors:** Properties are classified as being one of five predominate land uses in the downtown. These land uses include: commercial property, parking structure property, residential property with more than 50 units, residential property with less than 50 units, and public/non-profit property. There is a different allocation of benefit from services focused on commerce (i.e. economic development, marketing and special events) to each land use category.
- **Property Characteristics:** Adjusting for benefit zones and land use factors, costs from services are then allocated to linear frontage and the sum of lot and building square footage.

Estimated annual maximum assessment rates for the first year of the district are:

<b>Standard Zone</b>	<b>Lot Frontage Rate per foot</b>	<b>Building + Lot per sq. ft.</b>
Commercial	\$16.56	\$0.0594
Parking Structure	\$ 16.56	\$ 0.0391
Residential 50+ Units	\$16.56	\$0.0290
Residential < 50 units; Civic/Non-Profit	\$16.56	\$0.0188

<b>Premium Zone</b>	<b>Lot Frontage Rate per foot</b>	<b>Building + Lot per sq. ft.</b>
Commercial	\$23.12	\$0.0657
Parking Structure	\$ 23.12	\$ 0.454
Residential 50+ Units	\$23.12	\$0.0352
Residential < 50 units; Civic/Non-Profit	\$23.12	\$0.0251

<b>Cap</b>	Annual assessments may increase no more than 5% per year consistent with the increase in the Los Angeles-area consumer price index (CPI) and increases in other program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Downtown Long Beach Alliance (DLBA) Board of Directors, which serves as the PBID Owner’s Association.
<b>City Services</b>	The City of Long Beach has provided an accounting of baseline services that are currently provided within the District and will continue through the duration of the planned renewal. The City base level of service agreement is included as an Exhibit.
<b>Collection</b>	PBID assessments appear as a separate line item on the annual Los Angeles County property tax bills. Any parcel not on the property tax rolls, such as government or

	non-profit owned parcels, will be directly billed by the DLBA or a third-party contractor.
<b>District Governance</b>	<p>The PBID will continue to be governed by the Downtown Long Beach Alliance (DLBA), a 501(c)(6) non-profit organization. Acting as the Owner’s Association for the district, DLBA will determine budgets, assessment rates subject to the parameters contained in the Management Plan, and monitor service delivery that is provided by DLBA staff and/or contractors.</p> <p>The DLBA Board of Directors includes a diverse representation of stakeholders, including both commercial and residential property owners, businesses, City representatives, and community-serving partners.</p> <p>Currently, to represent the PBID, there are eight commercial property owners, one residential property owner and one City property owner on the 21-member voting board.</p>
<b>District Continuation</b>	California law for PBID district continuation requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments (i.e. petitions must represent more than 50% of the \$3,782,348 to be assessed). Petitions are submitted to the Long Beach City Council, and the City will send mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to consider approval.
<b>Duration</b>	Collection of the first year’s assessments will be included in Los Angeles County’s 2022-2023 tax bill with services beginning January 1, 2023 and continuing through December 31, 2032. A five-year review of the district will evaluate market conditions and the need for any adjustments to the Management Plan. Any subsequent renewal of the district will require a new management plan, petition and mail ballot process.

***The full Management Plan shall be furnished upon request by contacting the Downtown Long Beach Alliance at 562-436-4259, Or download the full Management Plan at the following website:  
www.dlba.org/pbid***

## I. WHY CONTINUE THE DOWNTOWN LONG BEACH PBID?

### What Is A PBID?

The International Downtown Association estimates that more than 1,000 PBIDs currently operate throughout the United States and Canada. Through an assessment on property, a PBID provides resources for enhanced improvements and activities, such as public safety, maintenance, marketing, and economic vitality services, above and beyond those provided by local government. PBIDs provide services that improve the overall viability of downtown districts -- resulting in higher property values, sales and tax revenues and an improved quality of life. Since the creation of California's Property and Business Improvement District Law in 1994, more than 100 new PBIDs have been established in California downtowns, including Sacramento, Oakland, Los Angeles, Santa Monica and San Diego.

### Why Continue the PBID for Downtown Long Beach?

The Downtown Long Beach PBID was established by property owners in 1998 and has been renewed twice - once in 2003 and again in 2012. The existing PBID will expire at the end of 2022 and must be replaced by a new PBID if enhanced services are to continue.

Acknowledging the myriad changes wrought by the pandemic, the PBID is perhaps more critical than ever to deliver steady, enhanced services that ensure a clean, safe, and enjoyable experience in Downtown Long Beach.

The PBID renewal process is an opportunity to tailor the District's services to meet Downtown's changing dynamics and address stakeholders' top priorities moving forward.

#### 1. A Clean and Safe Downtown is Fundamental to Success

During a recent strategic planning process for the Downtown Long Beach Alliance (DLBA) – the PBID's Owner's Association – **downtown stakeholders identified improving safety and increasing services for individuals experiencing homelessness as the two top priorities for Downtown over the next five years.**

A clean and safe experience is fundamental to any downtown's success and converging influences brought on by COVID-19 have diminished the sense of safety and exacerbated issues for the unhoused population in Downtown Long Beach, and in downtowns throughout the country. The PBID- funded clean and safe teams are a well-respected staple of Downtown Long Beach and have been increasingly recognized for their service during the pandemic. The PBID renewal budget proposes an infusion of resources into this program to meet the growing needs.

#### 2. The PBID Is More Important Than Ever in Challenging Economic Times

The pandemic presented unprecedented disruption to downtowns, particularly to the traditional economic engines of central business districts – office employment and retail. In addition to the clean and safe fundamentals, **one of Downtown stakeholders' top priorities is to fill vacant storefronts.** DLBA's economic development team continues to work hard to support existing businesses and connect them to available resources. Moving through the pandemic and beyond, PBID-funded

economic development services will be critical for ensuring Downtown Long Beach remains competitive by supporting the Downtown office and retail markets, harnessing new entrepreneurial activity, and providing a vibrant overall experience for residents, employees, and visitors.

### **3. The PBID is Accountable to Those Who Pay**

By combining resources, Downtown property owners, businesses and residents are able to benefit from a wide variety of enhanced services that keep Downtown safe, clean and vital. Services are directly accountable to Downtown stakeholders as decisions on the annual PBID work program, budget and assessments are made by affected property owners, businesses and residents.

### **4. The PBID Helps Unify Downtown and Makes Us More Influential**

With the PBID, Downtown speaks with a unified voice to guide a variety of policies and issues affecting Downtown Long Beach. The PBID fosters a sense of community and brings business and resident interests together to focus on improving Downtown.

## **Process to Develop the PBID Management District Plan**

To develop the PBID Management Plan and continue the Downtown Long Beach PBID, Downtown property and business owners, residents, non-profit and civic leaders were involved in a participatory process to update the DLBA's Strategic Plan. The strategic plan identified the strengths, challenges, and priority improvements for Downtown Long Beach, which were used to inform the PBID Management Plan. The consulting firms Progressive Urban Management Associates (Strategic Plan and PBID consultant) and NBS (certified engineer) were retained by the DLBA to develop the Management Plan for continuing the PBID.

### **1. Strategic Plan as a Basis for Determining Priorities**

The strategic planning consultant team engaged with a variety of stakeholders, holding over 50 interviews and roundtable discussions, and distributing an online survey that collected approximately 500 responses. Stakeholder groups included merchants, property owners (commercial and residential), community-serving organizations, developers and real estate professionals, City leadership, and other partners. Downtown stakeholder priorities were used to inform the PBID Management Plan.

Stakeholders' Top Three Priorities:

- Improve outcomes and services for people experiencing homelessness in Downtown
- Improve the perception and reality of safety in Downtown
- Help to fill vacant storefronts throughout Downtown

### **2. City Base Level of Services**

The consultant team and DLBA staff used the PBID renewal to revisit the base level services agreement, which delineates between City services (base level) and DLBA services (above and beyond base level) to make sure expectations were clear and reasonable.

### **3. Oversight by Downtown Commercial and Residential Property Owners**

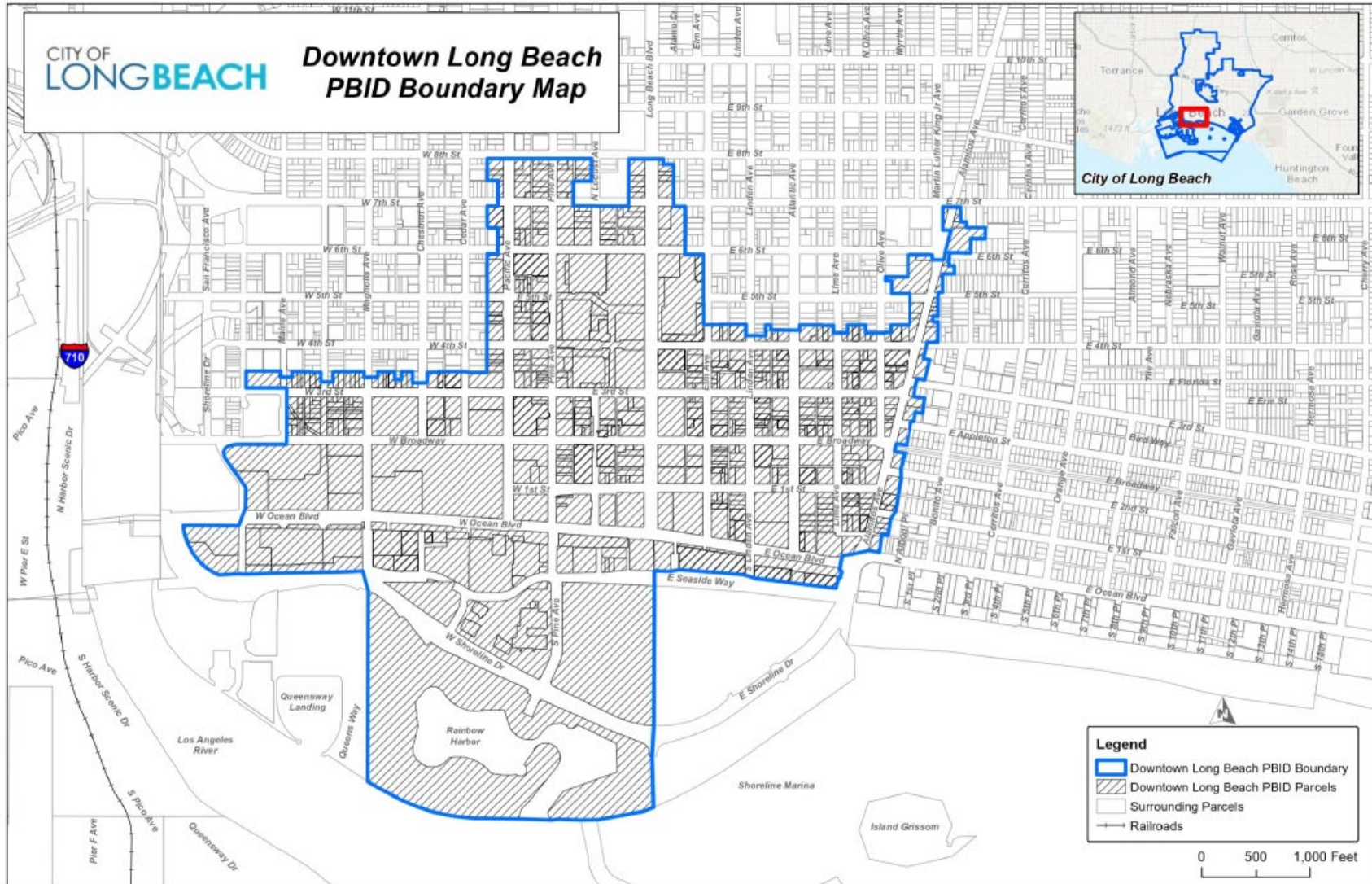
To guide the consultant team and validate PBID renewal concepts, the DLBA Board of Directors and a Steering Committee made up of a diverse array of Downtown property owners have served to review PBID Management Plan concepts as they have been developed.

**Plan Review & Final Plan:** The draft PBID Management District Plan and budget was reviewed by the DLBA Board of Directors, PBID Steering Committee and individual property owners.

Input from these meetings was considered for the final draft of the PBID Management Plan.



## II. PBID BOUNDARY MAP



### III. IMPROVEMENTS AND ACTIVITIES

PBID services are above and beyond those provided by the City of Long Beach. The City of Long Beach has provided an accounting of baseline services that are currently provided within the District and will continue through the duration of the planned renewal. The City base level of service agreement is attached as an Exhibit.

#### A. Environment

PBID “Environment” activities are intended to provide a clean, safe and attractive Downtown. Environment activities include cleaning, safety, and homeless outreach services that benefit each individual assessed parcel, including commercial, residential, parking structures, public and non-profits.

#### Clean, Safe, and Homeless Outreach

Downtown’s Clean and Safe program was developed following the creation of the PBID in 1998 and is the signature program funded by the PBID.

Uniformed Clean Teams have been deployed throughout Downtown to remove litter and graffiti, pressure wash sidewalks, sweep sidewalks and gutters, and provide weeding, light landscaping, and spot cleaning as needed.

Safety Ambassadors provide an extra eyes and ears to help deter nuisance crimes, provide safety escort services, and act as a friendly face for visitors through hospitality services. Safety Ambassadors have also helped to assist the District’s population experiencing homelessness by making connections to available resources.

Achievements of the PBID-funded Clean and Safe program in 2020 include:

- 304,998 pounds of trash removed
- 8,749 graffiti and stickers removed
- 2,320 pounds of weeds removed
- 44,857 assistance requests addressed
- 370 safety escorts provided
- 9,008 directions given
- 1,163 quality of life contacts made with individuals experiencing homelessness

The proposed PBID clean and safe work program anticipates ongoing deployment at the following frequencies by zone.

Clean Team	Standard Zone	Premium Zone
Weekly Deployment (hours)	550	
Weekly F.T.E.	14.0	
Sidewalk and Gutter Sweeping	7 days/week	7 days/week
Machine Sweeping	7 days/week	7 days/week
Pressure Washing	Once every 4 weeks (Fri/Sat)	4 days/week
Graffiti and Sticker Removal	Daily	Daily
Weeding/Light Landscaping	Daily	Daily
Spot Cleaning	As needed	As needed

Maintenance of placemaking projects	As needed	As needed
<b>Safety Ambassadors</b>		
Weekly Deployment (hours)	780	
Weekly F.T.E.	19.5	
Foot Patrol	None	10-to-12 passes daily
Wheeled Patrol	6-to-10 passes daily	As needed
Visitor Services, Safety Escorts, Motorist Assist	Daily	Daily
Homeless Outreach	7 days/week	7 days/ week

**Premium Zone:** The Premium Zone includes areas of highest pedestrian activity where demands for clean and safe services are greatest. This area includes the most significant activity generators within the boundaries of the district, including City Place retail center and the Pine Avenue, Promenade and Long Beach Boulevard corridors, the 1st Street corridor in the East Village, and the transit facilities along 1st Street. These activities create the conditions requiring a greater amount of clean and safe services, such as dirty sidewalks, the presence of graffiti and the need to provide safety guide assistance. The Premium Zone includes a much higher frequency of pressure washing service and more frequent passes by Safety Ambassadors, who are on foot as opposed to the wheeled patrol in the Standard Zone.

**Standard Zone:** The remaining areas of the PBID are encompassed by the Standard Zone. The standard areas have lower intensity activity generators, including less ground floor retail and a higher concentration of office and residential uses. Accordingly, the lower level of pedestrian activity results in reduced need for clean and safe services and lower frequencies of certain clean and safe services.

**Enhancing Clean, Safe, and Homeless Outreach**

Based on stakeholder input during the DLBA’s strategic planning process, safety and individuals experiencing homelessness were the top two issues facing Downtown Long Beach. Similar to many downtowns, these issues have grown over time and were exacerbated during the pandemic. To adequately meet the increasing needs in Downtown, an infusion of resources is needed to:

- Increase the frequency of sweeping and pressure washing;
- Increase the number of passes by Safety Ambassadors;
- Increase support for homeless outreach assistance and connections to resources; and
- Increase the pay of the Clean and Safe team, which is essential in the current labor market to stay competitive and retain talent.

Included in the clean and safe budget is a new position for a **Homeless Outreach Manager:** This senior level position would be responsible for creating an outreach program that embraces the community’s values and concerns while addressing demands and needs of the unhoused population, with the main objective of connecting individuals to services and housing. The manager will collaborate with social service agencies, local organizations, non-profits, and various City departments to create or strengthen partnerships to most effectively manage the challenges associated with homelessness.

**The map on the following page illustrates the geographic coverage to the two zones.**



## Public Space Management

Public space management funds are used to improve the visual appearance of Downtown and to enhance the sense of place and overall vibrancy. Public space management activities can include:

- Adding trees and landscaping;
- Installing festive lighting;
- Showcasing the creative of the community through various forms of public art; and
- Other activities and improvements that visibly enhance the Downtown environment.

The **Environment** portion of the PBID accounts for 68% of the proposed budget.

## **B. Economy**

Activities aimed at improving the economic vitality of Downtown Long Beach are part of the PBID Management Plan. These services are intended to provide special benefits to each individually assessed commercial parcel and partial benefit to parking structures and rental residential buildings with 50 or more units, and no benefit to non-profit uses, residential buildings with less than 50 units and all owner-occupied residential condominiums.

Acknowledging this difference, non-profit uses, rental residential buildings with less than 50 units and all owner-occupied residential condominiums will not be assessed for the cost of economy activities.

### **Economic Development**

DLBA's economic development team acts as a liaison between public and private sectors, building relationships, and assisting with business recruitment and retention in Downtown Long Beach. The team also produces reports and analysis on the economic state and profile of Downtown to inform stakeholders, policymakers, and those who might be interested in investing in Downtown.

DLBA's economic development team was critical during COVID-19, helping to keep businesses informed and connected with available resources. DLBA led a citywide survey assessing COVID-19's impact on businesses, partnered with Farmers & Merchants Bank to launch a grant program providing COVID-19 relief for small businesses, and transitioned education series and workshops online.

One of the top priorities from stakeholder outreach was to help fill vacant storefronts in Downtown. DLBA will work with partners to address this by:

- Assisting new and existing businesses in accessing resources and working through City processes;
- Developing a tailored marketing campaign to the regional leasing and tenant communities to elevate the awareness of Downtown;
- Finding creative ways to activate vacant or underutilized spaces;
- Helping to facilitate affordable platforms for entrepreneurs; and
- Assisting the downtown office market in evolving to meet new realities.

Included in the economic development budget is a new position for a **Downtown Business Navigator**: This position is envisioned as a near term opportunity to support Downtown's economic recovery through direct and tailored support to existing businesses and encouragement of new entrepreneurs. This position will be hands on and proactively seek to build relationships with diverse Downtown businesses and entrepreneurs who are new to the Downtown Long Beach market. This position will also work closely with the City of Long Beach Economic Development Department and will help businesses (with a focus on storefront and office tenants) to navigate City processes and keep them informed of new financial and technical assistance resources.

### **Marketing and Special Events**

Marketing and special events enhance the image of Downtown Long Beach and help to attract – and provide an enjoyable experience – for visitors and locals, which in turn provides collective benefit to businesses and property owners. During COVID-19, DLBA's marketing team ramped up

communications to share information about health protocols, encourage support for open businesses, and promoting positive stories of the community coming together.

DLBA's marketing and special events teams are dedicated to:

- Increasing awareness of and promoting of Downtown Long Beach, through a variety of communications channels including social media, the DLBA website, and strategic advertising campaigns;
- Promoting businesses, activities, and events happening in Downtown; and
- Keeping stakeholders informed of DLBA's services and other policies and important matters affecting the District.

The **Economy** portion of the PBID accounts for 21% of the proposed budget.

### **C. Administration and Reserves**

Administration and reserves are included in the PBID budget. Examples include:

- Communications to keep all Downtown stakeholders informed of policies, issues, challenges and opportunities;
- Advocacy for resources and initiatives that enhance community benefit;
- Accounting and financial reports;
- Program support costs including supplies, equipment and rent;
- A delinquency reserve estimated at 3% of assessments;
- Other administration costs associated with the overhead and support of programs.

To reduce administrative costs, increase leveraging of funds, and to avoid duplication of enhanced services, the PBID will continue to be managed by the DLBA to deliver day-to-day services. DLBA can leverage PBID assessments with additional revenues, including Downtown Parking and Business Improvement Area (DPIA) fees, sponsorship revenue, contracts, grants and earned income.

The **Administration and Reserves** portion of the PBID budget accounts for 11% of the proposed budget.

## IV. PLAN BUDGETS

The total district budget for the first year of operation beginning in 2023 is **\$3,965,000**.

<b>REVENUES</b>	<b>TOTAL</b>
PBID Assessments	3,782,348
Other (General Benefit)	182,652
<b>TOTAL REVENUES</b>	<b>\$3,965,000</b>
<b>EXPENDITURES</b>	
<i><b>Environment</b></i>	
Clean Team	\$1,220,000
Safety Ambassadors & Homeless Outreach	\$1,350,000
Placemaking	\$ 125,000
<i><b>Total Environment</b></i>	<i><b>\$2,695,000</b></i>
<i><b>Economy</b></i>	
Economic Development	\$450,000
Marketing & Events	\$385,000
<i><b>Total Economy</b></i>	<i><b>\$835,000</b></i>
<i><b>Administration &amp; Reserves</b></i>	
Administration & Communications	\$316,050
Delinquency Reserve (3%)	\$118,950
<i><b>Total Administration &amp; Reserves</b></i>	<i><b>\$435,000</b></i>
<b>TOTAL EXPENDITURES</b>	<b>\$3,965,000</b>

### Ten Year Operating Budget

A projected ten-year operating budget for the Downtown Long Beach PBID is provided on the following page. Projections for the budget are based upon the following assumptions:

- Total program revenue increases by no more than 5% per year, the maximum allowed under the proposed annual budget adjustment to respond to increases in the consumer price index and other program costs. Actual budgets may not increase 5% as determined by the DLBA Board of Directors, which is the PBID Owner’s Association.
- Revenues for specific activities within the general activity categories (i.e. Economy and Environment) may be reallocated among specific activities from year to year based upon district needs and budgets developed by the DLBA Board of Directors. Revenues may not be moved between the Economy and Environment categories.

<b>Downtown Long Beach PBID</b>										
Ten Year Operating Budget & Maximum Assessments										
Prepared by Progressive Urban Management Associates - January 2022										
<b>Assumptions</b>										
Assessment rates increase a maximum of 5% each year.										
<b>Actual adjustments may be lower as determined by the PBID Owner's Association (DLBA)</b>										
<b>ESTIMATED TEN YEAR OPERATING BUDGET</b>										
Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Environment	\$ 2,695,000	\$ 2,829,750	\$ 2,971,238	\$ 3,119,799	\$ 3,275,789	\$ 3,439,579	\$ 3,611,558	\$ 3,792,136	\$ 3,981,742	\$ 4,180,830
Economy	\$ 835,000	\$ 876,750	\$ 920,588	\$ 966,617	\$ 1,014,948	\$ 1,065,695	\$ 1,118,980	\$ 1,174,929	\$ 1,233,675	\$ 1,295,359
Communications, Administration, Reserves	\$ 435,000	\$ 456,750	\$ 479,588	\$ 503,567	\$ 528,745	\$ 555,182	\$ 582,942	\$ 612,089	\$ 642,693	\$ 674,828
<b>TOTAL</b>	<b>\$ 3,965,000</b>	<b>\$ 4,163,250</b>	<b>\$ 4,371,413</b>	<b>\$ 4,589,983</b>	<b>\$ 4,819,482</b>	<b>\$ 5,060,456</b>	<b>\$ 5,313,479</b>	<b>\$ 5,579,153</b>	<b>\$ 5,858,111</b>	<b>\$ 6,151,016</b>
<b>MAXIMUM ANNUAL ASSESSMENT RATES: Per Square Foot of Lot and Building</b>										
Standard	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Commercial	\$ 0.0594	\$0.0624	\$0.0655	\$0.0688	\$0.0722	\$0.0758	\$0.0796	\$0.0836	\$0.0878	\$0.0921
Residential 50+ Units	\$ 0.0290	\$0.0305	\$0.0320	\$0.0336	\$0.0352	\$0.0370	\$0.0389	\$0.0408	\$0.0428	\$0.0450
Parking Structures	\$ 0.0391	\$0.0411	\$0.0431	\$0.0453	\$0.0475	\$0.0499	\$0.0524	\$0.0550	\$0.0578	\$0.0607
Residential < 50 Units & Public/Non-Profit	\$ 0.0188	\$0.0197	\$0.0207	\$0.0218	\$0.0229	\$0.0240	\$0.0252	\$0.0265	\$0.0278	\$0.0292
Premium	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Commercial	\$ 0.0657	\$0.0690	\$0.0724	\$0.0761	\$0.0799	\$0.0839	\$0.0880	\$0.0924	\$0.0971	\$0.1019
Residential 50+ Units	\$ 0.0352	\$0.0370	\$0.0388	\$0.0407	\$0.0428	\$0.0449	\$0.0472	\$0.0495	\$0.0520	\$0.0546
Parking Structures	\$ 0.0454	\$0.0477	\$0.0501	\$0.0526	\$0.0552	\$0.0579	\$0.0608	\$0.0639	\$0.0671	\$0.0704
Residential < 50 Units & Public/Non-Profit	\$ 0.0251	\$0.0264	\$0.0277	\$0.0291	\$0.0305	\$0.0320	\$0.0336	\$0.0353	\$0.0371	\$0.0389
<b>MAXIMUM ANNUAL ASSESSMENT RATES: Linear Lot Frontage</b>										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Standard: All Parcels</b>	\$ 16.56	\$ 17.39	\$ 18.26	\$ 19.17	\$ 20.13	\$ 21.14	\$ 22.19	\$ 23.30	\$ 24.47	\$ 25.69
<b>Premium: All Parcels</b>	\$ 23.12	\$ 24.28	\$ 25.49	\$ 26.76	\$ 28.10	\$ 29.51	\$ 30.98	\$ 32.53	\$ 34.16	\$ 35.87



## V. ASSESSMENTS

### A. Assessment Methodology

To develop the PBID assessment methodology, the consulting team included participation from NBS, a certified engineer. **Additional information and justification for the proposed assessment methods and adjustments will be provided in the Engineer’s Report, prepared by NBS and will be provided as an attachment to the Final Management Plan.**

The assessment methodology apportions the special benefits from PBID services to properties based on a combination of several factors that have been in place since the last renewal of the PBID in 2012. These factors include:

- **Benefit Zones:** Two zones of benefit delineate different frequencies of services between the premium zone (higher frequency of services) and standard zone (lower frequency of services).
- **Land Use Factors:** Properties are classified as being one of five predominate land uses in the downtown. These land uses include: commercial property, parking structure property, residential property with more than 50 units, residential property with less than 50 units, and public/non-profit property. There is a different allocation of benefit from services focused on commerce (i.e. economic development, marketing and special events) to each land use category.
- **Property Characteristics:** Adjusting for benefit zones and land use factors, costs from services are then allocated to the following property characteristics: linear frontage and the sum of lot and building square footage.

**Benefit Zones:** The two benefit zones receive different services as illustrated on the following chart:

ACTIVITY	Standard Zone	Premium Zone
<b>ENVIRONMENT</b>		
<b>Clean Team</b>		
Sidewalk and Machine Sweeping	7 days/week	7 days/week
Pressure Washing	Once every 4 weeks	Once every week
Graffiti removal and weeding	Daily	Daily
Spot Cleaning and Maintenance of Placemaking Projects	As needed	As needed
<b>Safety Ambassadors &amp; Homeless Outreach</b>		
Foot Patrol	None	10-to-12 passes daily
Wheeled Patrol	6-to-10 passes daily	As needed
Visitor Services, Safety Escorts, Motorist Assist	Daily	Daily
Homeless Outreach	7 days/week	7 days/week
<b>Placemaking</b>	Yes	Yes
<b>ECONOMY</b>		
Economic Development	Yes	Yes
Marketing & Special Events	Yes	Yes
Placemaking	Yes	Yes

**Apportioning Clean and Safe Benefits:** Based upon the benefit from the preceding frequency of services, the engineering firm has calculated the following adjustments to apportion costs from clean and safe benefits to each zone:

Service	Standard Zone Benefit Factor	Premium Zone Benefit Factor
Clean Teams	1.00	1.43
Safety Ambassadors and Homeless Outreach	1.00	1.33

**Land Use Factors:** Different land uses within the PBID are defined as the following:

**Commercial Property** consists of parcels owned or leased by a profit-making entity (including property leased by a profit-making entity on a property owned by a public entity) and primarily used for commercial purposes including, but not limited to, retail, offices, restaurants, hotels/motels, medical/dental offices, surface parking lots, and undeveloped property zoned for commercial use.

**Parking Structure Property** consists of property containing a revenue-generating, stand-alone, wholly or partly enclosed structure for temporary parking and protection of one or more motor vehicles which are otherwise in active use. Parking garages integrated within a commercial or residential structure shall not be considered Parking Structure Property.

**Residential (50+ Units) Property** consists of high-density residential structures with fifty or more units used exclusively for residential rental purposes.

**Residential (<50 Units) Property** consists of parcels with low-density residential structures with less than fifty units, including individual condominium units.

**Public/Non-Profit Property** consists of parcels owned or used as follows:

- parcels owned by a state, regional, or city government entity and used for public purposes including, but not limited to, police/fire stations, parks, schools, and government office buildings.
- parcels owned by, or leased to, a public utility.
- parcels owned or primarily operated by non-profit entities, including churches, etc.

The DLBA will make the determination of a parcel's non-profit status on an annual basis.

**Apportionment of Benefit based on Land Use Factors:** The two bundles of services – i.e. environment and economy – are apportioned to the land use factors as follows:

- **Environment** services (i.e. clean, safe, homeless outreach and placemaking) benefit all land use types and are apportioned equally to all land uses.
- **Economy** services (i.e. economic development, marketing and special events) provide greater benefits to land uses that are generating income and/or house commercial activity, therefore benefits from these services are apportioned to different land uses as follows:

Property Land Use	Economy Land Use Factor
Commercial Property	1.00
Parking Structure Property	0.50
Residential Property (greater than 50 units)	0.25
Residential Property (less than 50 units) and Public/Non-Profit Property	0.00

**Property Characteristics:** The current and proposed assessment methodology for the Downtown Long Beach PBID is based upon a combination of linear frontage plus lot and building square footage.

Variables include:

- **Linear Frontage:** Frontage is a primary assessment variable. All Clean Teams costs and one-half of the Safety Ambassadors & Homeless Outreach costs are allocated through linear frontage, acknowledging the benefit of these services is to make each individual assessed parcel's frontage cleaner and/or safer.
- **Lot plus Gross Building Square Footage:** The sum of lot and gross building square footage is the assessment variable for one-half of the Downtown Safety Guide costs and the full cost of Economy Program. The economy activities are designed to improve image, occupancy, sales and business retention and recruitment to applicable land uses. Each of these parcel's lot and gross building square footage will specially benefit from the increased economic activity. One-half of Downtown Safety Guide costs are allocated to lot and gross building square footage acknowledging that each assessed parcel's square footage specially benefits from a safer environment for its employees, residents, and visitors both on the street level and within buildings.

### Special Considerations for Determining Assessments

**Publicly-Owned Parcels:** Any publicly owned parcels that benefit from the services and activities cannot be exempt from the assessment. The special benefits accruing to these types of parcels must be determined using the same kind of formulas and benefit point assignment as applied to privately owned parcels. This requirement is clearly conveyed in Proposition 218, which states in part, "... *Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.*" Publicly owned parcels have been categorized and assigned special benefit points using the same methodology as privately owned parcels, as previously described.

**Parcels with Multiple Land Uses:** Parcels in the PBID may have multiple land uses and could be categorized as having more than one of the identified land use types. If the DLBA is made aware of a parcel with more than one land use type, the following shall apply:

If there are multiple land use types on one parcel, but those land use types all have the same assessment rates, the DLBA shall select the most appropriate land use type designation and levy the applicable assessment rates.

If there are multiple land use types on one parcel, and those land use types have different assessment rates, the DLBA shall attempt to separate out the land use types by actual building square footage. The DLBA shall then pro-rate the total underlying lot square footage and frontage feet in proportion to the

building square footage assigned to each land use type. After each land use type is assigned lot square feet, building square feet, frontage feet, and a Zone of Benefit, the DLBA shall calculate the applicable assessment upon each respective land use type.

If there are multiple land use types on one parcel, and those land use types have different assessment rates, but data sufficient to delineate the building square footages is not available, the DLBA shall choose the most appropriate land use type and the assessment shall be calculated according to those rates.

**Parcels Sharing a Common Lot:** Some parcels in the PBID share a common lot, such as, but not limited to, condominium developments, including condominium projects with both residential parcels and commercial parcels on a common lot. The allocation of parcel characteristics (front frontage and lot area) for these parcels will be treated similarly to the allocation of parcel characteristics for parcels with multiple land uses, as described above, by using each parcel's proportion of the total building square footage on the lot to allocate lot area and frontage feet to each parcel.

The DLBA shall pro-rate the total underlying lot square footage and front footage to each parcel using the proportion of each parcel's building square footage relative to the total building square footage of all parcels sharing the common lot. After each parcel is assigned lot square feet, building square feet, frontage feet, land use type, and Zone of Benefit, the DLBA shall calculate the applicable assessment upon each parcel.

**Parcels with Frontage in Two Zones of Benefit:** Some parcels in the PBID have frontage in both the Standard Zone of Benefit and the Premium Zone of Benefit. For these parcels, the DLBA shall pro-rate the lot square footage and building square footage to each Zone of Benefit using the proportion of the parcel's front footage in each Zone of Benefit. After each Zone of Benefit is assigned lot square feet, building square feet, frontage feet, and land use type, the DLBA shall calculate the applicable assessment upon each parcel.

**Parcels with Multiple Land Uses That Have Frontage in Two Zones of Benefit:** Some parcels in the PBID have multiple land uses and have frontage in two Zones of Benefit. For these parcels, the DLBA shall first pro-rate the total underlying lot's lot square footage and frontage feet in proportion to the building square footage assigned to each land use type, as described in Section 6.6.2; then, for each land use type, the DLBA shall pro-rate to each Zone of Benefit the front footage, lot square footage, and building square footage determined in the first step using the proportion of the parcel's total front footage in each Zone of Benefit. After each land use type is assigned lot square feet, building square feet, and front footage in both Zones of Benefit, the DLBA shall calculate the applicable assessment upon each respective land use type.

**Parcels Sharing a Common Lot That Has Frontage in Two Zones of Benefit:** Some parcels in the PBID share a common lot that has frontage in two Zones of Benefit. For these parcels, the DLBA shall first pro-rate the total underlying lot's lot square footage and front footage to each parcel using the proportion of each parcel's building square footage relative to the total building square footage of all parcels sharing the common lot; then, for each parcel, the DLBA shall pro-rate to each Zone of Benefit the front footage, lot square footage, and building square footage determined in the first step using the proportion of the underlying lot's total front footage in each Zone of Benefit. After each parcel is assigned a land use type lot square feet, building square feet, and frontage feet in both Zones of Benefit, the DLBA shall calculate the applicable assessment upon each parcel.

## B. Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the DLBA with primary data provided by the Los Angeles County Assessor and the City of Long Beach. Since the initiation of PBID services in 1998, DLBA has contracted with an assessment engineering firm to obtain property data from the County of Los Angeles Assessor's Office. Data, which includes ownership and property characteristics, is updated annually by the assessment engineering firm and provided in the District's Annual Report.

A list of all properties to be included in the PBID is provided as an Exhibit.

**Calculation of Rates:** The following examples illustrate how the preceding rates are applied to parcels within the Downtown Long Beach PBID.

### ***Commercial Property Example : Premium Zone***

<b>Property Characteristics:</b>		<b>Rate</b>	<b>Annual Assessment</b>
50,000 sq. ft. Office building			
Lot Sq. Ft.	15,000	\$0.0657	\$ 985.50
Gross Building Sq. Ft.	50,000	\$0.0657	\$3,285.00
Linear Frontage	100	\$23.12	\$2,312.00
<b>Total</b>			<b>\$6,582.50</b>

### ***Residential Property (less than 50 units) Example: Standard Zone***

<b>Property Characteristics:</b>	<b>Calculation</b>	<b>Rate</b>	<b>Annual Assessment</b>
1,000 sq. ft. condo in building of 100,000 sq. ft. with 40,000 sq. ft. and 400 feet of frontage			
Lot Sq. Ft. (pro rata share of 40,000 sq. ft. lot)	$(1,000/100,000) \times 40,000$	\$0.0188	\$ 7.52
Gross Building Sq. Ft. (condo)	1,000	\$0.0188	\$ 18.80
Linear Frontage (pro rata share of 400 feet)	$(1,000/100,000) \times 400$	\$16.56	\$ 66.24
<b>Total</b>			<b>\$92.56</b>

## C. Assessment Adjustments

**Cost of Living and Program Cost Inflation:** Each year, beginning with FY 2023/24, the DLBA may increase maximum assessment rates by up to 5% per year. The policy for annual adjustments is determined by the DLBA board of directors. In no event shall the maximum assessment rates decrease. The assessment shall be levied at rates necessary to generate sufficient revenue to meet the estimated costs to fund the Improvements, as long as the actual assessment rates do not exceed the maximum assessment rates for that fiscal year.

**Method of Collection:** The assessments will be collected annually on the County Treasurer & Tax Collector's (the "Treasurer") secured property tax roll. The assessments will be subject to the Treasurer's assigned due dates and late penalties. However, the City may choose to collect the assessments in an alternate manner (including directly billing the property owner) as may be deemed appropriate or necessary by the City.

**Data for Annual Assessment Calculations:** Each year, as part of the assessment calculation procedures, the DLBA shall determine the land use type for each parcel based on the County Assessor's use code or other appropriate supplementary information. The parcel characteristics of lot square footage and building square footage shall similarly be based on the County Assessor's secured rolled data for the applicable year and may be supplemented with other reliable data sources. The frontage of each parcel shall be determined by reference to County Assessor's parcel maps or, if necessary, to GIS data. Frontage Zone of Benefit shall be determined by referencing the Frontage Benefit Zone Map in Section 9.2 of this Engineer's Report. Individual assessment amounts may change over time in accordance with changes to parcel characteristics including land use type and building square footage.

**Appeals:** If a property owner believes the data used to calculate their assessment is inaccurate or that the identified land use type is incorrect, the property owner may submit, in writing, a request for review to the DLBA. The property owner shall provide documentation needed to support the request for review. The DLBA shall review the request and provide a response to the property owner. The property owner must be current in the payment of all assessments when filing the request for review and must remain current during the review process. The property owner should continue to pay all amounts owed according to the County's due dates.

If the review results in changes to any parcel characteristics used to compute the assessment, the DLBA shall recalculate the assessment. When recalculating the assessments, the assessment rates actually applied in such fiscal year shall be used. Only the assessment for the parcel or parcels subject to review shall be recalculated.

If the recalculated assessment is less than the amount submitted to the County on the secured property tax roll, the difference shall be credited back to the property owner. This credit shall be limited to the current fiscal year and the prior fiscal year, if applicable. The "fiscal year" shall follow the County's fiscal year for property taxes, from July 1 to June 30. The applicable fiscal year shall be determined by the date the request for review is submitted to the DLBA. The credit may be provided in the form of a check to the property owner, an adjustment to the current year's property tax roll (if possible), or a credit to the succeeding year's assessment thereby reducing the amount placed on the secured property tax roll for such year.

If the recalculated assessment is greater than the amount submitted to the County on the secured property tax roll, the DLBA shall apply the recalculated assessment to the succeeding year's property tax roll and no adjustments shall be made to the prior or current fiscal years' assessments.

If a property owner is dissatisfied with the DLBA's decision on their appeal, the property owner may appeal the matter further to the City, who shall make a conclusive determination and whose decision shall be final.

**Budget Adjustment and Reserve:** Any annual budget surplus or deficit will be rolled into the following year's PBID budget. Assessments will be set accordingly, within the constraints of the annual adjustment, to adjust for surpluses or deficits that are carried forward. Note that the PBID will maintain a reasonable Operating Reserve estimated at approximately 3% of the PBID operating budget.

**Disestablishment:** State law provides for the disestablishment of a PBID pursuant to an annual review process. Each year that the PBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the PBID may be disestablished. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so.

## VI. GOVERNANCE

For the Downtown Long Beach PBID, the DLBA, an existing 501(c)6 California non-profit corporation, shall continue to serve as the PBID Owner's Association. The role of the Owner's Association is consistent with similar PBIDs and Downtown management organizations throughout California and the nation. The Owner's Association (i.e. DLBA Board of Directors) determines budgets, assessment rates and monitors service delivery. As part of the Management Plan, the DLBA will manage the delivery day-to-day PBID services in order to:

- Reduce overall administrative costs of the PBID;
- Leverage PBID funds with other resources and capabilities provided by the DLBA;
- Eliminate the potential for duplication of enhanced services and activities; and
- Ensure that Downtown is represented by a unified voice, thereby maximizing Downtown's influence in policies and civic affairs.

Pursuant to the State of California PBID legislation the DLBA Board of Directors is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.

The DLBA Board of Directors includes a diverse representation of stakeholders, including Downtown property owners, businesses and residents. Currently, there are eight PBID commercial property owners, one PBID resident representative and one PBID city representative on the 21-member voting board.

DLBA has a committee structure aligned with the goals of the strategic plan and encourages participation from any PBID assessment payers who are interested in helping to shape program design.

DLBA's programmatic committees include:

- Public Safety
- Economic Development
- Placemaking
- Marketing & Communications
- Special Events & Development