

CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

December 21, 2004

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

SUBJECT: Approval of Magnolia Industrial Group Property and Business Improvement District Annual Report and Assessment (District 1)

DISCUSSION

The Magnolia Industrial Group Property and Business Improvement District (MIG-PBID) was initially established by the City Council in 1996 for a three-year period. On July 20, 1999, pursuant to the Property and Business Improvement Law of 1994 (Law), the City Council re-established the MIG-PBID for an additional five-year period. On July 15, 2003, City Council again re-established the MIG-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.

Under the Law, Magnolia Industrial Group (MIG) property owners assess themselves an additional fee to pay for supplemental security patrol and the cleanup and removal of items such as weeds, trash, and abandoned furniture and tires within the MIG area.

The 1994 Law requires that the MIG-PBID Advisory Board approve and file an Annual Report describing their projected budget and expenditures. The Annual Report for 2005 is attached for City Council approval. The levy of assessment will cover the period of December 1, 2004, through November 30, 2005.

The Board-approved MIG-PBID rate of assessment is based on the square footage of developed property within the boundaries shown on the map in Section 7 of the attached Annual Report. The MIG-PBID Management Plan allows up to a 4 percent per year cost-of-living increase in the assessment rate. For Fiscal Year 2005 (FY 05), the MIG increased the assessment rate 1.8 percent based on California's reported cost-of-living increase for 2004.

In FY 05, properties under or equal to 20,000 square feet are assessed a monthly amount of \$57.01. Properties larger than 20,000 square feet are assessed a monthly amount of \$57.01 plus \$0.0010261 for each square foot in excess of 20,000, with the maximum monthly assessment limited to \$114.02.

The Law also allows the City to contract with service providers to carry out the MIG-PBID Program. Since 1996, the City of Long Beach has contracted with MIG Inc. to carry out the

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security and maintenance program. The current agreement provides that the term be automatically extended on a year-to-year basis upon City Council approval of the Assessment Report (included in the Annual Report) and related levy of assessments.

This letter was reviewed by Assistant City Attorney Heather Mahood on November 9, 2004, Budget Management Officer David Wodynski on December 2, 2004, and the City Treasurer's Office on December 2, 2004.

TIMING CONSIDERATIONS

The MIG-PBID's 2004 contract ended on November 30, 2004. City Council approval of the Annual Report and Assessment is requested on December 21, 2004, to continue the assessment and extend the contract for another year.

FISCAL IMPACT

The total property assessments to be collected for the period of December 1, 2004, through November 30, 2005 are estimated at \$75,936. The contract with MIG Inc. will be funded by the assessments. Sufficient funding to support this activity is budgeted in the Parking and Business Area Improvement Fund (SR 132) in the Department of Community Development (CD). There will be no impact on the General Fund.

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Approve the Magnolia Industrial Group Property and Business Improvement District Annual Report and Assessment for the period of December 1, 2004, through November 30, 2005, automatically extending the current agreement with the Magnolia Industrial Group, Inc. for a one-year period.

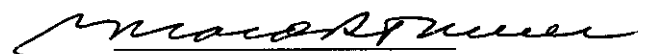
Respectfully submitted,



MELANIE S. FALLON
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

MSF:RH:tb
122104 MIG PBID Annul Apprvl v06.doc



GERALD R. MILLER
CITY MANAGER

Attachment