

# Management District Plan



**Uptown Long Beach PBID**

Prepared pursuant to the Property & Business  
Improvement District Law of 1994

**July 25, 2013**

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## I. Overview

Developed by a growing coalition of property and business owners, the Uptown Property and Business Improvement District (the District) is a benefit assessment district whose main goal is to improve Uptown. The District will establish various programs to increase the commercial activity and occupancy rates in Uptown. This approach has been used successfully in other cities throughout the country to increase sales, attract new tenants, increase occupancies, and increase property values. Parcel owners and stakeholders within Uptown have created this Management District Plan to form the District. The District will provide services and programs which serve to improve Uptown.

**Location:** The District generally includes parcels fronting Artesia Boulevard from Atlantic Avenue in the west to Orange Avenue in the east; and parcels fronting Atlantic Avenue from Artesia Boulevard in the north to Market Street in the south. See Section IV for a more detailed boundary description and map.

**Services:** The District will provide tree and median maintenance, economic development, business attraction and retention, promotion, security, and advocacy directly to assessed parcels.

**Assessment:** The total UPBID assessment for the initial year of its five-year operation is anticipated to be \$182,339.56. The assessment may be subject to an annual assessment rate increase of up to four percent (4%) per year. The assessment will be supplemented by non-assessment funds so that the annual service plan budget for the initial year of the District is anticipated to be \$188,367.31.

**Cost:** The annual cost to the parcel owner is based on parcel size and use, as shown in the table below. Single-family residential parcels will not be assessed.

<b>Parcel Use</b>	<b>Assessment Rate (\$/sqft/yr)</b>
Large Parcels with Commercial uses >100,000 square feet	\$0.100
Medium Parcels with Commercial uses 20,000-100,000 square feet	\$0.090
Small Parcels with Commercial uses <20,000 square feet	\$0.080
Parcels with Apartments	\$0.035
Parcels with Parks	\$0.010
Parcels occupied by Educational Institutions	\$0.005
Parcels with Mobile Homes	\$0.001
Parcels with Residential uses	Not Assessed

Assessment rates may be subject to an increase of no more than four percent (4%) per year.

**Duration:** The District will have a five-year life beginning January 1, 2014 and ending December 31, 2018. After five years, the petition process, ballot process, and City Council hearing process must be repeated for the District to be renewed.

## **II. Impetus**

The City of Long Beach has several successful property and business improvement districts operating within its boundaries. Parcel owners in Uptown, seeing those successes, have expressed an interest in creating a similar district to provide extra services in their area.

Parcel owners, the City, and the North Long Beach Business Alliance began working towards creating a PBID in early 2012. Meetings have been held, and a survey conducted, to determine the needs and priorities of area parcel owners. Owners have noted they are generally unsatisfied with the current level of cleanliness and marketing in the area. Security, marketing, economic development, business attraction and retention, litter removal, landscape maintenance, and special events were all rated as very important services needed in Uptown.

The services in this Management District Plan have been designed around the area's needs. Parcel owners' desires, and the potential for providing a special benefit to assessed parcels, were evaluated in development of the service plan.

### III. Background

The International Downtown Association estimates that more than 1,200 Property and Business Improvement Districts currently operate throughout the United States and Canada.

A Property and Business Improvement District may provide services, identity formulation, market research, and economic development in addition to those provided by local government. Property and Business Improvement Districts may also provide physical improvements such as entry features, benches, or lighting. These services are concentrated within a distinct geographic area and are paid for by means of a special parcel owner assessment. A Board of Directors representing those who pay the assessment would govern the organization responsible for providing these services.

Property and Business Improvement Districts are proven to work by providing services that improve the overall viability of commercial districts, resulting in higher property values and sales volumes.

The District will be formed pursuant to a State Law that took effect in January of 1995. The “Property and Business Improvement District Law of 1994,” which was signed into law by Governor Pete Wilson, ushered in a new generation of Property and Business Improvement Districts in California by allowing a greater range of services and independence from government. Key provisions of the law include:

- Allows Property and Business Improvement Districts to provide services ranging from security to maintenance, and from business advocacy to economic development.
- A Property and Business Improvement District is ***designed and governed by those who will pay*** the assessment.
- Petition and ballot support from private property owners paying at least 50% of proposed private property assessments are required to form a Property and Business Improvement District.
- Allows for the formation of a property owner advisory board to provide oversight of District operations and submit a yearly service plan.
- Requires limits for assessments to ensure that they do not exceed pre-established levels.
- Provides a multi-year life for Property and Business Improvement Districts and requires a new petition and balloting process to renew a District. The District will have a five-year term.

The “Property and Business Improvement Business District Law of 1994” is provided in Appendix I of this document.

## IV. Boundaries

The District boundary generally includes parcels along Artesia Boulevard and Atlantic Avenue in Uptown Long Beach. The District generally includes parcels fronting Artesia Boulevard from Atlantic Avenue in the west to Orange Avenue in the east, and parcels fronting Atlantic Avenue from Artesia Boulevard in the north to Market Street in the south. Certain adjacent parcels are also included in the District.

Specifically, the District boundary is as follows:

Beginning at the northwest corner of Assessor's Parcel Number (APN) 7115-002-008 (Map ID 13), then east along the northern boundary of said parcel to Atlantic Avenue. East across Atlantic Avenue to the northwest corner of APN 7115003904 (Map ID 25), east along the northern boundary of said parcel, then continuing east along the northern boundary of parcels fronting the north edge of Artesia Boulevard, across Lime Avenue, Olive Avenue, Myrtle Avenue, Lewis Avenue, and Cerritos Avenue to Orange Avenue. South along the west edge of Orange Avenue, across Artesia Boulevard, to the southeast corner of APN 7115013025 (Map ID 66). West along the southern boundary of parcels fronting the south edge of Artesia Boulevard, across Cerritos Avenue, Lemon Avenue, Lewis Avenue, California Avenue, Myrtle Avenue, and Coolidge Street, to the southwest corner of APN 7115026017 (Map ID 86). South along the eastern boundary of parcels fronting the east edge of Atlantic Avenue, across Harding Street, 61<sup>st</sup> Street, 60<sup>th</sup> Street, 59<sup>th</sup> Street, South Street, 56<sup>th</sup> Street, and 55<sup>th</sup> Street, to Market Street.

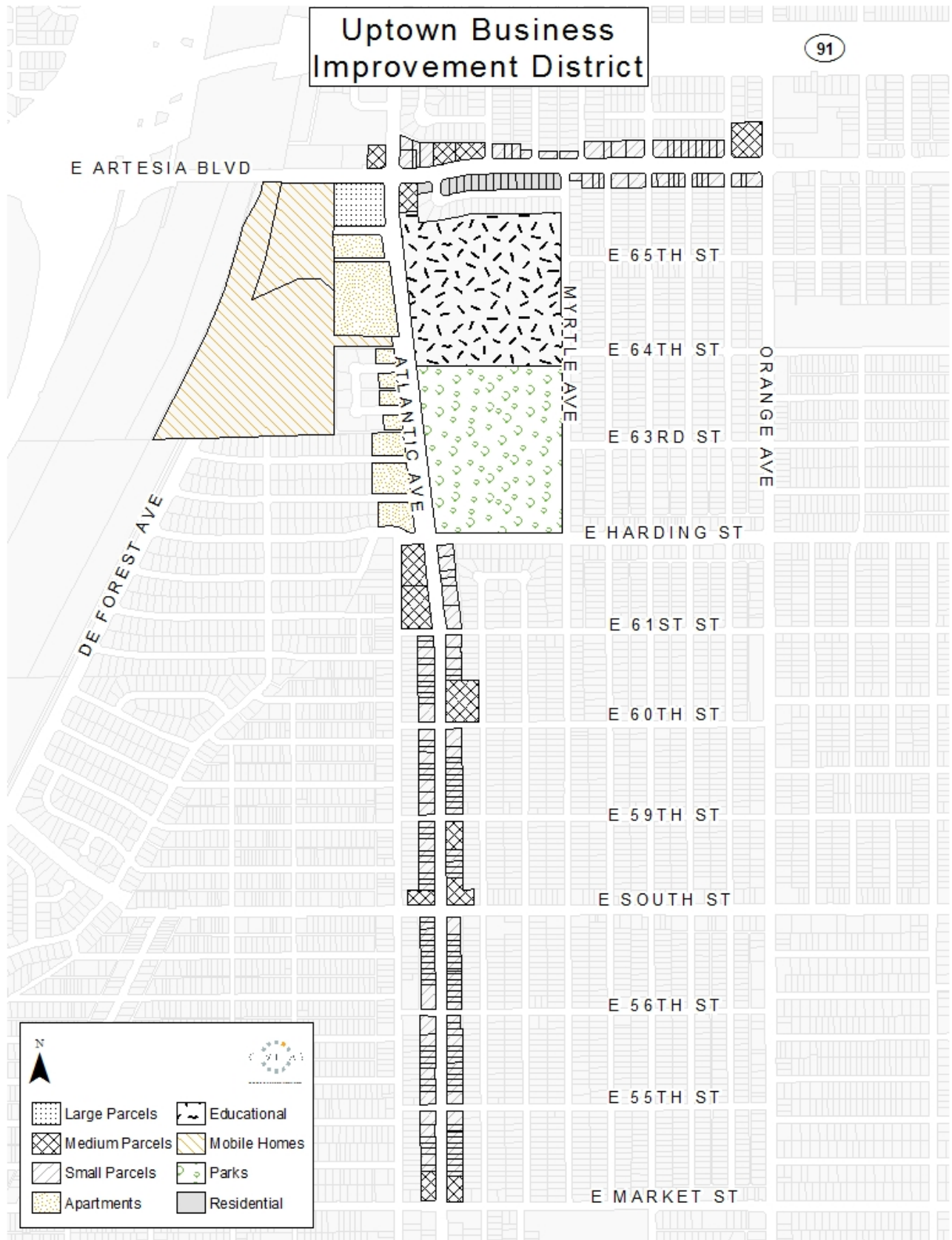
West along the north edge of Market Street, across Atlantic Avenue, to the southwest corner of APN 7127021033 (Map ID 236). North along the western boundary of parcels fronting the west edge of Atlantic Avenue, across 55<sup>th</sup> Street, 56<sup>th</sup> Street, South Street, 59<sup>th</sup> Street, 60<sup>th</sup> Street, 61<sup>st</sup> Street, Harding Street, Poppy Street, 63<sup>rd</sup> Street, Adams Street, and 64<sup>th</sup> Street, to the southwest corner of APN 7115027017 (Map ID 92). Northeast along the northwestern boundary of said parcel to Artesia Boulevard. East along the south edge of Artesia Boulevard to a point opposite the southwest corner of APN 7115002008 (Map ID 13), then north across Artesia Boulevard, and continuing north along the western boundary to the northwest corner of said parcel, the point of beginning.

The District boundary includes 198 parcels. The boundary is illustrated by the map on the following page. A detailed map is attached as Appendix III. Parcels in the map in Appendix III are identified by Map ID numbers corresponding to the Assessor's Parcel Numbers, which can be found in Appendix II. A larger map is available on request by calling (916) 325-0604 or (800)999-7781.

It is the intent of the Engineer's Report that each parcel included in the District can be clearly identified. Every effort has been made to ensure that all parcels included in the District are consistent in the boundary description, the District Boundary Map (included as Appendix III), and the Assessment Calculation Table (included as Appendix II). However, if inconsistencies arise, the order of precedence shall be: 1) the Assessment Calculation Table, 2) the District Boundary Map, and 3) this boundary description.

If the ownership, size, or use of a parcel changes during the term of this District, the assessment calculation may be modified accordingly.

# Uptown Business Improvement District



## **V. Service Plan**

### **A. Services**

The UPBID will provide services which specially benefit assessed parcels within its boundaries. The services provided are targeted specifically and provided directly to assessed parcels. Services will not be provided directly to the public-at-large or to parcels outside the District boundaries.

#### **1. Security**

The security program may include private security patrols, coordination with the Long Beach Police Department, and safety education programs. These services will be provided directly to assessed properties. The goal of these services is to create a visible deterrent to criminal activity, preventing crime and code violations which would discourage shoppers, residents, and tenants from visiting the area. The security program will help increase commerce on assessed parcels, and improve tenant retention and attraction to increase occupancy rates on assessed parcels.

#### **2. Maintenance**

Maintenance services will be provided to public areas surrounding assessed parcels within the District. Services may include tree maintenance, median maintenance, landscape installation, litter and graffiti removal, and similar services which will maintain a well-kept, clean environment. The maintenance program will help attract and retain tenants and shoppers, increasing commerce and occupancy rates at assessed parcels.

#### **3. Promotions**

A promotions program will be undertaken to increase awareness of Uptown as a destination. The program may include print, web, radio and television advertising, website development and maintenance, special event sponsorships, partnerships with local businesses, and other promotional activities. Uptown will be promoted as an exciting place to live, work, and shop. The program will help attract and retain shoppers and tenants, and increase commerce and occupancy rates on assessed parcels.

#### **4. Economic Development & Administration**

Economic development activities will include working with potential business tenants, developers, banks, and government agencies to attract new businesses to Uptown. The District will create a unified voice to advocate on behalf of property owners at various government agencies. This program will benefit property owners by increasing occupancy rates and commerce on assessed parcels.

The administrative portion of the budget accounts for the costs associated with implementing District services. Administrative costs may include office space, legal and accounting fees, telephone and postage charges, insurance, meeting space, and similar administrative expenses.

#### **5. Contingency**

The budget includes a prudent fiscal reserve. Changes in data and other issues may change the revenue and expenses. In order to buffer the organization for unexpected changes in revenue, and/or allow the UPBID to fund other overhead or renewal costs, the reserve is included as a budget item. At the end of the District's five-year term, if owners wish to renew and there are contingency funds remaining, those funds may be used for the renewal effort.

### **B. Budget**

#### **1. Summary**

The annual total assessment for the initial year of operation is anticipated to be \$182,339.56. The assessment funding will be supplemented by non-assessment funds, so that the annual service plan



budget for the initial year of the District’s five-year operation is anticipated to be \$188,367.31. The assessment amount may be subject to an increase in the assessment rate of no more than four percent (4%) per year.

**2. Annual Operating Budget**

The annual assessment and non-assessment funding will be allocated to the various service categories in the proportions below.

Annual Operating Budget Summary				
Service Category	%	Total Budget	Assessment Funds	Outside Funds
Security	35.0%	\$65,928.55	\$63,818.85	\$2,109.70
Maintenance	30.0%	\$56,510.20	\$54,701.87	\$1,808.33
Promotions	14.0%	\$26,371.43	\$25,527.54	\$843.89
Economic Development & Administration	17.5%	\$32,964.28	\$31,909.42	\$1,054.86
Contingency	3.5%	\$6,592.85	\$6,381.88	\$210.97
<b>Total</b>	<b>100.0%</b>	<b>\$188,367.31</b>	<b>\$182,339.56</b>	<b>\$6,027.75</b>

**3. Surplus**

Funds not spent in any year may be carried over to the next year and spent on programs in accordance with this Plan, or added to the contingency reserve for future use.

**4. Allocation Adjustments**

The proportional allocation of revenues shall remain consistent, except that funds can be reallocated between services by up to fifteen percent (15%) of the total budget each year.

**5. Five-Year Annual Assessment Fund Budget**

The assessment rates may be subject to an annual cost of living increase of no more than four percent (4%) per year. Assuming that the annual maximum four percent (4%) increase is implemented and that there is no adjustment to categorical allocations, the maximum annual assessment fund budget for each year of the District’s operation is shown below.

Annual Assessment Fund Budget						
Service Category	%	2014	2015	2016	2017	2018
Security	35.0%	\$63,818.85	\$66,371.60	\$69,026.46	\$71,787.53	\$74,659.03
Maintenance	30.0%	\$54,701.87	\$56,889.94	\$59,165.54	\$61,532.16	\$63,993.45
Promotions	14.0%	\$25,527.54	\$26,548.64	\$27,610.59	\$28,715.01	\$29,863.61
Econ Dev & Admin	17.5%	\$31,909.42	\$33,185.80	\$34,513.23	\$35,893.76	\$37,329.51
Contingency	3.5%	\$6,381.88	\$6,637.16	\$6,902.65	\$7,178.75	\$7,465.90
<b>TOTAL</b>	<b>100.0%</b>	<b>\$182,339.56</b>	<b>\$189,633.14</b>	<b>\$197,218.47</b>	<b>\$205,107.21</b>	<b>\$213,311.50</b>

## **VI. Governance**

### **A. Owners Association**

The District shall be governed by the Uptown Property and Community Association. The Uptown Property and Community Association shall serve as the Owners' Association described in Streets and Highways Code section 36651.

The Board of Directors of the Uptown Property and Community Association must be comprised of a majority of parcel owners paying the assessment. In addition, the Board of Directors must represent a variety of interests within the UPBID and respond to the needs of property owners within the UPBID.

The Board of Directors shall act in the best interests of all of the properties within the UPBID. The diverse representation described above ensures that the interests of all of the properties in the UPBID shall be fairly represented.

### **B. Brown Act and Public Records Act**

The Uptown Property and Community Association is considered a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Uptown Property and Community Association board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. Records must also be kept and disclosed in compliance with the California Public Records Act, Government Code §6250 et seq.

### **C. Annual Report**

The Uptown Property and Community Association shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code section 36650 (see Appendix 1).

## VII. Engineer’s Report

### A. Assessment Methodology

Property owners have emphasized that an assessment formula for the UPBID be fair, balanced, and commensurate with benefits received. The variables used for the annual assessment formula are parcel size (square feet) and parcel use. The initial year’s annual assessments rates are:

Parcel Use	Assessment Rate (\$/sq ft/yr)
Large Parcels with Commercial uses >100,000 square feet	\$0.100
Medium Parcels with Commercial uses 20,000 to 100,000 square feet	\$0.090
Small Parcels with Commercial uses <20,000 square feet	\$0.080
Parcels with Apartments	\$0.035
Parcels with Parks	\$0.020
Parcels occupied by Educational Institutions	\$0.005
Parcels with Mobile Homes	\$0.001
Parcels with Residential uses	Not Assessed

For example, a large commercial parcel with a size of 110,000 square feet would pay \$11,000.00 (110,000 x 0.10). The same parcel if occupied by a park would pay \$2,200.00 (110,000 x 0.02). If you would like more information about assessments, please call Civitas at (916)325-0604 or (800)999-7781. A list of parcels assessed and the initial assessment rates is included in Appendix II.

To account for increasing costs in providing services, assessment rates may be subject to an increase of no more than four percent (4%) per year. The annual maximum total assessment for each year of the District’s five-year term shall not exceed:

2014	2015	2016	2017	2018
\$182,339.56	\$189,633.14	\$197,218.47	\$205,107.21	\$213,311.50

#### 1. Parcels with Commercial Uses

It has been observed that smaller commercial parcels (those with less than 20,000 square feet) throughout the District have low visitor, tenant, and occupant capacities. Similarly, medium parcels (those with between 20,000 and 100,000 square feet) have been observed to have a moderate visitor, tenant, and occupant capacity. Additionally, large parcels (those with greater than 100,000 square feet) have been observed to have high visitor, tenant, and occupancy capacities. The varying capacities and resultant traffic levels on these parcels necessitate differing service levels to different parcels sizes; large parcels will receive benefits from more intense and frequent services than small and medium parcels. On a square foot basis, small parcels experience approximately 80% of the traffic that large parcels do, while medium parcels experience approximately 90% of the traffic large parcels do. To reflect these differing traffic and service levels and special benefit values, the services to be provided and the corresponding assessment rate for commercial parcels have been tiered based on parcel sizes.

Commercial parcels will receive and benefit from all of the District’s maintenance, security, and marketing services. Business attraction will be provided, working with commercial brokers and potential tenants, to fill vacancies in existing commercial structures. The frequency and intensity of services varies depending upon parcel size. For instance, a large commercial parcel could be serviced by maintenance patrols 10 hours per month, while a small one would be serviced 8 hours per month.

There are several vacant commercial parcels in the District. Those parcels will receive and benefit from maintenance and security services; however it is expected they will receive those services less frequently than occupied parcels. Vacant parcels are assessed at the same rate as commercial parcels because they will be heavily marketed and will, therefore, receive a greater benefit from the marketing program, especially business attraction. The District will fund staff to work with potential developers, commercial brokers, potential tenants, and public agencies to promote construction and improvement to those vacant parcels.

There is 1 large parcel within the proposed boundaries. Based upon the level of services explained above, we have determined that the cost of providing services to the large parcel (greater than 100,000 square feet) with commercial uses is equal to the maximum assessment rate of \$0.100 per parcel square foot per year.

There are 13 medium parcels within the proposed boundaries. Based upon the level of services explained above, we have determined that the cost of providing services to medium parcels (those between 20,000 and 100,000 square feet) with commercial uses is approximately 90% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.090 per parcel square foot per year.

The majority of the commercial parcels in the district are small parcels; there are 169 small parcels within the District boundaries. Based upon the level of services explained above, we have determined that the cost of providing services to small parcels (those less than 20,000 square feet) with commercial uses is approximately 80% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.080 per parcel square foot per year.

## **2. Parcels Occupied by Educational Institutions**

Parcels occupied by educational institutions receive a high level of coordinated maintenance services utilizing multiple-member maintenance teams from the City; services which are above and beyond those individual parcel owners are able to provide. These parcels are not typically utilized at night or on the weekends, except for sporadic events and minimal pedestrian traffic. Therefore, these parcels have a lower need for maintenance than parcels with commercial uses and other government-owned parcels. They will, however, still receive and benefit from a portion of the District's security and maintenance services. Because they are not of a commercial nature, these parcels will not benefit from marketing and business attraction programs to be provided by the District. Further, services provided to educational institutions will only be provided on the public right-of-way facing Atlantic Avenue. Services will not be provided along Myrtle Avenue or Harding Street.

Based upon the level of services explained above, we have determined that the cost of providing services to parcels occupied by schools is approximately 5% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.005 per parcel square foot per year.

## **3. Parcels Occupied by Parks**

State law provides that parcels owned by the government will pay their fair share of assessments. Government-owned parcels occupied by parks receive a high level of coordinated maintenance services utilizing multiple-member maintenance teams from the City, services which are above and beyond those individual parcel owners are able to provide. These parcels have a large amount of pedestrian traffic,

and are utilized during the week and on the weekends. Therefore, these parcels have a lower need for maintenance than general commercial parcels but a higher need than parcels occupied by educational institutions. They will, however, still receive and benefit from a portion of the District’s security and maintenance services. Because they are not of a commercial nature, these parcels will not benefit from marketing and business attraction programs to be provided by the District. Further, services provided to parks will only be provided on the public right-of-way facing Atlantic Avenue. Services will not be provided along Myrtle Avenue or Harding Street.

Based upon the level of services explained above, we have determined that the cost of providing services to parcels occupied by parks is approximately 20% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.020 per parcel square foot per year.

#### **4. Parcels Occupied by Mobile Homes**

Parcels occupied by mobile home parks will only be serviced around the park’s driveway; the interior streets will not be serviced. Because the interior streets will not be serviced, these parcels have a very small amount of street frontage that will be serviced as part of the maintenance and security program. Further, the entire perimeter will not be serviced – only the driveway and frontage along Atlantic Avenue. Because they are not commercial in nature, parcels occupied by mobile homes will receive only minimal benefit from the marketing programs aimed at bringing consumers to the District.

The cost of providing services to parcels occupied by mobile homes is approximately 1% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.001 per parcel square foot per year.

#### **5. Parcels Occupied by Apartments**

Parcels occupied by apartment complexes will receive, and benefit from, all of the District’s services. Security and maintenance will be provided directly to the assessed apartment parcels. These services will help improve safety and the appearance of the parcels, which will help attract and retain tenants. The District’s marketing services will also help raise awareness of the apartments to potential tenants. These parcels are assessed at a higher rate than those occupied by mobile home parks because they will receive services around the entire parcel perimeters, and at a lower rate than commercial parcels because they are not of the same commercial nature.

The cost of providing services to parcels occupied by apartments is approximately 35% of the cost of providing services to large commercial parcels, thus they will be assessed a rate of \$0.035 per parcel square foot per year.

### **B. Separation of Special and General Benefits**

#### **1. Introduction**

The assessment will be imposed in accordance with the provisions of Article XIII D of the California Constitution. The services to be provided by the District are supplemental services provided directly to assessed parcels, above and beyond those provided by the City of Long Beach. The District’s services will provide a “direct advantage”<sup>1</sup> to each individually assessed parcel and “affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in

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<sup>1</sup> *Tiburón v. Bonander* (2009) 180 Cal.App.4th 1057, 1077.

general and the public-at-large do not share.”<sup>2</sup> The special benefit to parcels from the UPBID exceeds the total amount of the assessment.

Assessment law provides that the expenses of the UPBID shall be apportioned in equal relation to the benefit received by each parcel. In addition, the law requires that the assessment on an individual parcel may not exceed the reasonable cost of the proportional special benefit conferred on that parcel. The law provides that only special benefits are assessable, and requires the City to separate the general benefits from the special benefits conferred on a parcel. A special benefit is a particular and distinct benefit over and above general benefits conferred on the public-at-large, including real property within and surrounding the UPBID. Services provided to the public by the City are considered general benefit; the general enhancement of property value does not constitute a special benefit.

The total value of the proposed services, and therefore the total UPBID budget for 2014 is \$188,367.31. The apportionment of the budget between special benefits (\$182,339.56), general benefits to the public-at-large (\$1,883.67), and general benefits to surrounding parcels (\$4,144.08), is explained below.

## **2. Determination of Special Benefit**

The services provided by the District are all “over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the parcels within the PBID, not to the public-at-large”<sup>3</sup> Each and every parcel assessed within the UPBID receives a particular and distinct benefit from the improvements and activities of the UPBID, over and above general benefits conferred by the general activities of the City. The UPBID services themselves constitute special benefits to all of the assessed parcels. The proposed security and maintenance programs will improve safety, cleanliness, and commercial activity within the UPBID, thereby benefiting all assessed parcels within the UPBID. These services are intended to increase cleanliness and safety on assessed parcels, thereby increasing commercial activity. Marketing programs will capitalize on the investment in safety and maintenance, and directly promote commerce and increased tenancy on assessed parcels.

Studies have found that “businesses consider quality-of-life issues to be more important factors in choosing a location than they do tax rates and real-estate prices;”<sup>4</sup> and that “customers and residents may feel more comfortable and safer within BIDs that have less obvious signs of litter, graffiti, and abandoned cars. A stronger sense of place that accompanies cleaner streets encourages...patronage and has increasingly positive repercussions in a BID.”<sup>5</sup> Following these studies, the District’s services are designed to address some parcel specific quality-of-life issues to increase commerce and tenant retention and attraction for the special benefit of assessed parcels.

The services will be provided directly to the assessed parcels, and will not be provided to parcels outside the District. For example, the private security patrol will only be provided within the District boundaries, and will only observe and report on incidents occurring at assessed parcels. Research has found that “BID areas experienced greater, on average, yearly reductions in the number of robbery, violent, and

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<sup>2</sup> *Silicon Valley Taxpayers’ Association Inc. v. Santa Clara County Open Space Authority* (2008) 44 Cal.4th 431, 452.

<sup>3</sup> *Dahms v. Downtown Pomona* (2009) 173 Cal.App.4th 1201.

<sup>4</sup> RAND Corporation; *Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles* (2009) p. 8

<sup>5</sup> RAND Corporation; *Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles* (2009) p. 40

total crimes that non-BID areas do.”<sup>6</sup> This suggests that BID-funded security services are able to provide benefit directly, and only, to the assessed parcels which they serve. Maintenance services will only be provided to public areas surrounding and impacting assessed parcels, they will not be provided to parcels outside the District. These services, provided directly to assessed parcels, constitute a special benefit to all of the assessed parcels.

Security services like those to be provided by the UPBID have long been recognized as a special benefit to assessed parcels. Studies have found that every \$10,000 spent on security activities by PBIDs reduces the average number of crimes in the District by 3.37 and leads to 1.65 fewer arrests. That study concluded “BIDs clearly pass a cost-benefit test.”<sup>7</sup> Another study noted that there is a “statistically significant relationship between lower incidence of property crimes and the presence of BID security...BIDs in the City of Los Angeles were associated with 6 to 10-percent reductions in official crime.”<sup>8</sup>

Assessment law also requires the determination of the proportionate special benefit derived by each parcel in relationship to the entirety of the cost of improvement(s) or the maintenance and operation expenses or the cost of the parcel-related service being provided. In addition, no assessment may exceed the reasonable cost of the proportional special benefit conferred on parcel(s). As explained throughout this Engineer’s Report, the proportionate special benefit to each parcel has been allocated based on the parcel size and zoning of each parcel, therefore the total amount to be assessed will not exceed the estimated reasonable cost of the activities and improvements to be provided, and no assessment will exceed the reasonable cost of the proportional special benefit conferred on the parcel.

Although the total value of the proposed services is \$188,367.31, the assessment will only fund that portion of the value which represents special benefits. Special benefits are the value of the proposed services reduced by the value of the general benefits, as detailed below. In this Engineer’s determination, the value of the special benefit to be provided by the proposed services is **\$182,339.56** (\$188,367.31 - \$6,027.75).

### **3. Determination of General Benefit**

Unlike special benefits, a general benefit is “derivative and indirect”<sup>9</sup> and “conferred on real property located in the district or to the public at large.” Existing City services, which are provided to all parcels and individuals within the City, are an example of a general benefit. Although the District’s programs have been carefully designed to provide special benefits, it is acknowledged that there may be a derivative and indirect general benefit created as a result of the District’s programs.

#### **General Benefits to the Public-at-Large**

Although the programs are narrowly designed and carefully implemented to benefit the assessed property owners, and are only provided directly to assessed parcels, they may generate a general benefit to the public-at-large within the District. Surveys conducted in similar districts have found that 99-100% of pedestrian traffic within PBID boundaries is engaged in business on assessed parcels or at businesses within the District, while less than 1% is simply passing through.<sup>10</sup> Therefore, it is estimated

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<sup>6</sup> RAND Corporation; Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles (2009) p. 80

<sup>7</sup> Cook, Phillip and John MacDonald. “Public Safety through Private Action: An Economic Assessment of BIDs.” (May 2011) 121 The Economic Journal pp. 445-462.

<sup>8</sup> RAND Corporation; Neighborhood Effects on Crime and Youth Violence: The Role of Business Improvement Districts in Los Angeles (2009) p. 9

<sup>9</sup> *Tiburón v. Bonander* (2009) 180 Cal.App.4th 1057, 1077.

<sup>10</sup> Farrand Research, Downtown Long Beach Proposed Property Based Business Improvement District Visitor Survey (April 2012) PMZ Research, Downtown San Jose Property-Based Business Improvement District Survey (March 2012)

that 1% of the benefit created by the District’s security, maintenance, and marketing services is provided to the public-at-large. To ensure that the assessment dollars do not fund general benefits to the public-at-large, that portion of the cost of services will be paid for with funds not obtained through assessments. Using the generous 1% figure based on the 2014 budget, the value of this general benefit to the public-at-large is **\$1,883.67** (\$188,367.31 \*0.01).

**General Benefits to Surrounding Parcels**

The District’s services will not be provided directly to parcels outside the UPBID boundaries. One study examining property values in BID areas found “no evidence of spill-over impacts (either good or bad) on commercial properties located just outside the BID’s boundaries.”<sup>11</sup> It is, however, reasonable to conclude that increased safety in the District may have an indirect impact on parcels immediately adjacent to the District boundaries.

A review of the UPBID boundaries reveals that the District is surrounded by 365 parcels with various zoning as follows: commercial (45) and residential (320). The single-family residential parcels are zoned exclusively for residential use; these parcels have been conclusively presumed not to benefit from services provided through PBID assessments, therefore they will not receive general benefit from the UPBID’s services.

Commercial parcels surrounding the UPBID can reasonably be assumed to receive some indirect general benefit as a result of the District’s services. It is estimated that parcels surrounding the District will receive a general benefit equal to ten percent (10%) of the special benefit received by commercial parcels within the District. Therefore, based on the 2014 budget, the general benefit to surrounding parcels is **\$4,144.08**, as detailed below.

Parcel Type	No. of Parcels	Benefit Factor <sup>1</sup>	Benefit Units <sup>2</sup>	Benefit Percent <sup>3</sup>	Benefit Value <sup>4</sup>
Special Benefit - Commercial	198	1.0	198	97.778%	\$182,339.56
General Benefit - Commercial	45	0.1	4.5	2.222%	\$4,144.08
General Benefit - Public-at-Large					\$1,883.67
<b>TOTAL DISTRICT BUDGET</b>					<b>\$188,367.31</b>

- <sup>1</sup> Benefit Factor = The benefit ratio described above
- <sup>2</sup> Benefit Units = The number of parcels multiplied by the benefit factor
- <sup>3</sup> Benefit Percentage = Benefit unit divided by the total benefit units
- <sup>4</sup> Benefit Value = The total budget multiplied by the benefit percentage

**Total General Benefit**

Based upon previous evaluations, in this Engineer’s opinion, the total value of general benefit, provided to the public-at-large and parcels surrounding the District, is **\$6,027.75**.

General Benefit to Public-at-Large	\$1,883.67
General Benefit to Surrounding Parcels	\$4,144.08
<b>Total</b>	<b>\$6,027.75</b>

The UPBID will receive non-assessment funding in the form of grants, corporate sponsorships, event income, and other miscellaneous funds. These funding sources are anticipated to equal or exceed the amount of general benefit conferred annually by the District services (\$6,027.75). These non-

<sup>11</sup> Furman Center for Real Estate & Urban Policy; The Impact of Business Improvement Districts on Property Values: Evidence from New York City (2007) p. 4



assessment funds will be used to pay for the general benefit provided by the proposed services, ensuring that parcel assessments will only be used to provide special benefits.

### C. Time and Manner for Collecting Assessments

#### 1. Tax Bills

As provided by California Law, the UPBID assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The County of Los Angeles shall distribute funds collected to the City of Long Beach and then to the UPBID pursuant to the authorization of this Plan. Existing laws for enforcement and appeal of property taxes apply to the UPBID assessments.

#### 2. Assessment Notice


An assessment notice will be sent to owners of each parcel outlined in the District Boundary Description (Section IV) and Boundary Map (Appendix III) and included in the Assessment Calculation Table (Appendix II) of this Management District Plan. The assessment notice provides an estimated assessment based upon the parcel's size (square footage) and parcel use. The final individual assessment for any particular parcel may change, up or down, if the parcel size or use differs from those found on the assessment notice.

#### 3. Bonds

Bonds will not be issued as a part of this UPBID.

### D. Engineer's Certification

Review of this Management District Plan and preparation of this Engineer's Report for the Uptown Property and Business Improvement District was completed by:

  
\_\_\_\_\_  
Orin N. Bennett, PE  
State of California  
Registered Civil Engineer No. 25169  
  
July 25, 2013  
\_\_\_\_\_  
Date



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*This Engineer's Report is intended to be distributed as part of the Management District Plan in its entirety, including the Boundary Description (Section IV), the Assessment Calculation Table (Appendix II), and the Boundary Map (Appendix III). Reproduction and distribution of only Section VII of this Management District Plan violates the intent of this stamp and signature.*

## Appendix I – PBID Law

### Property And Business Improvement District Law of 1994

\*\*\* This document is current through the 2012 Supplement \*\*\*  
(All 2011 legislation)

#### § 36600. Citation of part

This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

#### § 36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.

(d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

#### § 36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

#### § 36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

#### § 36603.5. Part prevails over conflicting provisions

Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

#### § 36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

#### § 36605. [Section repealed 2001.]

**§ 36606. "Assessment"**

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

**§ 36607. "Business"**

"Business" means all types of businesses and includes financial institutions and professions.

**§ 36608. "City"**

"City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with *Section 6500*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

**§ 36609. "City council"**

"City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

**§ 36610. "Improvement"**

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

**§ 36611. "Property and business improvement district"; "District"**

"Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

**§ 36612. "Property"**

"Property" means real property situated within a district.

**§ 36613. "Activities"**

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place within the district.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

**§ 36614. "Management district plan"; "Plan"**

"Management district plan" or "plan" means a proposal as defined in Section 36622.

**§ 36614.5. "Owners' association"**

"Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with *Section 54950*) of *Part 1 of Division 2 of Title 5 of the Government Code*), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with *Section 6250*) of *Division 7 of Title 1 of the Government Code*), for all documents relating to activities of the district.

**§ 36615. "Property owner"; "Business owner"; "Owner"**

"Property owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. "Business owner" means any person recognized by the city as the owner of the business. "Owner" means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

**§ 36616. "Tenant"**

"Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

**§ 36617. Alternate method of financing certain improvements and activities; Effect on other provisions**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

**§ 36620. Establishment of property and business improvement district**

A property and business improvement district may be established as provided in this chapter.

**§ 36620.5. Requirement of consent of city council**

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

**§ 36621. Initiation of proceedings; Petition of property or business owners in proposed district**

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its

intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

(1) A map showing the boundaries of the district.

(2) Information specifying where the complete management district plan can be obtained.

(3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

#### **§ 36622. Contents of management district plan**

The management district plan shall contain all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.

(e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

(l) Any other item or matter required to be incorporated therein by the city council.

#### **§ 36623. Procedure to levy assessment**

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with *Section 53753 of the Government Code*.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with *Section 54954.6 of the Government Code*, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

#### **§ 36624. Changes to proposed assessments**

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

**§ 36625. Resolution of formation**

(a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

(1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

**§ 36626. Resolution establishing district**

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

**§ 36626.5. [Section repealed 1999.]**

**§ 36626.6. [Section repealed 1999.]**

**§ 36626.7. [Section repealed 1999.]**

**§ 36627. Notice and assessment diagram**

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

**§ 36628. Establishment of separate benefit zones within district; Categories of businesses**

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone

and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

**§ 36628.5. Assessments on businesses or property owners**

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

**§ 36629. Provisions and procedures applicable to benefit zones and business categories**

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

**§ 36630. Expiration of district; Creation of new district**

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

**§ 36631. Time and manner of collection of assessments; Delinquent payments**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

**§ 36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property**

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

**§ 36633. Time for contesting validity of assessment**

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.



**§ 36634. Service contracts authorized to establish levels of city services**

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

**§ 36635. Request to modify management district plan**

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

**§ 36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing**

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public meetings and public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public meeting.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public meeting, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

**§ 36637. Reflection of modification in notices recorded and maps**

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

**§ 36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments**

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with *Section 6584*) of *Chapter 5 of Division 7 of Title 1 of the Government Code*). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

**§ 36641. [Section repealed 2001.]**

**§ 36642. [Section repealed 2001.]**

**§ 36643. [Section repealed 2001.]**

**§ 36650. Report by owners' association; Approval or modification by city council**

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements and the activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

**§ 36651. Designation of owners' association to provide improvements and activities**

The management district plan may, but is not required to, state that an owners' association will provide the improvements or activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

**§ 36660. Renewal of district; Transfer or refund of remaining revenues; District term limit**

(a) Any district previously established whose term has expired, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries,

assessments, improvements, or activities of a renewed district be the same as the original or prior district.

**§ 36670. Circumstances permitting disestablishment of district; Procedure**

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assessesees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

**§ 36671. Refund of remaining revenues upon disestablishment of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district**

(a) Upon the disestablishment of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

## Appendix II – Assessment Calculation Table

Map ID	Assessor's Parcel Number (APN)	Parcel Use Code <sup>2</sup>	Parcel Size (sqft) <sup>1</sup>	Initial Assessment Rate (\$/sqft/yr)	Initial Annual Assessment
13	7115002008	ME	20,425	\$0.090	\$1,838.25
22	7115003901	S	5,859	\$0.080	\$468.72
23	7115003902	S	16,973	\$0.080	\$1,357.84
24	7115003903	ME	22,359	\$0.090	\$2,012.31
25	7115003904	S	8,403	\$0.080	\$672.24
26	7115003905	ME	24,302	\$0.090	\$2,187.18
27	7115003906	S	11,566	\$0.080	\$925.28
28	7115003907	S	3,119	\$0.080	\$249.52
29	7115004001	S	8,951	\$0.080	\$716.08
30	7115004002	S	5,052	\$0.080	\$404.16
31	7115004003	S	5,853	\$0.080	\$468.24
32	7115004004	S	4,694	\$0.080	\$375.52
33	7115005012	S	6,503	\$0.080	\$520.24
34	7115005024	S	6,433	\$0.080	\$514.64
35	7115006020	S	16,486	\$0.080	\$1,318.88
36	7115006031	S	6,215	\$0.080	\$497.20
37	7115006032	S	12,170	\$0.080	\$973.60
38	7115006039	S	16,285	\$0.080	\$1,302.80
39	7115007031	S	12,338	\$0.080	\$987.04
40	7115007032	S	6,060	\$0.080	\$484.80
41	7115007033	S	5,959	\$0.080	\$476.72
42	7115007034	S	6,054	\$0.080	\$484.32
43	7115007035	S	6,212	\$0.080	\$496.96
44	7115007036	S	6,015	\$0.080	\$481.20
45	7115007037	S	6,207	\$0.080	\$496.56
46	7115007038	S	6,229	\$0.080	\$498.32
47	7115007039	S	5,876	\$0.080	\$470.08
48	7115008908	ME	53,411	\$0.090	\$4,806.99
49	7115009001	S	4,572	\$0.080	\$365.76
50	7115009011	S	8,006	\$0.080	\$640.48
51	7115009012	S	4,102	\$0.080	\$328.16
52	7115009013	S	3,877	\$0.080	\$310.16
53	7115010001	S	11,913	\$0.080	\$953.04
54	7115010002	S	11,723	\$0.080	\$937.84
55	7115011003	S	3,903	\$0.080	\$312.24
56	7115011004	S	3,457	\$0.080	\$276.56
57	7115011005	S	3,870	\$0.080	\$309.60
58	7115011030	S	3,576	\$0.080	\$286.08
59	7115011031	S	7,891	\$0.080	\$631.28
60	7115012001	S	3,927	\$0.080	\$314.16
61	7115012002	S	3,400	\$0.080	\$272.00

Map ID	Assessor's Parcel Number (APN)	Parcel Use Code <sup>2</sup>	Parcel Size (sqft) <sup>1</sup>	Initial Assessment Rate (\$/sqft/yr)	Initial Annual Assessment
62	7115012003	S	4,086	\$0.080	\$326.88
63	7115012004	S	11,262	\$0.080	\$900.96
64	7115013001	S	7,364	\$0.080	\$589.12
65	7115013002	S	3,724	\$0.080	\$297.92
66	7115013025	S	10,766	\$0.080	\$861.28
68	7115025900	I	1,164,744	\$0.005	\$5,823.72
69	7115025901	P	1,139,085	\$0.020	\$22,781.70
87	7115026038	ME	26,298	\$0.090	\$2,366.82
88	7115027004	MO	319,337	\$0.001	\$319.34
89	7115027006	A	56,185	\$0.035	\$1,966.48
90	7115027008	A	226,351	\$0.035	\$7,922.29
91	7115027012	L	109,860	\$0.100	\$10,986.00
92	7115027017	MO	434,713	\$0.001	\$434.71
93	7115028001	A	13,986	\$0.035	\$489.51
94	7115028006	A	14,551	\$0.035	\$509.29
96	7115028008	A	13,681	\$0.035	\$478.84
97	7115028013	A	14,889	\$0.035	\$521.12
98	7115028014	A	110	\$0.035	\$3.85
99	7115028016	A	36,993	\$0.035	\$1,294.76
100	7115029027	A	55,923	\$0.035	\$1,957.31
101	7115030028	A	45,871	\$0.035	\$1,605.49
102	7124001020	S	6,203	\$0.080	\$496.24
103	7124001021	S	5,426	\$0.080	\$434.08
104	7124001022	S	10,935	\$0.080	\$874.80
105	7124001023	S	9,285	\$0.080	\$742.80
106	7124001024	S	15,043	\$0.080	\$1,203.44
107	7124001025	S	17,252	\$0.080	\$1,380.16
108	7124016005	S	9,180	\$0.080	\$734.40
109	7124016030	S	8,833	\$0.080	\$706.64
110	7124016035	ME	68,959	\$0.090	\$6,206.31
111	7124016038	S	4,600	\$0.080	\$368.00
112	7124016041	S	9,340	\$0.080	\$747.20
113	7124016044	S	4,526	\$0.080	\$362.08
114	7124017006	S	4,562	\$0.080	\$364.96
115	7124017008	S	4,501	\$0.080	\$360.08
116	7124017010	S	4,741	\$0.080	\$379.28
117	7124017011	S	4,605	\$0.080	\$368.40
118	7124017012	S	4,620	\$0.080	\$369.60
119	7124017013	S	4,727	\$0.080	\$378.16
120	7124017014	S	5,353	\$0.080	\$428.24
121	7124017031	S	9,127	\$0.080	\$730.16
122	7124017032	S	14,104	\$0.080	\$1,128.32
123	7124017900	S	4,576	\$0.080	\$366.08

Map ID	Assessor's Parcel Number (APN)	Parcel Use Code <sup>2</sup>	Parcel Size (sqft) <sup>1</sup>	Initial Assessment Rate (\$/sqft/yr)	Initial Annual Assessment
124	7124017901	S	4,627	\$0.080	\$370.16
125	7124017902	S	4,711	\$0.080	\$376.88
126	7124032029	ME	31,057	\$0.090	\$2,795.13
127	7124032900	ME	23,706	\$0.090	\$2,133.54
128	7124032901	S	4,621	\$0.080	\$369.68
129	7124032902	S	4,731	\$0.080	\$378.48
130	7124032903	S	4,571	\$0.080	\$365.68
131	7124032904	S	4,814	\$0.080	\$385.12
132	7124032905	S	4,800	\$0.080	\$384.00
133	7125033900	S	5,072	\$0.080	\$405.76
134	7125033901	S	4,704	\$0.080	\$376.32
135	7125033902	S	4,765	\$0.080	\$381.20
136	7125033903	S	9,397	\$0.080	\$751.76
137	7125033904	S	4,695	\$0.080	\$375.60
138	7125033908	ME	21,112	\$0.090	\$1,900.08
139	7125033909	S	9,420	\$0.080	\$753.60
140	7125033910	S	4,648	\$0.080	\$371.84
141	7125033921	S	4,545	\$0.080	\$363.60
142	7125033922	S	4,705	\$0.080	\$376.40
143	7125033923	S	4,696	\$0.080	\$375.68
144	7125034016	S	9,612	\$0.080	\$768.96
145	7125034017	S	4,641	\$0.080	\$371.28
146	7125034018	S	4,728	\$0.080	\$378.24
147	7125034021	S	4,570	\$0.080	\$365.60
148	7125034022	S	4,720	\$0.080	\$377.60
149	7125034029	S	9,318	\$0.080	\$745.44
150	7125034031	S	9,211	\$0.080	\$736.88
151	7125034900	S	9,953	\$0.080	\$796.24
152	7125034901	S	4,574	\$0.080	\$365.92
153	7125034902	S	9,338	\$0.080	\$747.04
154	7125035016	S	4,258	\$0.080	\$340.64
155	7125035019	S	4,705	\$0.080	\$376.40
156	7125035022	S	4,705	\$0.080	\$376.40
157	7125035023	S	4,590	\$0.080	\$367.20
158	7125035024	S	4,681	\$0.080	\$374.48
159	7125035025	S	4,607	\$0.080	\$368.56
160	7125035026	S	4,617	\$0.080	\$369.36
161	7125035030	S	4,324	\$0.080	\$345.92
162	7125035031	S	9,391	\$0.080	\$751.28
163	7125035032	S	15,160	\$0.080	\$1,212.80
164	7125035035	S	9,270	\$0.080	\$741.60
165	7125036002	ME	50,611	\$0.090	\$4,554.99
166	7125036900	ME	62,540	\$0.090	\$5,628.60

Map ID	Assessor's Parcel Number (APN)	Parcel Use Code <sup>2</sup>	Parcel Size (sqft) <sup>1</sup>	Initial Assessment Rate (\$/sqft/yr)	Initial Annual Assessment
167	7127006004	S	4,142	\$0.080	\$331.36
168	7127006006	S	4,067	\$0.080	\$325.36
169	7127006007	S	4,151	\$0.080	\$332.08
170	7127006008	S	3,990	\$0.080	\$319.20
171	7127006012	S	3,990	\$0.080	\$319.20
172	7127006910	S	4,100	\$0.080	\$328.00
173	7127006014	S	4,086	\$0.080	\$326.88
174	7127006015	S	4,212	\$0.080	\$336.96
175	7127006033	S	4,336	\$0.080	\$346.88
176	7127006035	S	4,749	\$0.080	\$379.92
177	7127006036	S	12,768	\$0.080	\$1,021.44
178	7127006901	S	4,166	\$0.080	\$333.28
179	7127006904	S	1,844	\$0.080	\$147.52
180	7127006908	S	4,044	\$0.080	\$323.52
181	7127006909	S	2,182	\$0.080	\$174.56
182	7127007014	S	4,270	\$0.080	\$341.60
183	7127007015	S	4,630	\$0.080	\$370.40
184	7127007016	S	4,270	\$0.080	\$341.60
185	7127007017	S	4,088	\$0.080	\$327.04
186	7127007018	S	4,177	\$0.080	\$334.16
187	7127007021	S	4,203	\$0.080	\$336.24
188	7127007025	S	4,099	\$0.080	\$327.92
189	7127007026	S	17,285	\$0.080	\$1,382.80
190	7127007902	S	4,095	\$0.080	\$327.60
191	7127007904	S	4,083	\$0.080	\$326.64
192	7127007905	S	4,120	\$0.080	\$329.60
193	7127007906	S	4,073	\$0.080	\$325.84
194	7127007907	S	4,151	\$0.080	\$332.08
195	7127008015	S	14,298	\$0.080	\$1,143.84
196	7127008016	S	8,850	\$0.080	\$708.00
197	7127008017	S	4,461	\$0.080	\$356.88
198	7127008018	S	4,397	\$0.080	\$351.76
199	7127008019	S	4,495	\$0.080	\$359.60
200	7127008020	S	4,369	\$0.080	\$349.52
201	7127008023	S	4,400	\$0.080	\$352.00
202	7127008024	S	4,951	\$0.080	\$396.08
203	7127008025	S	9,902	\$0.080	\$792.16
204	7127008027	S	7,894	\$0.080	\$631.52
205	7127009001	S	4,414	\$0.080	\$353.12
206	7127009004	S	4,521	\$0.080	\$361.68
207	7127009005	S	8,828	\$0.080	\$706.24
208	7127009008	S	4,497	\$0.080	\$359.76
209	7127009009	S	4,422	\$0.080	\$353.76

Map ID	Assessor's Parcel Number (APN)	Parcel Use Code <sup>2</sup>	Parcel Size (sqft) <sup>1</sup>	Initial Assessment Rate (\$/sqft/yr)	Initial Annual Assessment
210	7127009010	S	4,514	\$0.080	\$361.12
211	7127009011	S	4,428	\$0.080	\$354.24
212	7127009012	S	4,475	\$0.080	\$358.00
213	7127009013	S	5,035	\$0.080	\$402.80
214	7127009032	S	10,166	\$0.080	\$813.28
215	7127009034	S	4,564	\$0.080	\$365.12
216	7127009900	S	4,457	\$0.080	\$356.56
217	7127009901	S	4,539	\$0.080	\$363.12
218	7127020001	S	10,185	\$0.080	\$814.80
219	7127020002	S	4,870	\$0.080	\$389.60
220	7127020003	S	1,547	\$0.080	\$123.76
221	7127020004	S	3,602	\$0.080	\$288.16
222	7127020005	S	4,378	\$0.080	\$350.24
223	7127020006	S	4,586	\$0.080	\$366.88
224	7127020007	S	4,329	\$0.080	\$346.32
225	7127020008	S	4,320	\$0.080	\$345.60
226	7127020009	S	4,711	\$0.080	\$376.88
227	7127020010	S	4,366	\$0.080	\$349.28
228	7127020011	S	4,446	\$0.080	\$355.68
229	7127020012	ME	19,940	\$0.090	\$1,794.60
230	7127021021	S	4,414	\$0.080	\$353.12
231	7127021022	S	4,410	\$0.080	\$352.80
232	7127021023	S	4,476	\$0.080	\$358.08
233	7127021024	S	8,775	\$0.080	\$702.00
234	7127021025	S	4,334	\$0.080	\$346.72
235	7127021030	A	9,911	\$0.035	\$346.89
236	7127021033	ME	23,498	\$0.090	\$2,114.82
237	7127021034	S	9,021	\$0.080	\$721.68
<b>TOTALS</b>			<b>5,161,391</b>		<b>\$182,339.56</b>

**Notes:**

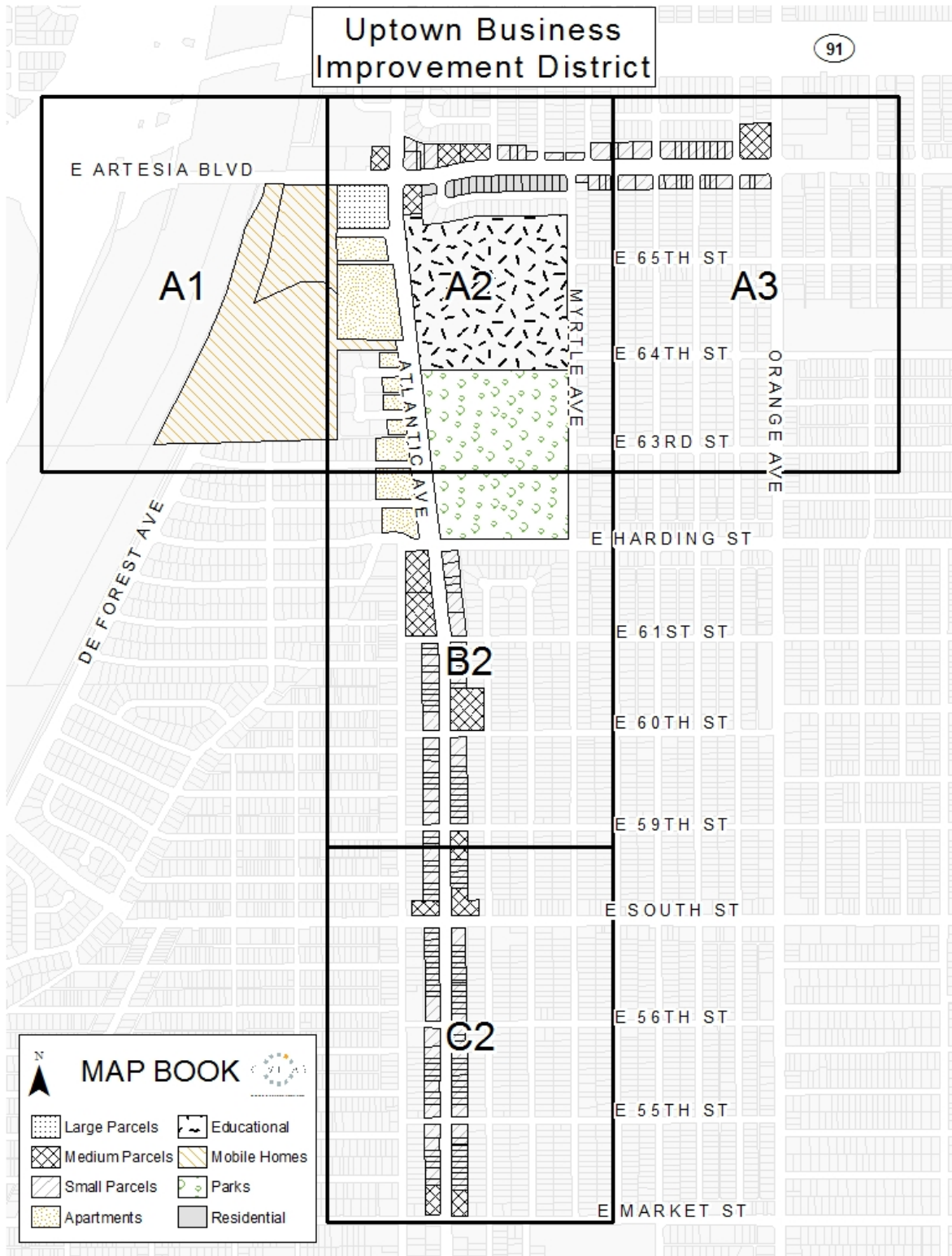
<sup>1</sup> Assessed parcel size was determined by others.

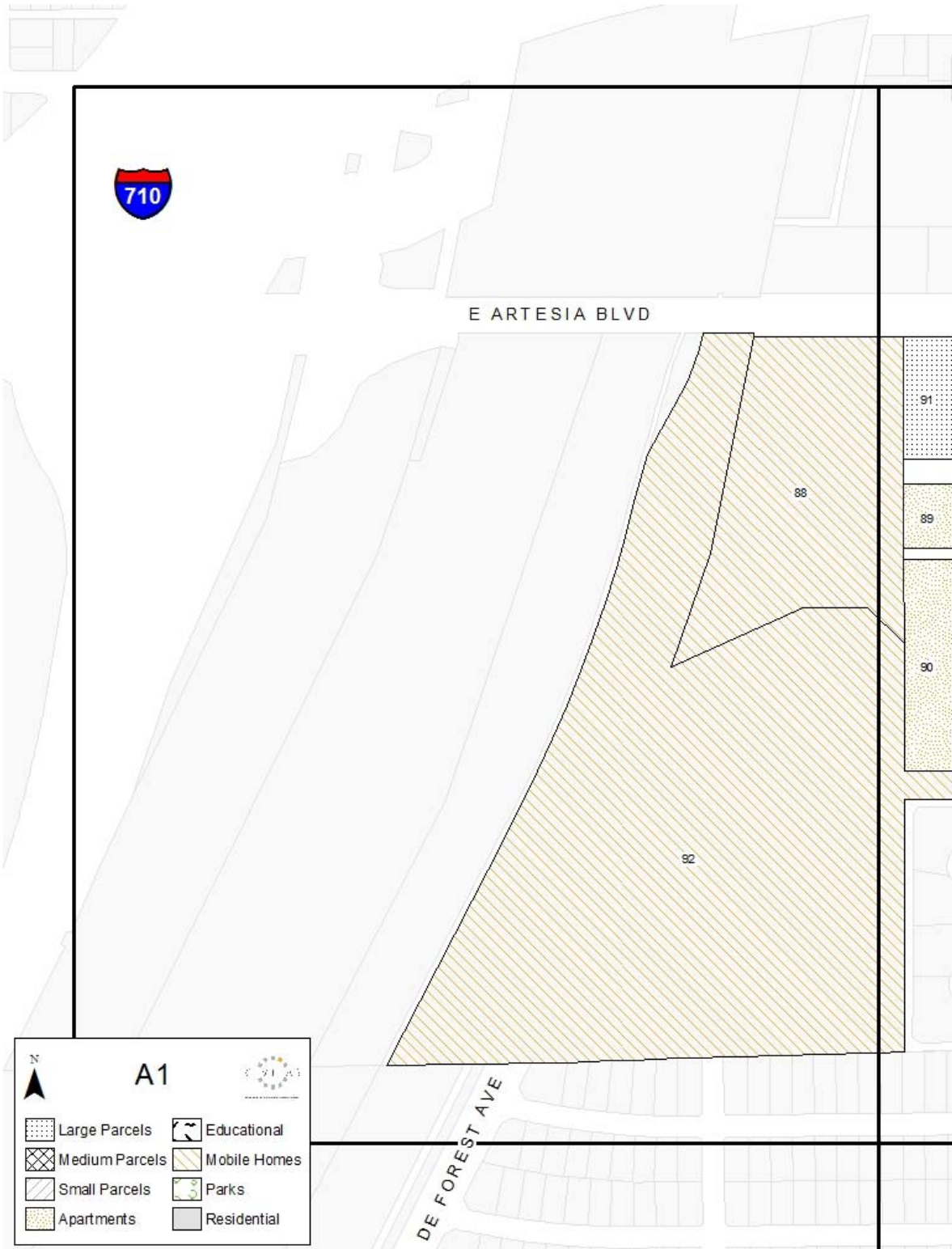
<sup>2</sup> The following parcel use codes apply to the assessment formula:

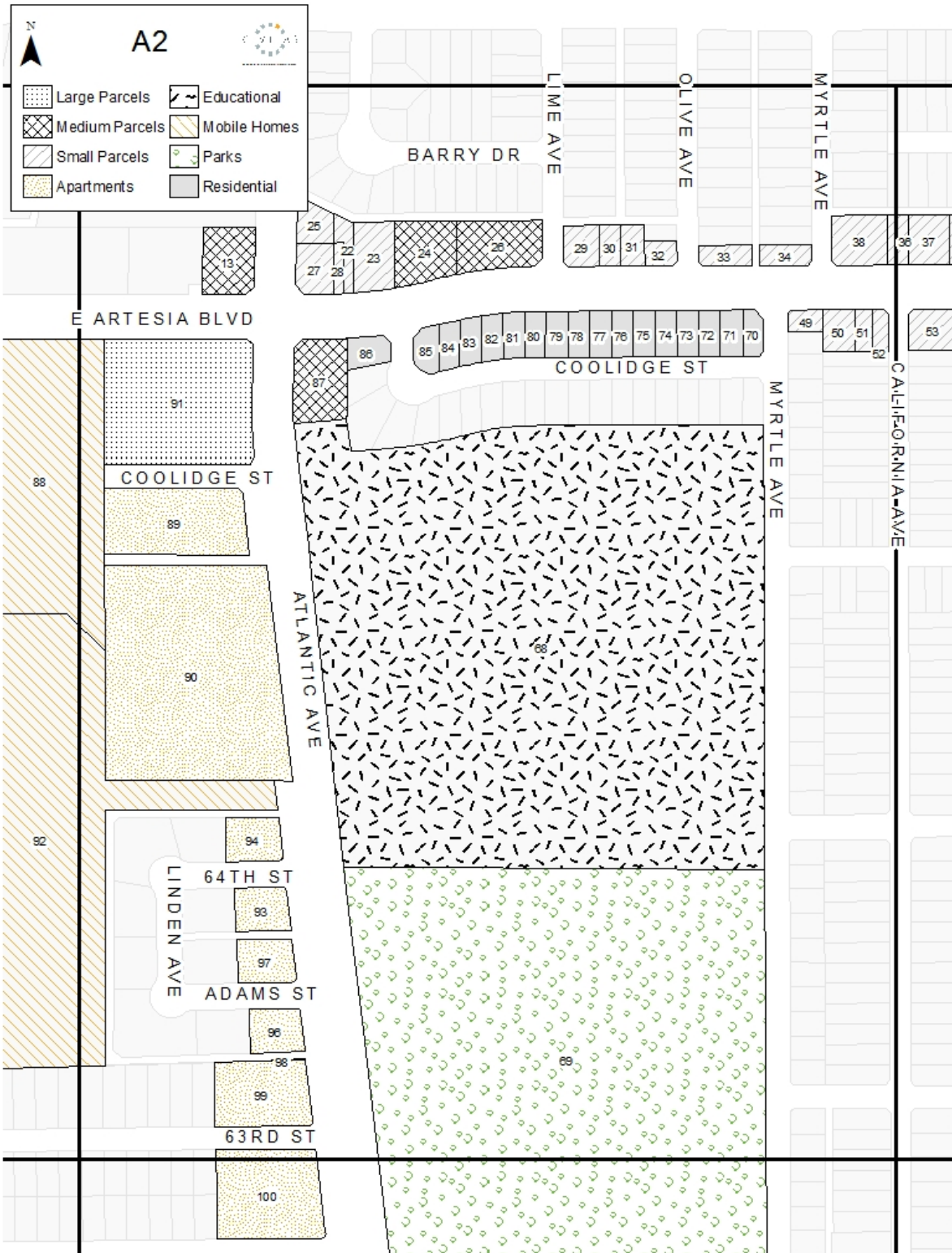
- S = Small Parcel
- ME = Medium Parcel
- L = Large Parcel
- E = Educational Institutions
- MO = Mobile Home
- A = Apartments
- R = Residential



# Appendix III – District Boundary Map







# Uptown Business Improvement District

