



Legislation Text

File #: 20-1238, **Version:** 1

Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report for the period of January 1, 2021 through December 31, 2021; authorize City Manager, or designee, to extend the agreement for funding with the Downtown Long Beach Alliance for one year; and, authorize payments of \$618,805 in City property assessments from the Civic Center Fund Group in the Public Works Department and \$4,335 from the General Fund Group in the Economic Development Department. (Districts 1,2)

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that pass through the City of Long Beach (City) to the organization. These include business license assessments, property owner assessments, and downtown parking meter revenue sharing. This recommended action relates to property owner assessment funds generated by the Downtown Long Beach Property and Business Improvement District (DLBPBID). The City Council approves the business license assessment separately.

The DLBPBID was established by the City Council in 1998 for a term of five years. The DLBPBID was renewed in 2003 for a term of ten years, and, again in 2012 for an additional ten-year term. The City contracts with the DLBA to manage the DLBPBID and the DLBA Board of Directors serves as the Advisory Board to the City Council on matters related to the DLBPBID. The DLBA utilizes DLBPBID funding to provide enhanced maintenance, public safety, beautification, marketing, and economic development programs, above and beyond those provided by the City.

State law governing Property and Business Improvement Districts requires that an annual report be submitted to the City Council by the DLBA. The DLBPBID 2020-2021 Annual Report (Annual Report) describes boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment (Attachments A and B). The Annual Report proposes no change to the DLBPBID boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the DLBA, proposes the following assessment rates:

Method of Assessment

Property and Business Improvement District (PBID) assessments are collected through the County of Los Angeles from property owners within a geographical boundary in Downtown Long Beach. The assessment methodology is based on the parcel and building square

footage, the linear footage of the property, and the level of services rendered to the benefit areas.

Assessments are computed using five property characteristics: land use type, benefit zone, linear frontage, lot square footage, and building square footage. Each assessable parcel is categorized into one of the following land use types: Commercial, Government, Residential, Nonprofit, and Parking.

After each parcel is categorized into its proper land use type, linear frontage, lot square footage and building square footage are determined and those values are multiplied by the assessment rates shown below to determine the total assessment.

Category	Actual Rates 2020/21	
	Standard Zon	Premium Zon
Frontage	12.132734401	19.597883969
Lot + Building (Com/Gov)	0.0529542096	0.0581714701
Lot + Building (Parking)	0.0346247920	0.0398420525
Lot + Building (Nonprofit/Residential)	0.0162953743	0.0215126348

The DLBA Advisory Board voted on August 19, 2020 to raise assessment rates by 3 percent as allowed per the DLBPBID Management Plan that was approved by the City Council in 2012.

The DLBPBID assessment area contains properties owned by private commercial and residential property owners, the City, and other government agencies. In Fiscal Year 2021 (FY 21), the City assessment is \$623,140. Of this amount, \$165,513 is related to the Pike property development and will be paid to the City by Site Centers (previously Developers Diversified Realty), as required by their lease. The City will forward those funds to the DLBPBID to fund that portion of the assessment. The City's assessment less the Pike Property is \$457,627. The City's assessment represents approximately 15.9 percent of the total levy of \$2,872,925 for program year 2021. Attachment C details City-owned properties located within the DLBPBID.

This matter was reviewed by Deputy City Attorney Amy R. Webber on November 18, 2020 and by Budget Management Officer Rhutu Amin Gharib on November 29, 2020.

City Council action is requested on December 15, 2020, so that FY 21 assessment transfers may be made as required by the Agreement for Funding with the DLBA. The new contract year begins on January 1, 2021.

It is estimated that the DLBPBID assessment will generate \$2,872,925 in FY 21 through the proposed continuation of the assessment, including the 3 percent CPI adjustment. Assessment funds are collected through additional fees attached to property owner

assessment payments in the DLBPBID area. All revenues are passed directly through to the DLBA for implementation of annual programs.

The total City share of the DLBPBID assessment for FY 21 is \$623,140, of which, \$165,513 will pass through the City and is paid by Site Centers for the Pike property development. The remaining assessment of \$453,292 is the responsibility of the Public Works Department and \$4,335 is the responsibility of the Economic Development Department. The Public Works Department currently has \$407,282 budgeted in the Civic Center Fund Group. The remaining balance of the assessment of \$46,010 in the Civic Center Fund Group in the Public Works Department, and \$4,335 in the General Fund Group in the Economic Development Department are unbudgeted for FY 21. There is no appropriation requested at this time for the unbudgeted costs. For FY 21, both departments will strive to cover the unbudgeted costs within existing appropriations. Projected costs for FY 22 will be addressed during the proposed budget development process. 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.

Approve recommendation.

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JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER