



Legislation Text

File #: 16-1070, Version: 1

Recommendation to approve the Midtown Business Improvement District Annual Report and Assessment for the period of January 1, 2017 through December 31, 2017, automatically extending the current agreement with the Midtown Property and Business Owners Association for a one-year period; and, authorize payment of \$25,255 in City property assessments from the General Fund (GF). (Districts 4,6)

Pursuant to the Property and Business Improvement Law of 1994 (Law), the Midtown Business Improvement District (MBID) was established by the City Council in 2015 for a five-year period. Under the Law, Midtown Property and Business Owners Association (MPBOA) property owners assess themselves a fee to pay for various services beyond those provided by the City, including enhanced maintenance, public safety, beautification, marketing, and economic development programs.

The 1994 Law requires that the MPBOA Advisory Board approve and file an Annual Report describing their projected budget and expenditures. The Fiscal Year (FY 17) Annual Report is attached for City Council approval. The levy of assessment will cover the period of January 1, 2017 through December 31, 2017.

The Board-approved MBID rate of assessment is based on parcel size and use, as shown on Page 6 of the attached Annual Report. The MBID Management Plan allows up to a 4 percent per year cost-of-living increase in the assessment rate. For FY 17, the MBID Board voted to maintain the assessment at the same rate as in FY 16.

Method of Assessment

The MBID assessment area contains properties owned by private commercial owners and the City of Long Beach. The original assessment engineer determined the assessment should be allocated based on two parcel characteristics: lot square footage and building square footage. The original assessment rate per assessable square foot was \$0.0836. Assessable square foot is the sum of lot square footage and building square footage. Per the original engineer's report "[t]he assessment calculation is the same for every parcel in the PBID." The FY 17 assessment rate remained the same as the prior year at \$0.0836 per assessable square foot.

The table below shows the historical assessment rates:

Fiscal Year	Rate per Assessable Square Foot	Rate Change
2015/16	\$0.0836	N/A
2016/17	0.0836	0.00%

The Law also allows the City to contract with service providers to carry out the MBID Program. Since 2015, the City has contracted with MPBOA to carry out the MBID programs. The current agreement provides that the term be automatically extended on a year-to-year basis upon City Council approval of the Assessment Report (included in the Annual Report) and related levy of assessments.

This matter was reviewed by Deputy City Attorney Amy R. Webber on November 10, 2016 and by Budget Analysis Officer Julissa José-Murray on November 15, 2016.

The MBID's 2016 contract ends on December 31, 2016. City Council approval of the Annual Report and Assessment is requested on December 6 2016, to continue the assessment and extend the contract for another year.

It is estimated that the MBID will generate \$161,501 in FY 17 through the proposed continuation of the assessment. Sufficient funds are included in the FY 17 Budget in the Parking and Business Area Improvement Fund (SR 132) in the Economic and Property Development Department (EP), for City pass-through payments to MBID.

The estimated MBID revenue includes a FY 17 assessment of \$25,255 for City-owned parcels. Sufficient funds have been budgeted in the General Fund (GF) in the Economic and Property Development Department (EP), Parks, Recreation and Marine Department (PR) and Library Department (LS) for the assessment payment. Approval of this recommendation will provide continued support to the local economy.

Approve recommendation.

KATHRYN MCDERMOTT
INTERIM DIRECTOR OF
ECONOMIC AND PROPERTY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER

