



Legislation Text

File #: 22-0010, Version: 1

Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report for the period of January 1, 2022 through December 31, 2022; authorize City Manager, or designee, to extend the agreement for funding with the Downtown Long Beach Alliance for one year; and, authorize payments of \$432,747 in City property assessments from the Civic Center Fund Group in the Public Works Department and \$948 from the General Fund Group in the Economic Development Department. (District 1)

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that are collected by the City of Long Beach (City) and passed through 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 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 2021-2022 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, Non-Profit, 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 2021/22	
	Standard Zone	Premium Zone
Frontage	12.4967164339	20.1858204885
Lot + Building (Com/Gov)	0.0545428359	0.0599166142
Lot + Building (Parking)	0.0356635357	0.0410373140
Lot + Building (Non-Profit/Residential)	0.0167842355	0.0221580139

The DLBA Advisory Board voted on August 8, 2021, 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 2022 (FY 22), the City assessment is \$604,173. Of this amount, \$170,478 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 \$433,695. The City's assessment represents approximately 14.6 percent of the total levy of \$2,963,576 for program year 2022. Attachment C details City-owned properties located within the DLBPBID.

This matter was reviewed by Deputy City Attorney Amy R. Webber on December 6, 2021 and by Budget Operations and Development Officer Rhutu Amin Gharib on December 10, 2021.

City Council action is requested on January 4, 2022, so that FY 22 assessment transfers may be made as required by the Agreement for Funding with the DLBA. The new contract year begins on January 1, 2022.

It is estimated that the DLBPBID assessment will generate \$2,963,576 in FY 22 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 22 is \$604,173 of which, \$170,478 will pass through the City and paid by Site Centers for the Pike property development. The remaining assessment of \$433,695 will be paid by City departments with \$432,747 in City property from the Civic Center Fund Group in the Public Works Department and \$948 from the General Fund Group in the Economic Development Department. Sufficient funds are budgeted to cover the costs of the assessment. 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.

JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER