



Legislation Text

File #: 21-1139, **Version:** 1

Recommendation to approve the Magnolia Industrial Group Property and Business Improvement District Annual Report continuing the property assessment for the period of January 1, 2022 through December 31, 2022, automatically extending the current agreement with the Magnolia Industrial Group, Inc., for a one-year period; and, authorize payment of \$1,753 in City property assessments from the General Fund Group in the Public Works Department. (District 1)

The Magnolia Industrial Group Property and Business Improvement District (MIGPBID) was initially established by the City Council in 1996 for a three-year period. On July 20, 1999, the City Council re-established the MIGPBID for an additional five years. On July 23, 2013, following a majority vote of the property owners, the City Council again re-established the MIGPBID for an additional ten-year term. The City of Long Beach (City) contracts with Magnolia Industrial Group, Inc. (MIG), to manage the MIGPBID and the MIG Board of Directors serve as the Advisory Board to the City Council on matters related to the MIGPBID. MIG utilizes the MIGPBID funding to provide enhanced security and maintenance, above and beyond the services 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 MIG Board of Directors. The attached MIGPBID 2021-2022 Annual Report (Annual Report), which covers MIG's fiscal year of December 1, 2021 to November 30, 2022, describes the boundaries, proposed activities, and budgetary information, as well as the method and basis for continuation of the assessment. The Annual Report proposes no change to the MIGPBID boundaries, the method of assessment, and activities.

The Annual Report, transmitting the recommendations of the MIG Advisory Board, proposes the following assessment rates:

Method of Assessment

The following method is used to determine the 2021-2022 assessment:

- Zone 1 includes all properties under or equal to 20,000 square feet. The annual assessment amount is a flat \$876.29 per property owner.
- Zone 2 includes all properties over 20,000 square feet. The annual assessment amount is \$876.29 + \$0.0157721 for each square foot over 20,000. When the computed assessment is greater than \$1,752.59, the excess is eliminated, and the assessment is

reduced to \$1,752.59.

Using this formula, no property owner will be assessed less than \$876.29 or more than \$1,752.59 in 2021-2022. This equates to approximately \$73.02 and \$146.05 per month, respectively.

This matter was reviewed by Deputy City Attorney Amy R. Webber on October 15, 2021 and by Budget Management Officer Nader Kaamoush on October 21, 2021.

City Council action is requested on November 9, 2021, so that Fiscal Year 2022 (FY 22) assessment transfers may be made as required by the Agreement for Funding with MIG.

It is estimated that the MIGPBID will generate \$106,651 in FY 22 through the proposed continuation of the assessment. Revenues are generated from property assessments levied on property owners within the MIGPBID area. All revenues are distributed directly to MIG for the implementation of annual programs. The City's FY 22 assessment for City-owned parcels within the MIGPBID is \$1,753. Sufficient appropriation is budgeted in the General Fund Group in the Public Works Department to cover this cost. 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.

[Enter Body Here]

JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER