

**DOWNTOWN LONG BEACH
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID)
MANAGEMENT PLAN
DRAFT – NOVEMBER 2011 (11/11)**

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Prepared for the
Downtown Long Beach Associates PBID Steering Committee
by
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DOWNTOWN LONG BEACH
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID)
MANAGEMENT PLAN SUMMARY
DRAFT – NOVEMBER 2011 (11/11)

The Downtown Long Beach Property-Based Business Improvement District (PBID) is a special benefit assessment district formed in 1998 and renewed in 2003 that conveys special benefits to the properties located within the district boundaries. Downtown property owners are now seeking to continue the PBID for an additional ten year term. As described in this plan, it is proposed that the PBID will continue to provide funding for enhanced maintenance, public safety, beautification, marketing and economic development programs, above and beyond those provided by the City of Long Beach.

Location	The district will encompass the core of downtown Long Beach, including approximately 70 blocks that are bounded approximately by Shoreline Drive to the south, Golden Shore to the west and Alamitos Avenue to the east. The northern boundary is 3 rd Street along the western part of the district, 8 th Street in the central part and 4 th Street along the eastern part. <i>A map of the proposed district boundary is provided on page 7.</i>
Improvements & Activities	<p>A Clean, Inviting and Vibrant Downtown: The PBID will finance improvements and activities that will improve the downtown environment and experience for property owners, residents, workers and visitors, including:</p> <p>Environment:</p> <ul style="list-style-type: none"> • Clean Teams that sweep, scrub and power wash sidewalks, remove litter and graffiti, increase the frequency of trash removal and maintain landscaping within the downtown. • Safety Guides that provide information on downtown activities and attractions, work with local police, businesses, and homeowners associations to prevent crime and work productively to reduce street populations. • A new Community Court initiative to help prosecute disruptive behaviors and reduce nuisance crimes. • Beautification improvements that make downtown more visually attractive, including enhanced streetscape, landscaping, street furniture, lighting, public art and banners. <p>Economy:</p> <ul style="list-style-type: none"> • Economic Development services aimed to assist property owners in recruitment and retention of tenants, including efforts to fill storefronts, attract diverse retail and employers to occupy office buildings. • Marketing & Special Events to promote a positive image and activate downtown with a consistent series of festivals and events.
Method of Financing:	Levy of assessments upon real property that benefit from improvements and activities.

Budget:	<p>Total district assessment budget for its first year of operation is \$2,700,000:</p> <table border="1" data-bbox="479 304 1372 863"> <thead> <tr> <th>Activity</th> <th>Sub-Total</th> <th>Total</th> <th>%</th> </tr> </thead> <tbody> <tr> <td colspan="4">Environment</td> </tr> <tr> <td>Clean Teams</td> <td>850,000</td> <td></td> <td></td> </tr> <tr> <td>Downtown Safety Guides</td> <td>750,000</td> <td></td> <td></td> </tr> <tr> <td>Community Court</td> <td>100,000</td> <td></td> <td></td> </tr> <tr> <td>Beautification</td> <td>100,000</td> <td></td> <td></td> </tr> <tr> <td>Total Environment</td> <td></td> <td>\$ 1,800,000</td> <td>66.7%</td> </tr> <tr> <td colspan="4">Economy</td> </tr> <tr> <td>Economic Development</td> <td>250,000</td> <td></td> <td></td> </tr> <tr> <td>Marketing & Events</td> <td>300,000</td> <td></td> <td></td> </tr> <tr> <td>Total Economy</td> <td></td> <td>\$ 550,000</td> <td>20.3%</td> </tr> <tr> <td>Administration, Advocacy & Reserve</td> <td></td> <td>\$ 350,000</td> <td>13.0%</td> </tr> <tr> <td>TOTAL</td> <td></td> <td>\$ 2,700,000</td> <td>100.0%</td> </tr> </tbody> </table>	Activity	Sub-Total	Total	%	Environment				Clean Teams	850,000			Downtown Safety Guides	750,000			Community Court	100,000			Beautification	100,000			Total Environment		\$ 1,800,000	66.7%	Economy				Economic Development	250,000			Marketing & Events	300,000			Total Economy		\$ 550,000	20.3%	Administration, Advocacy & Reserve		\$ 350,000	13.0%	TOTAL		\$ 2,700,000	100.0%
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Cost:	<p>Annual assessments are based upon a calculation of benefits provided and allocation of costs for providing special benefits within two benefit zones and a calculation of linear frontage, lot and building square footage within each zone. Two different benefit zones are proposed with two different levels of service. The deployment and frequency of clean and safe services in the Premium zone will be more than the deployment and frequency of clean and safe services in the Standard zone.</p> <p>Parking structures, owner-occupied residential properties and properties owned and used for non-profit purposes pay an adjusted and reduced rate. Estimated annual maximum assessment rates for the first year of the district are:</p> <table border="1" data-bbox="479 1304 1372 1837"> <thead> <tr> <th></th> <th>Standard</th> <th>Premium</th> </tr> </thead> <tbody> <tr> <td>Annual Assessment on Lot Frontage (all properties) per foot</td> <td>\$ 9.65</td> <td>\$ 19.21</td> </tr> <tr> <td>Plus: Lot + Building Square Footage</td> <td></td> <td></td> </tr> <tr> <td>• Commercial & government properties</td> <td>0.047</td> <td>0.049</td> </tr> <tr> <td>• Parking structures</td> <td>0.034</td> <td>0.037</td> </tr> <tr> <td>• Non-Profits</td> <td>0.021</td> <td>0.024</td> </tr> <tr> <td>Annual Fixed Rate on Owner-Occupied Residential</td> <td>\$ 73.85</td> <td>\$ 120.11</td> </tr> </tbody> </table>		Standard	Premium	Annual Assessment on Lot Frontage (all properties) per foot	\$ 9.65	\$ 19.21	Plus: Lot + Building Square Footage			• Commercial & government properties	0.047	0.049	• Parking structures	0.034	0.037	• Non-Profits	0.021	0.024	Annual Fixed Rate on Owner-Occupied Residential	\$ 73.85	\$ 120.11																															
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Cap	Annual assessments may increase no more than X% per year to keep pace with the increase in the Tri-County consumer price index (CPI) and other program costs. The determination of annual increases in assessment rates will be subject to the review and approval of the DLBA Board of Directors, which serves as the PBID Owner's Association.
City Services	Baseline Level of Services Agreement from City of Long Beach PENDING
Collection	PBID assessments appear as a separate line item on the annual Los Angeles County property tax bills. Any parcel not on the property tax rolls will be directly billed by the DLBA.
District Governance:	The PBID will continue to be governed by the Downtown Long Beach Associates (DLBA), a 501(c)6 non-profit organization consisting primarily of property owners, businesses and residents within the district. Acting as the Owner's Association for the district, DLBA will determine budgets, assessment rates subject to the parameters contained in the Management Plan and monitor service delivery that is provided by DLBA staff and/or contractors.
District Continuation	California law for PBID district continuation requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments (i.e. petitions must represent more than 50% of the \$2,700,000 to be assessed). Petitions are submitted to the Long Beach City Council and a mail ballot is sent to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to approve it.
Duration	Collection of the first year's assessments will be included in the 2013 tax bill with services beginning January 1, 2013 and continuing through December 31, 2022 . A five year review of the district will evaluate market conditions and the need for any adjustments to the Management Plan. Any subsequent renewal of the district will require a new management plan, petition and mail ballot process.

I. WHY CONTINUE THE DOWNTOWN LONG BEACH PBID?

What Is A PBID?

The International Downtown Association estimates that more than 1,000 property-based business improvement districts (PBID) currently operate throughout the United States and Canada. A PBID provides enhanced improvements and activities, such as public safety, maintenance and image enhancement, in addition to those provided by local government. PBIDs provide services that improve the overall viability of business districts -- resulting in higher property values, sales and tax revenues.

Since the creation of California's Property and Business Improvement District Law in 1994, nearly 100 new PBIDs have been established in California downtowns, including Sacramento, Oakland, Los Angeles, Santa Monica and San Diego. The Downtown Long Beach PBID was established by property owners in 1998 and then renewed in 2003. The existing PBID will expire in 2013 and must be replaced by a new PBID if enhanced services are to continue.

Why Continue the PBID for Downtown Long Beach?

1. "Clean and Safe" Has Worked – We Can't Go Backwards

Downtown stakeholders agree that the supplemental cleaning and safety services funded by the PBID have succeeded to make downtown Long Beach safer and more attractive. From a property owner and resident survey completed in the summer of 2011, 86% of respondents agree that the general appearance of downtown has improved, 82% agree that it is cleaner and 65% agree that it is safer. There is concern that if the PBID goes away, downtown's gains in clean and safe will slip.

2. PBID Services are an Excellent Value & Accountable To Those Who Pay

By combining our resources, downtown property owners, businesses and residents are able to benefit from a wide variety of enhanced services that keep downtown safe, clean and vital. Services are directly accountable to downtown stakeholders. Decisions on the annual PBID work program, budget and assessments are made by affected property owners, businesses and residents. And costs are reasonable, from less than a dime per square foot per year for most commercial properties to approximately \$10 per month or less, depending on location within the proposed benefit zones, for all owner-occupant residents.

3. The PBID Is More Important Than Ever in Challenging Economic Times

Most stakeholders value the PBID more than ever as a foundational tool that can help downtown navigate through the current economic turbulence. With a challenging national and regional economy, the PBID is something we can control. By delivering enhanced services to help make downtown safe, clean and vital, it also provides a competitive advantage as downtown prepares for economic recovery.

4. The PBID Helps Unify Downtown and Makes Us More Influential

With the PBID, downtown has strengthened its unified voice to guide a variety of policies and issues affecting the central business district. The PBID fosters a sense of community and brings different groups together to focus on improving downtown.

Process to Develop the PBID Management District Plan

To form the Management District Plan for the continuation of the Downtown Long Beach PBID, downtown property and business owners, residents and civic leaders have been involved in a participatory process that was initiated in the spring of 2011. The consulting firms of Progressive Urban Management Associates and Kristin Lowell Inc. were retained by the Downtown Long Beach Associates to develop the Management Plan for continuing the PBID. Key steps included:

1. **DLBA Oversight:** To guide the consultant team and test PBID concepts, the DLBA Board of Directors and a PBID Steering Committee have served to review PBID Management Plan concepts as they have been developed.
2. **One-On-One and Roundtable Meetings with Property Owners:** The DLBA staff and consultants conducted a series of one-on-one and roundtable meetings with property owners located throughout the PBID. Top improvement priorities and guiding principles that emerged from the meetings with property owners and consultation with the PBID Committee included:
 - Providing consistency in the downtown experience, particularly the basics of clean and safe, is critical to downtown's overall vitality.
 - Make sure that PBID services are supplemental to, and do not replace, City services.
 - Make it simple and non-bureaucratic and keep costs reasonable.
3. **Resident Open Houses & Meetings with HOAs:** DLBA staff and consultants conducted a series of meetings with homeowner associations and other resident groups located in the PBID. Since residents benefit from environmental improvements provided by the PBID, owner-occupied units are being added to the district. While residents reinforced the preceding themes, they also emphasized:
 - Any new assessment funds collected from residents should be used for enhanced PBID services.
 - Residents expect proportional representation and voice in PBID decision-making.
4. **Online Survey:** 300 downtown stakeholders, mostly residents, responded to an online survey seeking suggestions and priorities for the design of the PBID. Top improvement priorities from the survey included:
 - Economic development with an emphasis on activating storefronts and attracting new businesses.
 - Improve efforts to reduce homelessness.
 - Make downtown more attractive, including upgrading street furniture and storefronts.
5. **City Base Level of Services:** Concurrent with the property and business owner outreach process to develop the PBID Management District Plan, meetings were held with City staff to develop an accounting of current city services and a policy commitment to continue these services through the duration of the PBID.
6. **Plan Review & Final Plan:** The draft PBID Management District Plan and budget will be reviewed by the DLBA Board of Directors, PBID Steering Committee, HOAs and individual property owners. All affected property owners will be invited to a series of public forums in the fall of 2011 to review the plan. Input from these meetings will lead to the completion of the final plan.

II. PBID BOUNDARIES

The PBID will encompass approximately 70 blocks of the core of the downtown area bounded roughly by:

- Shoreline Drive to the south,
- Golden Shore to the west and
- Alamitos Avenue to the east.
- To the north, 3rd Street in the western part of the PBID, 8th Street in the central part and 4th Street in the eastern part.

Additions to the PBID during this cycle of renewal are the blocks bounded by Pacific, Broadway, Maine and 3rd Street. This area has been added due to the increase in pedestrians, traffic and other activity in the PBID that is expected to result from the new state courthouse facility.

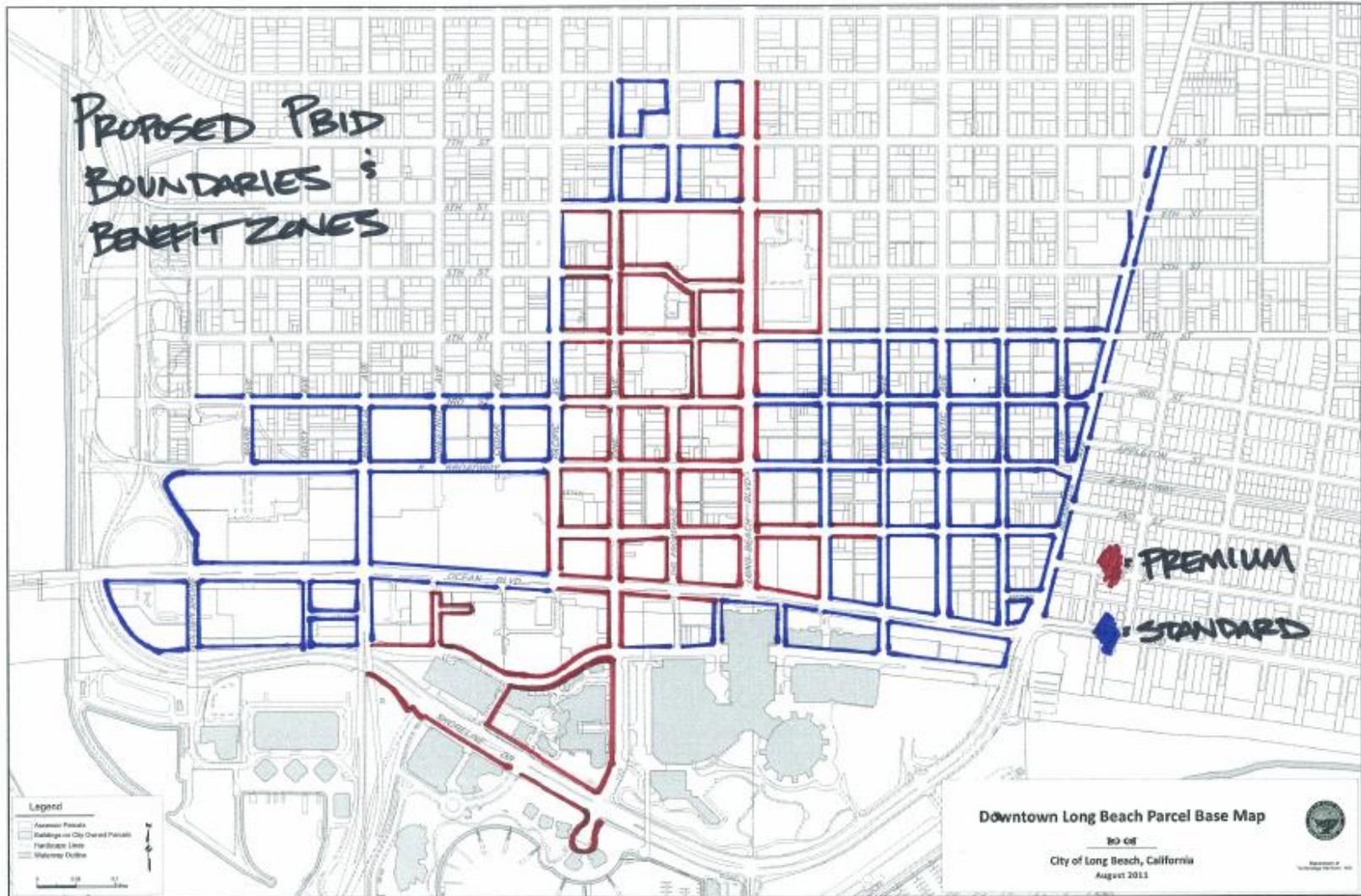
Benefit Zones: Two benefit zones are proposed with two different levels of service. The deployment and frequency of clean and safe services in the premium zone will be greater than the deployment and frequency of clean and safe services in the standard zone. The benefit zones are delineated as follows:

- **Premium Service Zone** includes most blocks in the central portion of the PBID bounded by Long Beach Boulevard to the east, 6th Street to the north, Pine and Pacific Avenues to the west and Shoreline Drive to the south.
- **Standard Service Zone** includes much of the western portion of the PBID bounded roughly by Pacific Avenue, 3rd Street, Golden Shore, Shoreline Drive and Ocean Boulevard. To the east, the standard zone is roughly bounded by Elm Avenue, 4th Street, Alamitos Avenue and Ocean Boulevard.

Changes to the treatment of properties and service zones during this cycle of PBID renewal include:

- **Moving to two service zones, as opposed to three.** The pre-existing “basic zone” is to be eliminated and replaced with standard services. The introduction of standard services acknowledges increased activity in the basic zone area, plus the anticipation that service demands will continue to grow from activity generated by the state courthouse facility, among other entitled developments.
- **Add owner-occupied residential units and properties owned by non-profits.** Consistent with PBIDs in other major California downtowns, all owner-occupied residential units and properties owned by non-profit organizations within the PBID will not be assessed for benefits received from “economy” related activities. .

A map of the proposed district boundary is provided on the following page and a more detailed map with specific parcel lines will be provided upon request.



III. IMPROVEMENTS AND ACTIVITIES

ENVIRONMENT

PBID “Environment” activities and improvements are intended to provide a clean, safe and attractive downtown. Environment activities, which include clean and safe, a new community court and beautification, benefit all PBID property owners, including commercial, government, parking structures, non-profits and owner-occupied residential.

Clean and Safe Program

Downtown’s clean and safe program was developed following the creation of the PBID in 1998. Objectives in managing the program have included:

- Deploy a Clean and Safe program that will make a visible, tangible and lasting impact.
- Document existing City services and ensure that PBID-funded services are supplemental to, and do not replace, existing City services.
- Ensure that the program is properly capitalized and that additional funding will not be required once the PBID is created.
- Provide flexibility in the modeling of the program so that the PBID can either create its own in-house program or contract with private firms.

To meet these objectives, uniformed **Clean Teams** have been deployed throughout downtown to remove litter and graffiti, steam clean sidewalks and maintain furniture in public places. **Safety Guides** provide an emphasis on public safety and have been effective at deterring nuisance crimes, providing hospitality services to downtown visitors and connecting the district’s homeless population to available resources. Recent yearly achievements of PBID funded Clean Team and Safety Guide crews include:

- Pressure washing of more than 36 million square feet of sidewalks
- Removal of 8,136 graffiti tags and stickers
- Nearly 192 tons (384,000 pounds) of trash were collected
- Nearly 6,000 pounds of weeds were removed
- Safety Guides made more than 115,000 business contacts
- Safety Guides provided 9,287 citizen assists, gave directions to 10,467 individuals and information to 6,223 persons
- Safety Guides had service contacts with 738 homeless individuals

Continuation of the PBID will allow the Clean Team and Safety Guide crews to build upon these achievements and keep Downtown Long Beach clean and safe. The proposed PBID continuation work program anticipates ongoing deployment at the following frequencies:

Clean Team	
<i>Hours of Deployment per Week</i>	992
Weekly F.T.E.	24.8
Average Weekly Coverage	7 days/week
Litter Removal/Pan & Broom	Daily with peak night service in the Premium Area
Machine Sweeping	Daily All Downtown – Higher Frequency in Premium Area
Transit Stop Maintenance	Sweep & Pressure Wash
Steam Cleaning: Standard	Once Every 4 to 6 Weeks
Steam Cleaning: Premium	Weekly
Graffiti Removal	Daily As Needed
Light Landscape/Weeds	As Needed
Swat Patrol or “emergency cleaning”	As Needed
Maintenance of PBID funded beautification elements	As Needed
Safety Guides	
<i>Hours of Deployment per Week</i>	664
Weekly FTE	16.6
Coverage in All Areas	12 to 16 hours
Coverage in Premium Areas	12 to 16 hours plus late night on weekends
Foot Patrol	Premium Area Only
Bike & Segway Patrols	Daily All Downtown
Visitor Services, Safety Escorts, Motorist Assist, Homeless Outreach	Daily All Downtown

Deployment of Clean and Safe Services: Clean and safe services are deployed in each of two “benefit zones” within the PBID:

- Premium Service Zone:** The premium service zone includes areas of highest pedestrian activity where demands for clean and safe services are greatest. The service plan anticipates that service deployment frequencies within the premium service zone will be more than the remainder of the PBID – from the number and type of safety guides to the frequency of sidewalk cleaning. Under the current PBID deployment plan, Safety Guides patrol each block of the Premium Zone between 25 and 40 times per day.
- Standard Service Zone:** The remaining areas of the PBID encompassed by the standard service zone have less pedestrian activity and demands for clean and safe services are generally lower. Service frequencies within the standard service zone are less than the frequency of services in the premium service zone. Under the current PBID deployment plan, Safety Guides patrol each block of the Standard Zone between 8 and 12 times per day.

Community Court

To reduce the incidence of nuisance crimes, the PBID will explore new approaches that have been effective in other urban downtowns. The creation of a “community court” is proposed as an addition to the clean and safe work program. A community court tailors law enforcement solutions for a specific geographic area, providing assistance to develop new laws or focus on particularly difficult cases. Community courts often provide innovative solutions in sentencing violators, including community service, repairing damage, cleaning sidewalks and streets and/or serving jail time. A \$100,000 addition to the clean and safe budget is proposed to pay for estimated costs associated with the program. Additional financial support will be sought from public agencies and other potential partners. The assessment cost of the community court initiative will be equally distributed throughout the PBID.

The Public Safety Task Force will explore and develop the Community Court concept and submit recommendations for implementation to the DLBA board of directors.

Beautification

Beautification funds support improvements that improve the visual appearance of Downtown and may include:

- Seasonal banners and decorations
- Public art
- Street furniture and amenities
- Feasibility analyses and plans for design, streetscape and other physical improvements
- Other activities and improvements that visibly enhance the Downtown environment

Annual recommendations regarding the allocation of beautification funds are determined by the Capital Improvements and Beautification Task Force that provides recommendations to the DLBA board of directors.

The **ENVIRONMENT** portion of the PBID accounts for **66.7%** of the proposed budget.

ECONOMY

Activities aimed at working with property owners to improve Downtown's overall image, increase sales and building occupancies are part of the PBID Management Plan. These services are intended to provide direct benefits to commercial and government properties, partial benefit to parking structures, and no benefit to non-profit and owner-occupied residential uses. Acknowledging this difference, non-profit and owner-occupied residential uses will not be assessed for the cost of economy activities.

Marketing & Special Events: Marketing and special event activities will aim to improve the overall image of Downtown with the goal of attracting consumers and visitors, and attracting and retaining businesses, jobs and investment. Initiatives must be designed to provide collective benefits to businesses and property owners. While annual work programs and budgets will be developed by the Marketing and Special Events Task Force and approved by the Downtown Long Beach Associates board of directors, programs will be selected from a variety of options that may include the following:

- Advertising, including branding and cooperative campaigns and increased placement and frequency in print media.
- Increased distribution and enhanced quality of publications, including downtown maps, directories and activity guides.
- Improved and increased special event and festival production.
- Public relations efforts to promote a positive image and overall experience.

Economic Development: Housed at the offices of the Downtown Long Beach Associates, the program will provide a primary one-stop point of contact for business prospects looking to locate and/or grow in downtown. Comprehensive market information on downtown will be researched, packaged and maintained. Specialized research will identify specific target business groups and niches that are most likely to locate within downtown and benefit from local assets. DLBA staff will serve as a liaison to assist business and property owners in permitting and development review processes. Program staff will work collaboratively with real estate professionals, City staff, and regional economic development groups to coordinate and leverage business attraction efforts.

Responding to the top priority evidenced by downtown stakeholders in the PBID renewal process, the economic development initiative will initially focus on activating storefronts throughout the downtown, including the recruitment of retail stores, temporary or "pop-up" installations, public art and other methods. Initiatives launched by the 2010 Retail Visioning process will also be continued, including:

- "Shop Local" campaigns that aims to inform and match residents and employees to downtown retail;
- Traditional and emerging business recruitment programs and activities; and,
- Efforts to welcome new businesses to downtown.

ECONOMY activities account for **20.3%** of the proposed PBID budget.

ADVOCACY, ADMINISTRATION & RESERVE

Advocacy and administrative costs of 13.0% have been included within the PBID budget. Examples of advocacy and administrative costs include:

- Accounting and annual financial reports,
- Program support costs including supplies, equipment and rent,
- Communications to keep all downtown stakeholders informed of policies, issues, challenges and opportunities,
- A new resident coordinator to connect residents to PBID services and activities,
- A delinquency reserve estimated at 3% of assessments, and
- Other administration costs associated with the overhead and administrative support of programs.

To reduce administrative costs, increase leveraging of funds, and to avoid duplication of enhanced services, the PBID will continue to be managed by the Downtown Long Beach Associates to deliver day-to-day services. DLBA can leverage PBID assessments with additional revenues, including business license BID fees, sponsorship revenue, contracts, grants and earned income.

IV. PLAN BUDGETS

The total improvement and activity plan budget for the first year of the district is projected at \$2,700,000 with the following components:

Activity	Sub-Total	Total	%
<i>Environment</i>			
Clean Teams	850,000		
Downtown Safety Guides	750,000		
Community Court	100,000		
Beautification	100,000		
<i>Total Environment</i>		\$ 1,800,000	66.7%
<i>Economy</i>			
Economic Development	250,000		
Marketing & Events	300,000		
<i>Total Economy</i>		\$ 550,000	20.3%
<i>Administration, Advocacy & Reserve</i>		\$ 350,000	13.0%
TOTAL		\$ 2,700,000	100.0%

Ten Year Operating Budget (PENDING)

A projected ten year operating budget for the Downtown Long Beach PBID will be provided as the exhibit in the final Management Plan.

Projections for the budget will be based upon the following assumptions:

- Total program revenue increases by no more than X% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with increases in the consumer price index and other program costs. Actual budgets may not increase X% as determined by the DLBA Board of Directors, which is the PBID Owner's Association.
- Revenues for specific activities within the general activity categories (i.e. Economy and Environment) may be reallocated among specific activities from year to year based upon district needs and budgets developed by the PBID Owner's Association. Revenues will not be moved between the Economy and Environment categories.

V. ASSESSMENTS

A. Assessment Methodology

To develop the PBID assessment methodology, the consulting team included participation from Kristin Lowell Inc. and Terrance E. Lowell & Associates, a certified engineer. Lowell evaluated several methods of assessment for conveying special benefits from the type of improvements and activities described within the Downtown Long Beach PBID Management Plan.

Additional information and justification for the proposed assessment methods and adjustments will be provided in the Engineer's Report, prepared by Kristin Lowell Inc. and will be provided as an attachment to the Final Management Plan. (The Engineer's Report will be completed following community review of the Draft Management Plan)

Cost Allocation Approach: The existing and proposed assessment methodologies are based upon an analysis of the special benefit provided to each property and a cost allocation approach, by which the direct cost of PBID services within a specific benefit zone are allocated to the properties within the specific zone. The benefit zones receive different services as illustrated on the following chart:

ACTIVITY	Standard Service Area	Premium Service Area
ENVIRONMENT (all properties)		
Clean Team		
Sidewalk Sweeping	Daily	Daily & Peak Evenings
Power Washing Sidewalks	Once every 4 to 6 weeks	Weekly
Transit Stop Maintenance	Power Wash & Sweeping	Power Wash & Sweeping
Graffiti removal & "SWAT" Team	As Needed	As Needed
Safety Guides		
Foot Patrols	No	Yes
Bicycle & Segway Patrols	Yes	Yes
Escort & Visitor Services	Yes	Yes
Community Court	Yes	Yes
Beautification	Yes	Yes
ECONOMY (commercial & government only)		
Marketing & Special Events	Yes	Yes
Economic Development	Yes	Yes

Special Benefit: The cost allocation approach respects the notion of special benefit resulting from assessments. The PBID assessment includes two benefit zones and property variables that narrowly tailor the assessments to benefits received. The property-related services described within the Management Plan are designed to provide special benefit to properties within the district. General benefit to properties is

provided by the basic services delivered by the City of Long Beach. Services provided by the PBID are supplemental to City services and therefore convey special benefit.

Assessment Variables: The current assessment methodology for the Downtown Long Beach PBID is based upon a combination of linear frontage and lot square footage. Variables include:

- **Linear Frontage:** Linear frontage remains a primary assessment variable in the standard and premium service areas. All Clean Team costs and one-half of the Safety Guide costs are allocated through linear frontage, acknowledging the benefit of these services to make downtown sidewalks cleaner and safer.
- **Lot plus Building Square Footage:** The sum of lot and building square footage is a primary assessment variable for one-half of the Safety Guide costs and the full costs of community court, beautification, marketing and special events and economic development. Benefits from community court and beautification activities are anticipated throughout the district. Benefits from economy activities are designed to improve image, occupancy and sales, benefits that are distributed throughout buildings. One-half of Safety Guide costs are allocated to lot and building square footage to acknowledge benefits to all employees, residents and visitors both on the street level and within buildings. The inclusion of lot square footage in the calculation acknowledges the greater benefits of these services to the ground level of property.
- **Premium Service Area Frontage Assessment:** The linear frontage assessment is higher in the premium service area than the standard service area, acknowledging the greater frequency in Clean Team and Safety Guide services.

Property Use Considerations: The assessment methodology provides the following treatments for non-commercial property used for owner-occupied residential and non-profit uses, and an adjustment for stand-alone parking structures:

- **Owner-Occupied Residential and 501(c)3 Non-Profit Property:** Owner-occupied residential and properties owned and used by 501(c)3 non-profit organizations will receive full benefit from Environment Services (i.e. clean and safe, community court and beautification) and will be assessed fully for them; however, owner-occupied residential and non-profit parcels will not receive the same benefit as commercial parcels from Economy Services (i.e. marketing, special events and economic development) because those uses are not engaged in commercial or customer attraction activities, thus their assessment will not include that portion of the assessment. All commercial and mixed-use parcels with owner-occupied residential uses will be subject to an adjusted assessment rate for the residential square footage of that parcel. The commercial square footage for that type of parcel will be assessed the assessment rate applied to all commercial parcels.

Rental residential properties are considered income-producing commercial uses and will be assessed at full commercial rates.

- **Parking:** Parking structures will be subject to one of the following assessment treatments:
 1. Frontage, lot and building square footage for parking that is integrated within a building (and the building has other uses in addition to parking) will be excluded from assessment calculations.
 2. Frontage, lot and building square footage for stand-alone structured public parking and will be assessed for all “Environment” PBID services and at one-half the rate for “Economy” PBID services. This adjustment acknowledges that role of stand-alone parking structures as part of the infrastructure that supports downtown, and limitations on their ability to generate income.
 3. Frontage, lot and building square footage for surface parking will be assessed at commercial rates.
- **Government Assessments:** The Downtown Long Beach PBID Management Plan assumes that the City of Long Beach, Long Beach Redevelopment Agency, County of Los Angeles and other government entities will pay assessments for the special benefits conferred to government property within the boundaries of the PBID. Article XIII D of the California Constitution was added in November of 1996 and provides for these payments.

B. Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by the Downtown Long Beach Associates with primary data provided by the Los Angeles County Assessor and the City of Long Beach. Since the initiation of PBID services in 1999, DLBA has contracted with an assessment engineering firm to obtain property data from the County of Los Angeles Assessor's Office. Data, which includes ownership and property characteristics, is updated annually by the assessment engineering firm.

As an attachment to the Management Plan, an assessment notice will be sent to all property owners within the proposed PBID. The assessment notice will contain frontage, lot and building size information. Property owners may request final verification of data by submitting documentation of property characteristics to DLBA before **July 1, 2012**, which is one month prior to the submission of assessment information to the County Assessor's Office.

A list of properties to be included in the PBID will be provided as an Appendix.

Benefit Zone Adjustments: The assessments are also adjusted to reflect anticipated service frequencies in the standard and premium benefit zones. The premium benefit zone will have more frequency of clean and safe services, therefore assessment rates for clean and safe services are increased in the premium benefit zone. Owner-occupied residential and 501(c)3 non-profit land uses do not receive benefit from the Economy activities and therefore will not be assessed that portion of the assessment. The resulting assessment calculation by service and benefit zone follows:

	Standard	Premium
Lot Frontage (100% clean + 50% safe to all properties)	\$ 9.65	\$ 19.21
Lot + Building Sq.Ft. (50% safe to all properties)	0.013	0.016
Lot + Building Sq.Ft. (100% community court, beautification to all properties)	0.008	0.008
Lot + Building Sq.Ft. (100% economy to commercial and gvt only)	0.026	0.026

Total Estimated Assessments: Based upon the methodology, property data and the proposed PBID budget, approximate lot and building assessments are calculated. Assessments will not exceed the following amounts during the first year of the PBID:

	Standard	Premium
Annual Assessment on Lot Frontage (all properties) per foot	\$ 9.65	\$ 19.21
Plus: Lot + Building Square Footage		
• Commercial & government properties	0.047	0.049
• Parking structures	0.034	0.037
• Non-Profits	0.021	0.024
Annual Fixed Rate on Owner-Occupied Residential (all inclusive)	\$ 73.85	\$ 120.11

Calculation of Rates for Owner-Occupied Residential: The annual fixed rate on owner-occupied residential properties is determined by calculating the total frontage, lot and building square footage for owner-occupied residential properties in each zone, applying appropriate assessment variables, and then dividing by the number of owner-occupied residential units in each zone.

C. Assessment Adjustments

Annual Adjustment: Annual assessment rates may be adjusted for annual changes in the Tri-County Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed X%. Actual annual adjustments may range from 0% to X%. Assessment increases will be contingent upon approval by the DLBA Board of Directors and the annual budget approval by the Long Beach City Council.

Budget Adjustment: Any annual budget surplus or deficit will be rolled into the following year's PBID budget. Assessments will be set accordingly, within the constraints of the CPI adjustment, to adjust for surpluses or deficits that are carried forward. Note that the PBID will maintain a reasonable Operating Reserve estimated at approximately 3% of the PBID operating budget.

Time and Manner for Collecting Assessments: As provided by state law, the Downtown Long Beach PBID assessment appears as a separate line item on annual property tax bills prepared by the County of Los Angeles. Property tax bills are distributed in the fall and payment is expected by lump sum or installment. Existing laws for enforcement and appeal of property taxes apply to PBID assessments.

Disestablishment: State law provides for the disestablishment of a PBID pursuant to an annual review process. Each year that the PBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the PBID may be disestablished. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so.

Issuance of Bonds: No bonds or other bonded debt is to be issued to finance activities and improvements envisioned in the Management District Plan. If the PBID Owner's Association, which is the Downtown Long Beach Associates board of directors, decides to issue bonds or other bonded debt in the future that increases the term and/or assessment rates set in this Plan, revisions to the Management Plan will require new petition and mail ballot procedures.

VI. GOVERNANCE

For the Downtown Long Beach PBID, the DLBA, an existing 501(c)6 California non-profit corporation, shall continue to serve as the PBID Owner's Association. The role of the Owner's Association is consistent with similar PBIDs and downtown management organizations throughout California and the nation. The Owner's Association (i.e. DLBA Board of Directors) determines budgets, assessment rates and monitors service delivery. As part of the Management Plan, the DLBA will manage the delivery day-to-day PBID services in order to:

- Reduce overall administrative costs of the PBID,
- Leverage PBID funds with other resources and capabilities provided by the DLBA,
- Eliminate the potential for duplication of enhanced services and activities, and
- Ensure that downtown is represented by a unified voice, thereby maximizing downtown's influence in policies and civic affairs.

Pursuant to the State of California PBID legislation the DLBA board of directors is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.

DLBA has created Task Forces that invite PBID assessment payers to participate in program design and development of service delivery approaches and budgets. Task Forces include:

- Marketing & Special Events,
- Public Safety,
- Capital Improvements and Beautification,
- Economic Development.