



**DOWNTOWN
LONG BEACH
ALLIANCE**

Thursday, April 1, 2021, DLBA Executive Committee

Action Report: Agenda Item 5A

ACTION ITEM:

5A. Annual Review of Property Based Improvement District (PBID) Assessment

BACKGROUND:

In accordance with Section V, Subsection C of the PBID Management Plan adopted in August 2012, the DLBA Executive Committee and Board annually review the Consumer Price Index (CPI) of the tri-county (Los Angeles, Orange and Riverside/San Bernardino) area of All Urban Consumers serving as a barometer for any adjustments to the existing PBID assessments. While the PBID Management Plan restricts adjustments not to exceed a five percent (5%) increase in any given year, the PBID standard has been to analyze the CPI by comparing a 12-month period (ending January 31), to determine the barometer for the upcoming year. The tri-county CPI for this past 12-month period is 1.62%.

The chart below displays adjustments made to the PBID dating back to FY2008-09:

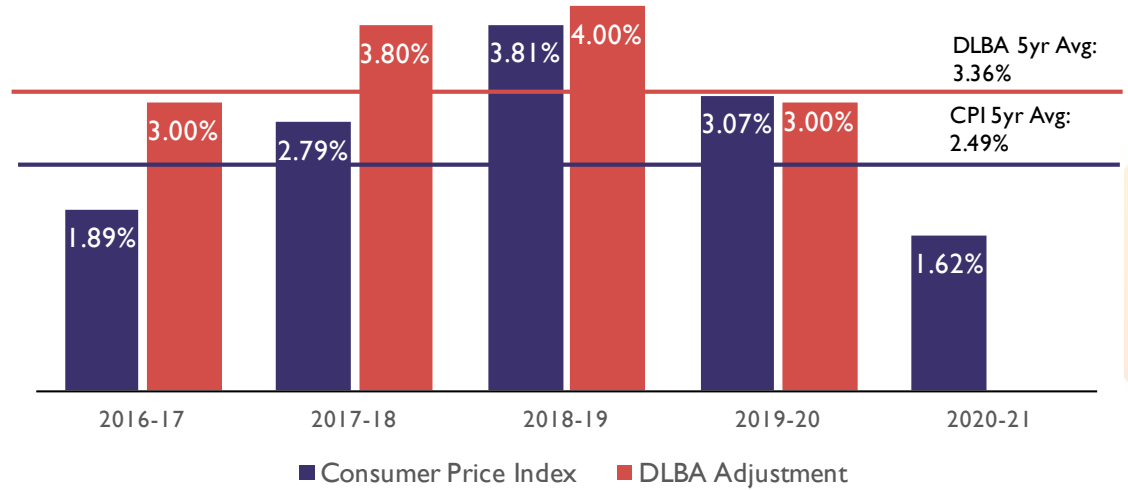
Historical PBID Adjustment		
Year	Consumer Price Index	DLBA Adjustment
2008-09	-0.64%	0.00%
2009-10	2.28%	0.00%
2010-11	1.96%	2.50%
2011-12	2.12%	2.00%
2012-13	2.03%	2.00%
2013-14	1.08%	1.50%
2014-15	1.35%	3.00%
2015-16	0.91%	3.00%
2016-17	1.89%	3.00%
2017-18	2.79%	3.80%
2018-19	3.81%	4.00%
2019-20	3.07%	3.00%
2020-21	1.62%	-



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The 5-year average for the CPI is at 2.49%, while the DLBA's 5-year average is at 3.36%. The difference averages between CPI and the DLBA have in larger part been a response to external factors such as minimum increases and vendor contracted services.

The following chart illustrates CPI and PBID adjustments over the last five years:



PBID AREA CURRENT (2020-21) RATES:

	STANDARD ZONE	PREMIUM ZONE
LOT FRONTAGE, PER FOOT (ALL PROPERTIES)	\$12.1327	\$19.5978
LOT+BUILDING SQUARE FOOTAGE		
COMMERCIAL & GOVERNMENT	\$0.0529	\$0.0581
PARKING STRUCTURES	\$0.0346	\$0.0398
RESIDENTIAL & NONPROFIT	\$0.0162	\$0.0215



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2016 LEGISLATIVE ACTION INCREASING MINIMUM WAGE:

The increase in the state's minimum wage has resulted in increased costs to DLBA through clean and safe contracted services. The following table illustrates the minimum wage schedule for the State of California. Minimum wage in the State of California is at \$13/hr for organizations over 25 employees and \$12/hr for organizations with fewer the 25 employees.

State of California Minimum Wage Schedule	
Medium & Large Business (25 Employees & Over)	
January 1, 2017 wages increase to	\$10.50
January 1, 2018 wages increase to	\$11.00
January 1, 2019 wages increase to	\$12.00
January 1, 2020 wages increase to	\$13.00
January 1, 2021 wages increase to	\$14.00
January 1, 2022 wages increase to	\$15.00
Small Business & Nonprofits (25 Employees & Under)	
January 1, 2018 wages increase to	\$10.50
January 1, 2019 wages increase to	\$11.00
January 1, 2020 wages increase to	\$12.00
January 1, 2021 wages increase to	\$13.00
January 1, 2022 wages increase to	\$14.00
January 1, 2023 wages increase to	\$15.00

RECOMMENDED ACTION:

Review and consider annual adjustment to Property Based Improvement District (PBID) assessments for FY 2021-22, effective January 1, 2021 not to exceed 5% as outlined in the PBID Management Plan.