

# DOWNTOWN LONG BEACH PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID) MANAGEMENT PLAN SUMMARY

## DRAFT PLAN – December 20, 2021

The Downtown Long Beach Property-Based Business Improvement District (PBID) is a special benefit assessment district that conveys special benefits to each individual assessed parcel located within the district boundaries. The district was formed in 1998 and renewed twice – once in 2003 and again in 2012. 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.

The PBID Management Plan has been informed and shaped by an extensive strategic planning process undertaken during the first half of 2021. With input gained from interviews, roundtable discussions, leadership meetings and an online survey from more than 500 downtown stakeholders, and developed under the guidance of a 35-member steering committee and the board of directors of the Downtown Long Beach Alliance (DLBA), the strategic plan explored how the PBID could help Downtown Long Beach recover from the COVID-19 pandemic in the near term, and respond to anticipated trends that will shape downtown in the longer term. The new strategic plan is anchored by five goals:

1. Master the fundamentals, ensuring a model clean and safe program for Downtown;
2. Strengthen existing businesses and encourage entrepreneurship and innovation in Downtown;
3. Market and promote Downtown as a whole and as a collection of unique neighborhoods;
4. Showcase the beauty, creativity and unique sense of place in Downtown for all to enjoy;
5. Be a leading voice in planning for the future of Downtown.

Grounded in the findings of the strategic plan, the primary changes to the PBID will:

- Support a more robust clean and safe initiative that adds new services;
- Catch up to and anticipate increasing labor and equipment costs;
- Create new approaches to help address downtown's unhoused population; and
- Increase DLBA's capacity to assist small businesses and office properties recover from the Covid-19 pandemic, plus provide adequate resources to support marketing, placemaking and other activities that aim to bring prosperity and vitality to Downtown.

To meet the strategic plan goals and incorporate the preceding changes to the PBID-funded clean and safe program, the overall operating budget of the PBID will increase by 37% -- nearly 70% of this increase is due to adjustments and expansions in clean and safe services. Increases in subsequent years will be limited to a maximum 5% adjustment.

The PBID Management Plan is summarized as follows:

<p><b>Location</b></p>	<p>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 3rd Street along the western part of the district, 8th Street in the central part and 4th Street along the eastern part. A map of the proposed district boundary is provided on page X.</p>
<p><b>Improvements and Activities</b></p>	<p>The PBID will finance improvements and activities that will improve the Downtown environment and experience for all downtown stakeholders, including: property owners, businesses, residents, employees, and visitors.</p> <p><b>Environment:</b></p> <ul style="list-style-type: none"> <li>• <b>Clean Teams.</b> Clean Teams sweep and pressure wash sidewalks, sweep gutters, remove litter, graffiti, and stickers, remove weeds, provide light landscaping, and spot cleaning as needed.</li> <li>• <b>Safety Ambassadors &amp; Homeless Outreach.</b> Safety Ambassadors provide a daily presence in the district, either on foot or wheels, to enhance the sense of safety, help to prevent crime, provide safety escorts, assist with nuisance calls, and report more serious issues to law enforcement. Additionally, Safety Ambassadors provide information on Downtown activities and attractions to visitors.</li> </ul> <p>Under the direction of a new Homeless Outreach Manager, the team will also provide more robust assistance to unhoused individuals in the District, collaborating with social service agencies, non-profits and City departments to address the needs and connect individuals to services and housing.</p> <ul style="list-style-type: none"> <li>• <b>Placemaking.</b> Placemaking projects and initiatives are used to make Downtown more visually attractive, enhance the sense of place, and celebrate the unique culture of Long Beach. Such activities can include, but are not limited to, activating outdoor spaces, planting trees, signage, festive lighting, wayfinding and public art.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• <b>Economic Development.</b> Economic development services strengthen existing businesses and support entrepreneurship and innovation in Downtown, including assistance in filling vacant storefronts, helping businesses to navigate City processes, marketing Downtown to the broader leasing community, and helping property owners understand the evolving office and retail markets.</li> <li>• <b>Marketing &amp; Special Events.</b> Marketing and special events promote Downtown as a whole and as a unique collection of neighborhoods, generate visitors and customers to support Downtown businesses, highlight and celebrate the diversity of Long Beach, and build awareness of DLBA programs and services.</li> </ul>

<b>Method of Financing</b>	Levy of assessments upon real property that benefit from improvements and activities.																																																																												
<b>Budget</b>	<p>The total district budget for the first year of operation beginning in 2023 is <b>\$3,865,000</b> allocated as follows.</p> <table border="1" data-bbox="397 363 1414 1318"> <thead> <tr> <th data-bbox="397 363 797 422"><u>REVENUES</u></th> <th data-bbox="797 363 992 422">Assessments</th> <th data-bbox="992 363 1146 422">Other</th> <th data-bbox="1146 363 1414 422">TOTAL</th> </tr> </thead> <tbody> <tr> <td data-bbox="397 422 797 464">PBID Assessments</td> <td data-bbox="797 422 992 464"></td> <td data-bbox="992 422 1146 464"></td> <td data-bbox="1146 422 1414 464"></td> </tr> <tr> <td data-bbox="397 464 797 506">Other (General Benefit)</td> <td data-bbox="797 464 992 506"></td> <td data-bbox="992 464 1146 506"></td> <td data-bbox="1146 464 1414 506"></td> </tr> <tr> <td data-bbox="397 506 797 548"><b>TOTAL REVENUES</b></td> <td data-bbox="797 506 992 548"></td> <td data-bbox="992 506 1146 548"></td> <td data-bbox="1146 506 1414 548"><b>\$3,865,000</b></td> </tr> <tr> <td data-bbox="397 548 797 590"><u>EXPENDITURES</u></td> <td data-bbox="797 548 992 590"></td> <td data-bbox="992 548 1146 590"></td> <td data-bbox="1146 548 1414 590"></td> </tr> <tr> <td data-bbox="397 590 797 632"><b>Environment</b></td> <td data-bbox="797 590 992 632"></td> <td data-bbox="992 590 1146 632"></td> <td data-bbox="1146 590 1414 632"></td> </tr> <tr> <td data-bbox="397 632 797 674">Clean Team</td> <td data-bbox="797 632 992 674"></td> <td data-bbox="992 632 1146 674"></td> <td data-bbox="1146 632 1414 674">\$1,200,000</td> </tr> <tr> <td data-bbox="397 674 797 758">Safety Ambassadors &amp; Homeless Outreach</td> <td data-bbox="797 674 992 758"></td> <td data-bbox="992 674 1146 758"></td> <td data-bbox="1146 674 1414 758">\$1,300,000</td> </tr> <tr> <td data-bbox="397 758 797 800">Placemaking</td> <td data-bbox="797 758 992 800"></td> <td data-bbox="992 758 1146 800"></td> <td data-bbox="1146 758 1414 800">\$ 125,000</td> </tr> <tr> <td data-bbox="397 800 797 842"><b>Total Environment</b></td> <td data-bbox="797 800 992 842"></td> <td data-bbox="992 800 1146 842"></td> <td data-bbox="1146 800 1414 842"><b>\$2,625,000</b></td> </tr> <tr> <td data-bbox="397 842 797 884"><b>Economy</b></td> <td data-bbox="797 842 992 884"></td> <td data-bbox="992 842 1146 884"></td> <td data-bbox="1146 842 1414 884"></td> </tr> <tr> <td data-bbox="397 884 797 926">Economic Development</td> <td data-bbox="797 884 992 926"></td> <td data-bbox="992 884 1146 926"></td> <td data-bbox="1146 884 1414 926">\$450,000</td> </tr> <tr> <td data-bbox="397 926 797 968">Marketing &amp; Special Events</td> <td data-bbox="797 926 992 968"></td> <td data-bbox="992 926 1146 968"></td> <td data-bbox="1146 926 1414 968">\$365,000</td> </tr> <tr> <td data-bbox="397 968 797 1010"><b>Total Economy</b></td> <td data-bbox="797 968 992 1010"></td> <td data-bbox="992 968 1146 1010"></td> <td data-bbox="1146 968 1414 1010"><b>\$815,000</b></td> </tr> <tr> <td data-bbox="397 1010 797 1052"><b>Administration &amp; Reserves</b></td> <td data-bbox="797 1010 992 1052"></td> <td data-bbox="992 1010 1146 1052"></td> <td data-bbox="1146 1010 1414 1052"></td> </tr> <tr> <td data-bbox="397 1052 797 1136">Administration &amp; Communications</td> <td data-bbox="797 1052 992 1136"></td> <td data-bbox="992 1052 1146 1136"></td> <td data-bbox="1146 1052 1414 1136">\$313,000</td> </tr> <tr> <td data-bbox="397 1136 797 1178">Delinquency Reserve (3%)</td> <td data-bbox="797 1136 992 1178"></td> <td data-bbox="992 1136 1146 1178"></td> <td data-bbox="1146 1136 1414 1178">\$112,000</td> </tr> <tr> <td data-bbox="397 1178 797 1262"><b>Total Administration &amp; Reserves</b></td> <td data-bbox="797 1178 992 1262"></td> <td data-bbox="992 1178 1146 1262"></td> <td data-bbox="1146 1178 1414 1262"><b>\$425,000</b></td> </tr> <tr> <td data-bbox="397 1262 797 1304"><b>TOTAL EXPENDITURES</b></td> <td data-bbox="797 1262 992 1304"></td> <td data-bbox="992 1262 1146 1304"></td> <td data-bbox="1146 1262 1414 1304"><b>\$3,865,000</b></td> </tr> </tbody> </table> <p data-bbox="397 1356 1414 1566"><b>General Benefit Allowance:</b> An allowance is made for general benefits that the District may provide to either the parcels outside the district boundary or to the public at large. Any PBID services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from services accounts for <b>\$X</b> of the estimated budget, resulting in a total assessment budget of <b>\$X</b>.</p>	<u>REVENUES</u>	Assessments	Other	TOTAL	PBID Assessments				Other (General Benefit)				<b>TOTAL REVENUES</b>			<b>\$3,865,000</b>	<u>EXPENDITURES</u>				<b>Environment</b>				Clean Team			\$1,200,000	Safety Ambassadors & Homeless Outreach			\$1,300,000	Placemaking			\$ 125,000	<b>Total Environment</b>			<b>\$2,625,000</b>	<b>Economy</b>				Economic Development			\$450,000	Marketing & Special Events			\$365,000	<b>Total Economy</b>			<b>\$815,000</b>	<b>Administration &amp; Reserves</b>				Administration & Communications			\$313,000	Delinquency Reserve (3%)			\$112,000	<b>Total Administration &amp; Reserves</b>			<b>\$425,000</b>	<b>TOTAL EXPENDITURES</b>			<b>\$3,865,000</b>
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<b>Cost</b>	<p>To develop the PBID assessment methodology, the consulting team included participation from NBS, a certified engineer. <b>Additional information and justification for the proposed assessment methods and adjustments will be provided in the Engineer’s Report, prepared by NBS and will be provided as an attachment to the Final Management Plan.</b></p> <p>The assessment methodology apportions the special benefits from PBID services to properties based on a combination of several factors that have been in place since the last renewal of the PBID in 2012. These factors include:</p>																																																																												

- **Benefit Zones:** Two zones of benefit delineate different frequencies of services between the premium zone (higher frequency of services) and standard zone (lower frequency of services).
- **Land Use Factors:** Properties are classified as being one of five predominate land uses in the downtown. These land uses include: commercial property, parking structure property, residential property with more than 50 units, residential property with less than 50 units, and public/non-profit property. There is a different allocation of benefit from services focused on commerce (i.e. economic development, marketing and special events) to each land use category.
- **Property Characteristics:** Adjusting for benefit zones and land use factors, costs from services are then allocated to linear frontage and the sum of lot and building square footage.

Estimated annual maximum assessment rates for the first year of the district are:

Standard Zone	Lot Frontage Rate per foot	Building + Lot per sq. ft.
Commercial	\$17.26	\$0.0685
Parking Structure	\$ 17.26	\$ 0.0444
Residential 50+ Units	\$17.26	\$0.0324
Residential < 50 units; Civic/Non-Profit	\$17.26	\$0.0203

Premium Zone	Lot Frontage Rate per foot	Building + Lot per sq. ft.
Commercial	\$24.08	\$0.0752
Parking Structure	\$ 24.08	\$ 0.512
Residential 50+ Units	\$24.08	\$0.0391
Residential < 50 units; Civic/Non-Profit	\$24.08	\$0.0271

<b>Cap</b>	Annual assessments may increase no more than 5% per year consistent with the increase in the Los Angeles-area consumer price index (CPI) and increases in other program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Downtown Long Beach Alliance (DLBA) Board of Directors, which serves as the PBID Owner's Association.
<b>City Services</b>	The City of Long Beach has provided an accounting of baseline services that are currently provided within the District and will continue through the duration of the planned renewal. The City base level of service agreement is included as an Exhibit.
<b>Collection</b>	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, such as government or non-profit owned parcels, will be directly billed by the DLBA or a third-party contractor.

<p><b>District Governance</b></p>	<p>The PBID will continue to be governed by the Downtown Long Beach Alliance (DLBA), a 501(c)(6) non-profit organization. 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.</p> <p>The DLBA Board of Directors includes a diverse representation of stakeholders, including both commercial and residential property owners, businesses, City representatives, and community-serving partners.</p> <p>Currently, to represent the PBID, there are eight commercial property owners, one residential property owner and one City property owner on the 21-member voting board.</p>
<p><b>District Continuation</b></p>	<p>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 \$X to be assessed). Petitions are submitted to the Long Beach City Council, and the City will send mail ballots 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 consider approval.</p>
<p><b>Duration</b></p>	<p>Collection of the first year’s assessments will be included in Los Angeles County’s 2022-2023 tax bill with services beginning January 1, 2023 and continuing through December 31, 2032. 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.</p>

## I. WHY CONTINUE THE DOWNTOWN LONG BEACH PBID?

### What Is A PBID?

The International Downtown Association estimates that more than 1,000 PBIDs currently operate throughout the United States and Canada. Through an assessment on property, a PBID provides resources for enhanced improvements and activities, such as public safety, maintenance, marketing, and economic vitality services, above and beyond those provided by local government. PBIDs provide services that improve the overall viability of downtown districts -- resulting in higher property values, sales and tax revenues and an improved quality of life. Since the creation of California's Property and Business Improvement District Law in 1994, more than 100 new PBIDs have been established in California downtowns, including Sacramento, Oakland, Los Angeles, Santa Monica and San Diego.

### Why Continue the PBID for Downtown Long Beach?

The Downtown Long Beach PBID was established by property owners in 1998 and has been renewed twice - once in 2003 and again in 2012. The existing PBID will expire at the end of 2022 and must be replaced by a new PBID if enhanced services are to continue.

Acknowledging the myriad changes wrought by the pandemic, the PBID is perhaps more critical than ever to deliver steady, enhanced services that ensure a clean, safe, and enjoyable experience in Downtown Long Beach.

The PBID renewal process is an opportunity to tailor the District's services to meet Downtown's changing dynamics and address stakeholders' top priorities moving forward.

#### 1. A Clean and Safe Downtown is Fundamental to Success

During a recent strategic planning process for the Downtown Long Beach Alliance (DLBA) – the PBID's Owner's Association – **downtown stakeholders identified improving safety and increasing services for individuals experiencing homelessness as the two top priorities for Downtown over the next five years.**

A clean and safe experience is fundamental to any downtown's success and converging influences brought on by COVID-19 have diminished the sense of safety and exacerbated issues for the unhoused population in Downtown Long Beach, and in downtowns throughout the country. The PBID-funded clean and safe teams are a well-respected staple of Downtown Long Beach and have been increasingly recognized for their service during the pandemic. The PBID renewal budget proposes an infusion of resources into this program to meet the growing needs.

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

The pandemic presented unprecedented disruption to downtowns, particularly to the traditional economic engines of central business districts – office employment and retail. In addition to the clean and safe fundamentals, **one of Downtown stakeholders' top priorities is to fill vacant storefronts.** DLBA's economic development team continues to work hard to support existing businesses and connect them to available resources. Moving through the pandemic and beyond, PBID-funded

economic development services will be critical for ensuring Downtown Long Beach remains competitive by supporting the Downtown office and retail markets, harnessing new entrepreneurial activity, and providing a vibrant overall experience for residents, employees, and visitors.

### **3. The PBID is Accountable to Those Who Pay**

By combining 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 as decisions on the annual PBID work program, budget and assessments are made by affected property owners, businesses and residents.

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

With the PBID, Downtown speaks with a unified voice to guide a variety of policies and issues affecting Downtown Long Beach. The PBID fosters a sense of community and brings business and resident interests together to focus on improving Downtown.

## **Process to Develop the PBID Management District Plan**

To develop the PBID Management Plan and continue the Downtown Long Beach PBID, Downtown property and business owners, residents, non-profit and civic leaders were involved in a participatory process to update the DLBA's Strategic Plan. The strategic plan identified the strengths, challenges, and priority improvements for Downtown Long Beach, which were used to inform the PBID Management Plan. The consulting firms Progressive Urban Management Associates (Strategic Plan and PBID consultant) and NBS (certified engineer) were retained by the DLBA to develop the Management Plan for continuing the PBID.

### **1. Strategic Plan as a Basis for Determining Priorities**

The strategic planning consultant team engaged with a variety of stakeholders, holding over 50 interviews and roundtable discussions, and distributing an online survey that collected approximately 500 responses. Stakeholder groups included merchants, property owners (commercial and residential), community-serving organizations, developers and real estate professionals, City leadership, and other partners. Downtown stakeholder priorities were used to inform the PBID Management Plan.

Stakeholders' Top Three Priorities:

- Improve outcomes and services for people experiencing homelessness in Downtown
- Improve the perception and reality of safety in Downtown
- Help to fill vacant storefronts throughout Downtown

### **2. City Base Level of Services**

The consultant team and DLBA staff used the PBID renewal to revisit the base level services agreement, which delineates between City services (base level) and DLBA services (above and beyond base level) to make sure expectations were clear and reasonable.

### **3. Oversight by Downtown Commercial and Residential Property Owners**

To guide the consultant team and validate PBID renewal concepts, the DLBA Board of Directors and a Steering Committee made up of a diverse array of Downtown property owners have served to review PBID Management Plan concepts as they have been developed.

**Plan Review & Final Plan:** The draft PBID Management District Plan and budget was reviewed by the DLBA Board of Directors, PBID Steering Committee and individual property owners.

Input from these meetings was considered for the final draft of the PBID Management Plan.

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