



**DOWNTOWN  
LONG BEACH  
ALLIANCE**

April 30, 2021

Mr. Tom Modica  
City Manager  
City of Long Beach  
411 W Ocean Blvd, 11<sup>th</sup> FL  
Long Beach, CA 90802

**RE: DOWNTOWN PROPERTY BASED IMPROVEMENT DISTRICT (PBID)  
and DOWNTOWN PARKING IMPROVEMENT AREA (DPIA)  
ASSESSMENT ADJUSTMENTS FOR 2021-2022**

Dear Mr. Modica:

Please accept this correspondence as a formal request to place the following item on a City Council agenda, if necessary.

On Wednesday, April 21, the Downtown Long Beach Alliance (DLBA) Board of Directors unanimously approved a three percent (3.0%) increase to the PBID assessment for tax year 2021-2022.

This action by the Board was based on a 12-month difference (1.62%) in tri-county Consumer Price Index (CPI) ending January 31, 2021 and is consistent with Page 11, Section 2 of the 10-year PBID Management Plan approved by City Council in 2012.

At the same meeting, the DLBA Board of Directors chose to freeze DPIA annual assessments at current levels for business licenses, effective July 21, 2021.

I have attached the corresponding Action Items approved by the DLBA Board of Directors for the rate adjustments for the [PBID](#) & [DPIA](#) annual assessments, respectively.

Thank you in advance for your expeditious effort in facilitating this process. Please feel free to contact me should you have any questions regarding this request.

Sincerely,

Kraig Kojian  
President & CEO

cc: John Gross, Director of Financial Management, City of Long Beach  
Michael J Mais, Assistant City Attorney  
Eric Romero, Business Development Officer, Economic Development Department  
Miranda Ray, NBS Government Finance Group  
Oscar Orsi, Director of Development Services  
Alan Pullman, DLBA Board Chair  
Allison Kripp, DLBA Board Secretary

**Wednesday, April 21, 2021, DLBA Board of Directors**

**Action Report: Agenda Item 4B(ii)**

**ACTION ITEM:**

**4B(ii). Annual Review of Property Based Improvement District (PBID) Assessment**

**BACKGROUND:**

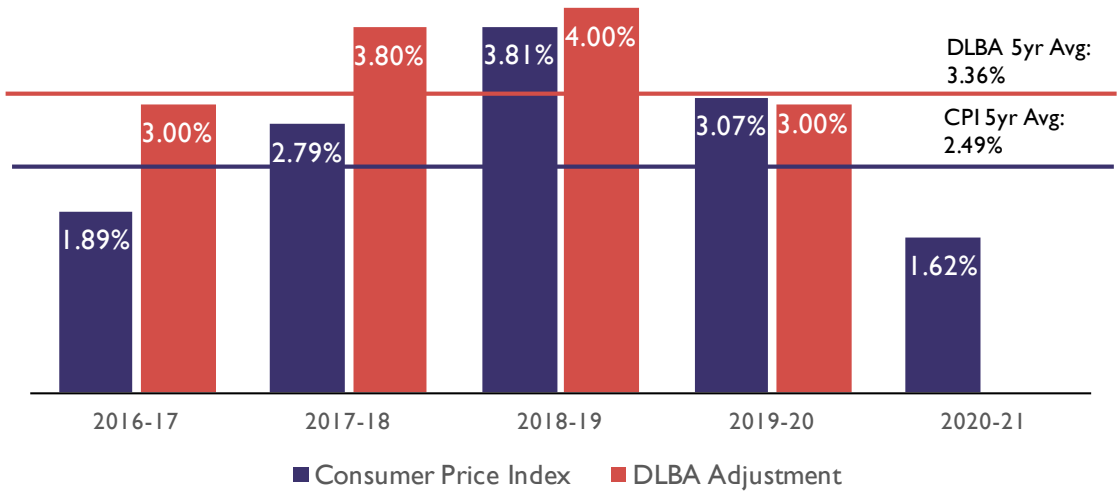
In accordance with Section V, Subsection C of the PBID Management Plan adopted in August 2012, the DLBA Executive Committee and Board annually review the Consumer Price Index (CPI) of the tri-county (Los Angeles, Orange and Riverside/San Bernardino) area of All Urban Consumers serving as a barometer 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:

<b>Historical PBID Adjustment</b>		
<b>Year</b>	<b>Consumer Price Index</b>	<b>DLBA Adjustment</b>
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%	-

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

**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.

<b>State of California Minimum Wage Schedule</b>
<b>Medium &amp; Large Business (25 Employees &amp; Over)</b>
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
<b>Small Business &amp; Nonprofits (25 Employees &amp; Under)</b>
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:**

**As recommended by the Executive Committee approve an annual adjustment of 3% to the Property Based Improvement District (PBID) assessments for FY 2021-22, effective January 1, 2021.**

**Wednesday, April 21, 2021, DLBA Board of Directors**

**Action Report: Agenda Item 4B(i)**

**ACTION ITEM:**

**4B(i). Annual Review of Downtown Parking Improvement Area (DPIA) Assessment**

**BACKGROUND:**

The DLBA Executive Committee and Board annually review the City of Long Beach's CPI percentage change to its business license fees and determine any adjustments to the DPIA assessments as part of the business license. The DPIA rate adjustments has no cap or restrictions and its adjustments are applied annually on July 1.

Per Long Beach Municipal Code (LBMC) 3.80.451, the City of Long Beach business license fees under Title 3 of the Long Beach Municipal Code will be adjusted pending City's decision.

The following chart displays adjustments made to the DPIA dating back to 2008-09:

<b>Historical DPIA Adjustment</b>			
<b>Year</b>	<b>Consumer Price Index</b>	<b>City Adjustment</b>	<b>DLBA Adjustment</b>
2008-09	-0.64%	3.53%	0.00%
2009-10	2.28%	0.00%	0.00%
2010-11	1.96%	3.90%	3.90%
2011-12	2.12%	2.67%	2.00%
2012-13	2.03%	2.00%	2.00%
2013-14	1.08%	1.08%	1.08%
2014-15	1.35%	1.00%	1.00%
2015-16	0.91%	1.00%	1.00%
2016-17	1.89%	1.89%	1.89%
2017-18	2.79%	2.79%	2.79%
2018-19	3.81%	3.81%	3.81%
2019-20	3.07%	3.07%	3.07%
2020-21	1.62%	-	-

**DPIA AREA CURRENT (2020-21) RATES:**

	<b>PER BUSINESS</b>	<b>PER EMPLOYEE</b>
All businesses	\$476.07	\$8.00
Contractor	\$326.96	\$5.53

**RECOMMENDED ACTION:**

**As recommended by the Executive Committee approve a freeze to annual adjustment to Downtown Parking and Improvement Area (DPIA) assessment, holding assessments to FY 20-21 rates effective July 1, 2021.**