

December 3, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to approve the Downtown Long Beach Property and Business Improvement District Annual Report and Assessment for the period of January 1, 2025, through December 31, 2025, automatically extending the current agreement with the Downtown Long Beach Alliance for a one-year period; and, authorize payment in City property assessments of \$586,248 from the Civic Center Fund Group in the Public Works Department to be allocated to associated funds. (District 1)

DISCUSSION

The Downtown Long Beach Alliance (DLBA) has three established sources of revenue that pass through the City of Long Beach (City) to the organization. These include business license assessments, property owner assessments, and downtown parking meter revenue sharing. This recommended action relates to property owner assessment funds generated by the Downtown Long Beach Property and Business Improvement District (DLBPBID). The City approves the business license assessment separately.

The DLBPBID was established by the City Council in 1998 for a term of five years. The DLBPBID was renewed in 2003 for a term of ten years, in 2012 for another ten-year term, and again in 2022 for an additional ten-year term. The City contracts with the DLBA to manage the DLBPBID and the DLBA Board of Directors serves as the Advisory Board to the City Council on matters related to the DLBPBID. The DLBA utilizes DLBPBID funding to provide enhanced maintenance, public safety, beautification, marketing, and economic development programs, above and beyond those 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 DLBA. The DLBA Board of Directors voted to recommend to the City Council approval of the 2024-2025 DLBPBID Annual Report (Annual Report).

The Annual Report describes boundaries, proposed activities, and budgetary information, as well as the method and basis for the continuation of the assessment (Attachment). The Annual Report proposes no change to the DLBPBID boundaries or the method of levying the assessment and no significant change to proposed activities.

The Annual Report, transmitting the recommendations of the DLBA Board of Directors, proposes the following assessment rates:

Method of Assessment

Property and Business Improvement District (PBID) assessments are collected through the County of Los Angeles from property owners within a geographical boundary in Downtown Long Beach. The assessment methodology is based on the parcel and building square footage, the linear footage of the property, and the level of services rendered to the benefit areas.

Assessments are computed using five property characteristics: land use type, benefit zone, linear frontage, lot square footage, and building square footage. Each assessable parcel is categorized into one of the following land use types: Commercial, Government, Residential, Non-Profit, and Parking.

After each parcel is categorized into its proper land use type, linear frontage, lot square footage, and building square footage are determined and those values are multiplied by the assessment rates shown below to determine the total assessment.

The maximum assessment rates increase each year by five percent over the prior year’s maximum assessment rates. The actual assessment rates in any year may be less than or equal to the maximum assessment rates. The actual assessment rates cannot exceed that year’s maximum assessment rates.

Category	Actual Rates FY 2024/25	
	Standard Zone	Premium Zone
Frontage	\$18.0824	\$25.2455
Commercial	0.0649	0.0717
Parking Structure	0.0427	0.0496
Public/Non-Profit	0.0205	0.0274
Residential (<50 Units)	0.0205	0.0274
Residential (50+ Units)	0.0317	0.0384

Category	Maximum Rates FY 2024/25	
	Standard Zone	Premium Zone
Frontage	\$18.2559	\$25.4877
Commercial	0.0655	0.0724
Parking Structure	0.0431	0.0501
Public/Non-Profit	0.0207	0.0277
Residential (<50 Units)	0.0207	0.0277
Residential (50+ Units)	0.0320	0.0388

Therefore, there are no proposed changes to the assessment methodology of the DLBPBID.

This matter was reviewed by Deputy City Attorney Marsha Yasuda on November 6, 2024, and Budget Management Officer Nader Kaamoush on November 15, 2024.

TIMING CONSIDERATIONS

City Council action is requested on December 3, 2024, so that fiscal year 2025 assessment transfers may be made as required by the Agreement for Funding with the DLBA. The new contract year begins on January 1, 2025.

FISCAL IMPACT

It is estimated that the DLBPBID will generate \$4,116,049 in Fiscal Year 2025 through the proposed continuation of the assessment, including the five percent adjustment. Assessment funds are collected through additional fees attached to property owner assessment payments in the DLBPBID area. All revenues are distributed directly to DLBA for the implementation of annual programs.

The City's total share of the DLBPBID assessment for fiscal year 2025 is \$826,966. Of this amount, \$240,718 will pass through the City and be paid by property management contractors Site Centers for the Pike Property development, as required by their lease.

The remaining assessment of \$586,248 will be allocated by the Economic Development Department to various departments managing the properties with cost impacting the General Fund Group, Civic Center Fund Group, Successor Agency Fund Group, Tidelands Area Fund Group, and Tidelands Operating Fund Group.

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.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



Bo Martinez
Director
Economic Development

APPROVED:



THOMAS B. MODICA
CITY MANAGER

ATTACHMENT: DLBPBID 2024-2025 ANNUAL REPORT