

Property and Business Improvement Districts

Goleta City Council Meeting

February 5, 2019



The industry consists of more than 2,500 place management organizations, employing 100,000 people throughout North America.

These organizations have a median annual budget of \$1.2 million



The top 15 cities in the U.S. benefit from \$400 million a year through property and business improvement district assessments.

What is a Property and Business Improvement District?



Property and business improvement districts (PBIDs) are stable funding sources for organizations of property or business owners working to improve their business district. Owners within the district work together to make significant improvements, attract consumers and new businesses, and develop the area.

Two Types of Districts

Property District

- Assessment on the property
- Services:
 - Clean and Safe Activities
 - Business Recruitment & Retention
 - District Branding & Signage

Business District

- Assessment on the businesses
- Services:
 - Business Marketing & Communication
 - Special Events
 - Business Signage

How Do Property and Business Improvement Districts Work?

Property
Owners pay an
assessment...



Collected by
the local
government...



And managed
by a place
management
organization.

Evolution of Dedicated Funding (Based on Benefit)



Agricultural industry discovered the concept

Agricultural marketing orders
(dairy, fruits, vegetables,
pistachios)

Similarities: Perishable, like our
hotel products



Downtown property owners
discovered the concept

Marketing efforts to increase
commerce in distinct area of the
community



Lodging industry discovered the
concept

Marketing efforts to increase
“heads in beds”





How are Property and Business Improvement Districts Benefiting Communities?

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are dark and frame a central area of a bright blue sky filled with soft, white clouds. The perspective creates a sense of height and urban density.

“AN ENGAGING DOWNTOWN CREATES THE CRITICAL MASS OF ACTIVITY THAT SUPPORTS RETAIL AND RESTAURANTS, BRINGS PEOPLE TOGETHER IN SOCIAL SETTINGS, MAKES STREETS FEEL SAFE, AND ENCOURAGES PEOPLE TO LIVE AND WORK DOWNTOWN BECAUSE OF THE EXTENSIVE AMENITIES.”

International Downtown Association

Key Services of PBIDs

- Maintenance
- Safety and Nuisance Abatement
- Business Development and Retention
- Brand Development and Marketing
- Placemaking
- Infrastructure and Capital Improvement
- Parking and Transportation



Downtown Ventura

Clean & Safe; Marketing &
Communication Programs

Downtown Ventura PBID

- Services: Clean & Safe, Economic Development, and Marketing/Communications programs
- Budget: \$462,083 annually
- Assessment Rate:



| | Core Zone | Non-Core Zone | Mission Zone |
|-----------------------------|-----------|---------------|--------------|
| Square Foot Assessment Rate | \$0.0846 | \$0.0508 | \$0.0188 |



Downtown Oxnard
Maintenance; Business Development

Downtown Oxnard PBID

- Services: Maintenance, Public Safety, Business Development, and Beautification
- Budget: \$454,095 annually
- Assessment Rate: Assessment = Land Area Fee + Building Area Fee + Street Frontage Fee



| <u>LAND AREA RATE</u> | <u>BLDG AREA RATE</u> | <u>STREET FRONTAGE RATE</u> |
|-------------------------|-----------------------|-----------------------------|
| \$350.80 +2.7615¢/Sq Ft | 12.138¢/Sq Ft | \$4.0635 Per Linear Foot |



Main Street Benicia, CA

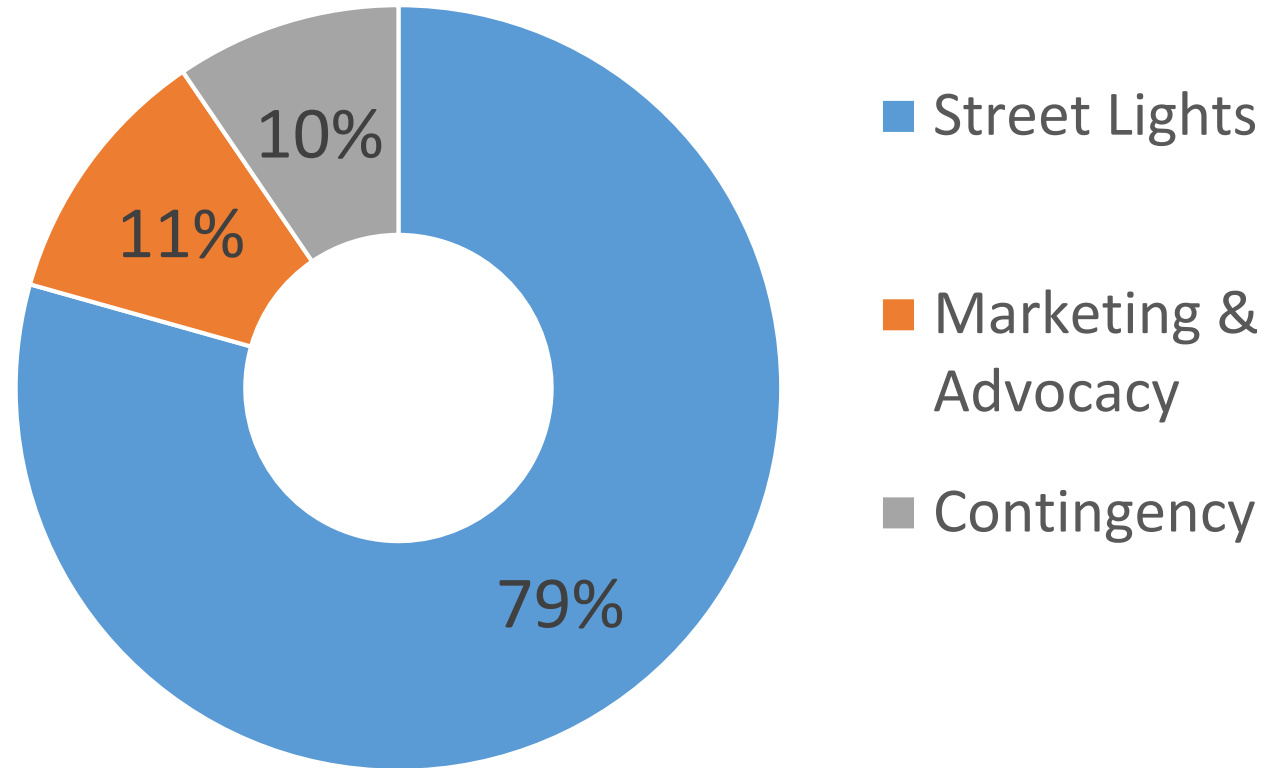
Year-Round Street Lighting

Benicia Business Improvement District

- Location: All businesses fronting First Street between K Street and Carquinez Strait.
- Services: Light Maintenance and Marketing and promotions programs
- Budget: \$31,344 annually
- Assessment Rate: \$192 per year for businesses on the first floor and \$60 per year for businesses on the second floor or higher.

Private-Public Partnership

A true private-public partnership between the City of Benicia and the business owners in Downtown Benicia funding the installation and maintenance of tree lighting.





Private-Public Partnership

City Involvement

- Pre-Formation:
 - City Oversight
 - City Support
- During Formation
 - Participation on steering committee
 - Review initial service plans
 - Review formation documents
 - Assist with data collection and review
- Post Formation
 - Execute contract with Owners
 - Approve annual reports
 - Participate in Owners' Association governance

Governance and Annual Report

- May be asked to appoint a representative to sit on the Owners' Associations Board of Directors
- Participate in execution of services as outlined in MDP
- City to approve Annual Report

A photograph of a staircase with a vibrant mosaic design. The mosaic features a large, stylized fish in the center, surrounded by various smaller fish and leaves. The colors are primarily blue, green, yellow, and white. The staircase is flanked by concrete railings. To the left, there is a lush garden with green plants and several white flowers. The overall scene is bright and colorful.

Steps to Formation

Approval of Districts Types

Property District

- Assessment on the property
- Special vs general benefit
- Prop 218 ballot process

Business District

- Assessment on the businesses
- Prop 26 - Specific benefit
- Majority protest

Formation Process: Outreach and Consensus

- A crucial step to forming a PBID is gathering support from property owners within the district
- Outreach and consensus building involves:
 - One on one Stakeholder meetings
 - Open house and launch events to garner property owner support
 - Developing handouts and other materials to garner support

Formation Process: Management District Plan

- The Management District Plan is the back-bone and legal framework for the proposed PBID
- District Parameters:
 - Location & Boundaries
 - Services & Program
 - Budget
 - Assessment Methodology
 - Term (up-to 5 years)
 - Owner's Association (non-profit organization)

Formation Process: Petition

- Pursuant to the Property and Business Improvement District Law of 1994, petitions must be signed by property owners who will pay more than fifty percent (50%) of the total amount of the assessments
- The steering committee will drive the effort to secure signed petitions

Formation Process: Ballot

- Prop 218 Ballot Requirement
- A ballot package, including a ballot and notice instructions, is provided to each property owner within the PBID after the Resolution of Intent to Establish the PBID
- Ballots are weighted by their financial obligation to the total assessment

Formation Timeline

- Nine Month Timeline

Key Date to Remember

- July 31 - District formation must be complete by July 31, to levy assessment on next years property tax bill.

| Task | Month |
|--|------------------------|
| Initiate Project – Establish Committee | February 2019 |
| Education and Consensus Building | April 2018 – June 2019 |
| Finalize District Parameters | April 2019 |
| Draft Management District Plan & Engineers Report | April 2019 |
| Finalize Management District Plan & Engineers Report | May 2019 |
| Petition Drive | May – July 2019 |
| Hearing Process – Resolution of Intent to Establish District | August 2019 |
| Hearing Process – Prop 218 Ballot Process | August – October 2019 |
| Hearing Process – Resolution of Formation | October 2019 |
| Assessment Levied | Fall 2019 |
| District Begins | January 1, 2020 |

A close-up photograph of a white alpaca's head and neck. The alpaca has a thick, white, curly topknot on its head. It is looking slightly to the left. The background is a blurred outdoor setting with a wooden fence, green grass, and trees under a clear sky. The image has a soft, slightly desaturated color palette.

Questions?

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