



**Review Assessment for FY 2010-11
Property Based Improvement District (PBID) and
Downtown Parking Improvement Area (DPIA)**

**March 4, 2010, Executive Committee Meeting
ACTION ITEM: Agenda Items 6A and 6B**

BACKGROUND: In accordance with Section 5-C of the PBID Management Plan, 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 serving as a barometer for any increase to the existing PBID assessments. Although there is not an established policy to evaluate the DPIA fees, the same resource and process are used in determining the special assessment on business licenses in the Downtown improvement district.

The CPI analysis is conducted by comparing a 12-month period, while the PBID Management Plan restricts adjustments not to exceed a five percent (5%) increase in any given year. The DPIA has no cap or restrictions and its adjustments are usually consistent with the City of Long Beach's CPI increase on its annual business license fees applied July 1 each year.

In 2008, the DLBA Board unanimously approved staff's recommendation to freeze both the PBID and DPIA assessments and not apply the CPI (3.5%) to either funding source, thereby saving Downtown stakeholders nearly \$90,000. In anticipation of national and local economic slowdowns, the decision was intended to shelter those that invested in Downtown Long Beach.

In 2009, the DLBA Board decided to continue freezing assessments at the 2007-08 rates for fiscal year 2009-10: DPIA at \$367.83 per business plus \$6.19 per employee, and PBID as listed below:

PBID AREA	LOT PLUS BUILDING	LINEAR FOOT OF FRONTAGE
BASIC	\$0.0248	N/A
STANDARD	\$0.0402	\$8.5361
PREMIUM	\$0.0402	\$14.7133

The data most recently available from January 2009-January 2010 indicate the change in the tri-county area's CPI was 2.3% (over two percent).

RECOMMENDED ACTIONS:

- A. ACTION ITEM:** In accordance with Section 5-C of PBID Management Plan, review and recommend to Board any or no adjustment to PBID annual assessments for FY 2010-11 based on 12-month difference in Consumer Price Index (CPI) from January 2009 - January 2010 in tri-county area.

- B. Recommend that Board request that City of Long Beach not implement annual CPI adjustments to Downtown business license fees and/or DPIA assessments for 12 months, from July 1, 2010 - June 30, 2011.**

FISCAL IMPACT: *An estimated savings to stakeholders of approximately \$50,000.*