

STAFF REPORT
City of Lancaster, California

CC 8
04/09/13
MVB

DATE: April 9, 2013

TO: Mayor Parris and City Council Members

FROM: Kelvin Tainatongo, Assistant to the City Manager
Chenin Dow, Projects Assistant

SUBJECT: Designation of the City Manager as Signatory on Behalf of the City for the PBID Formation Process

Recommendation:

Designate the City Manager as the signatory representing the City on documents related to the formation of the proposed Downtown Lancaster Property-Based Improvement District (PBID). Authorize the City Manager or his designee to execute related documents.

Fiscal Impact:

None.

Background:

The City of Lancaster has made revitalization of the downtown area a top priority in recent years, completing a massive revitalization effort in 2010 and dedicating significant resources to such activities as major special events and farmers' markets in an effort to create a vibrant and thriving downtown for local residents and business owners to enjoy.

These revitalization efforts have attracted 50 new businesses to the downtown area and breathed new life into the downtown merchant association, known as The BLVD Association. Newcomers and long-established business owners alike have consistently requested services above and beyond what the City provides and what can be accommodated in the Association's existing budget, which is currently less than \$25,000 annually. This revenue is generated through a Business Improvement District (BID) formed in 1989, which charges business owners BID fees in addition to their business license fees each year to fund promotional activities for the downtown area.

In an effort to satisfy the needs of its members and create a stable, sustainable funding source for the newly revitalized downtown area, The BLVD Association and the City of Lancaster have partnered to initiate the formation of a Property-Based Improvement District (PBID). This PBID would replace the existing BID and would assess property owners via their property tax bills in place of charging business owners a fee.

The City and Association have engaged in a number of outreach meetings and surveys with property owners to determine what services should be provided through the proposed PBID. Based on their input, a Management District Plan has been formulated which will govern the organization and use of funding for its five-year term.

The PBID formation process has now reached the petition drive stage. During this phase, petitions in support of the formation of the PBID representing more than 50 percent of all downtown property ownership must be collected. Once the appropriate number of petitions has been collected, the petitions will be presented to the City Council and the public hearing process to initiate a balloting process will begin. If more than 50 percent of the ballots received support formation of the PBID, the district would then be enacted.

As the City is a property owner in downtown Lancaster, the item currently before you for consideration merely authorizes the City Manager to act as signatory on behalf of the City during the petition drive phase of the PBID formation process. The present action does not obligate the City to participate in the PBID assessment.

KT:cd