

# STAFF REPORT

## City of Lancaster

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4/11/2023
JC

Date: April 11, 2023

To: Mayor Parris and City Council Members

From: Larissa De La Cruz, Director – Community Development  
Chenin Dow, Assistant Director – Real Estate and Economic Development  
Araxie Kahramanian, Analyst

Subject: Renewal of the Downtown Lancaster Property and Business Improvement District (DLPBID), Approval of the Assessment Formula and Levy of the Assessments

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### Recommendations:

1. Adopt **Resolution No.** , establishing the Downtown Lancaster Property-Based Improvement District (DLPBID), approving the assessment formula and levying the assessments through a majority of the votes cast in the Downtown Lancaster ballot process in favor of the formation of the DLPBID.
2. Introduce **Ordinance No.** , amending Chapter 14 of the Lancaster Municipal Code, renewing the Downtown Lancaster Property and Business Improvement District.

### Fiscal Impact:

If approved, City-owned parcels will continue to be assessed annually for a total of \$65,887.37. The BLVD Association Board of Directors, on which the City has a dedicated seat, may elect to increase the annual assessment by up to 3% each year following the first year of the district's 10-year term.

### Background:

In 2013, the BLVD Association partnered with the City of Lancaster to establish the Downtown Lancaster Property Business Improvement District (DLPBID). The DLPBID is designed to provide a stable funding mechanism to address the needs of its member businesses, and ensure that the BLVD remains a thriving economic and cultural center for many years to come.

Funded by an assessment of all property owners within the district, including public agencies, the DLPBID funds a range of activities to support and enhance the downtown area. These include three major categories: Clean & Safe, Marketing & Promotions, and Administration & Advocacy.

The DLPBID is currently in its second 5-year term, with a scheduled sunset date of December 31, 2023. Applicable law (the Property and Business Improvement District Law of 1994, Cal. Sts. & High. Code § 36600 *et seq.* (the “PBID Law”)) provides that the District may be renewed by following the procedures for establishing a new district, and that, upon renewal, the District shall have a term of not more than (10) ten years. (*See* Cal. Sts. & High. Code § 36660(a), (c).).

The City has received written petitions signed by the property owners in the District who will pay more than fifty-five percent (55%) of the assessments proposed to be levied, requesting that proceedings be initiated to renew the District. The Lancaster City Council approved the initiation of the ballot process on February 14, 2023.

On February 24, 2023, ballots and notices were mailed to the owners of all parcels within the renewed DLPBID. The item now before you for consideration requires the Council to open a public hearing and receive public testimony. At the end of testimony, Council will close the public hearing and direct tabulation of assessment ballots submitted and not withdrawn to determine whether there is a majority protest against the assessment.

A majority protest exists if the ballots in opposition to the proposed assessment exceed the ballots in support of the proposed assessment, weighted by the amount each owner will pay. If there is no majority protest, Council may adopt a resolution and ordinance renewing the DLPBID.

If approved, the renewed DLPBID would generate approximately \$334,978.46 in assessment revenue on an annual basis. This revenue is separate and apart from typical expenditures by the City and other agencies in support of the downtown, which would occur with or without the DLPBID (i.e. street and sidewalk maintenance). The assessment funds will be supplemented by non-assessment funds. The total budget for the initial year is estimated at \$484,978.46.

The item now before you for consideration would accept the results of the ballot process, reestablish the Downtown Lancaster PBID, approve the assessment formula, and levy the assessments. If enacted, the extension of the PBID will take effect in January 2023 and extend to December 2033.

CD:AK/jr

**Attachments:**

Resolution No.

Ordinance No.

PBID Renewal 2024-2033