

PBAD benefits: improvements and services

Maintenance Teams to complement existing city maintenance personnel to:

- Sweep, scrub and power wash sidewalks
- Remove litter and graffiti
- Increase the frequency of trash removal
- Increase maintenance of public spaces in downtown

Ambassadors to provide information, improved public safety, enhance the visitor experience and work productively to reduce street populations. Specific duties include:

- Work with social service agencies and the City to reduce homelessness
- Serve as “concierges”, providing information to downtown visitors
- Serve as witnesses to help charge individuals that commit nuisance crimes
- Provide a downtown “neighborhood watch” to improve public safety
- Serve as attendants within public restrooms

Marketing Enhancements to help downtown compete with new regional competition and develop more promotions and events targeted to Santa Monica residents including:

- Design and production of the downtown map and directory
- Special community events to attract residents and visitors to downtown – the holiday ice rink is an example
- Promotion and advertising to profile shopping, entertainment and special event opportunities
- Design and disseminate a destination brand for downtown
- Undertake market research to better understand resident needs and market opportunities
- Other marketing activities to promote downtown to both Santa Monica resident and visitor markets

Homeless Outreach To reduce homelessness in downtown Santa Monica, a multi-faceted approach that combines resources from the business community, City and social service agencies is proposed.

These proposals are consistent with the recommendations of the December 2006 Urban Institute Study on Homelessness. Elements of this initiative that could be supported by PBAD assessments include, a downtown homeless outreach team, downtown ambassadors, and job placement.

The PBAD Management Plan offers flexibility to develop strategies and implement a variety of Special Projects, including:

- Transportation Alternatives to Reduce Congestion: Educational programs, communications and research to encourage downtown employees and visitors to utilize public transit and other alternatives to vehicles
- Urban Design Improvements: Planning, design and engineering to update existing streetscape, improve lighting and/or create other public space amenities



Property-Based Business Assessment District



dear neighbor:

We represent a growing coalition of downtown businesses, downtown property owners, downtown and Santa Monica residents who support the formation of a **Property-Based Business Assessment District (PBAD)** in Downtown Santa Monica. A PBAD allows for a self-imposed and self-governed property assessment that will raise funds for additional services to make downtown cleaner, friendlier and more attractive. PBAD services enhance, but do not replace, existing City services.

PBADs have successfully improved downtowns throughout California and the country by providing enhanced maintenance, marketing and image enhancement - resulting in higher sales, occupancies and property values in more than 1,000 cities in North America. In Southern California, PBADs are contributing to the vitality of the downtown districts in Pasadena, Los Angeles, San Diego and Long Beach.

A PBAD is an investment that will visibly improve Downtown Santa Monica for the following reasons:

- **Create a Consistently Clean, Inviting and Attractive Downtown:** Downtown's cleanliness has been inconsistent in recent years. The PBAD aims to secure existing City resources and provide additional funds to ensure a consistently clean and inviting downtown at all times.
- **Make Santa Monica's "Living Room" Comfortable and Inclusive:** Downtown is a community asset central to the City's civic identity. The PBAD hopes to embody the civic values of Santa Monica, ensuring that downtown continues to be an inviting, comfortable and inclusive community gathering place.
- **Enhance Property Values, Sales, and Occupancies:** PBADs are a critical ingredient in strengthening the economic foundation of downtowns. Success is measured by higher property values, sales and occupancies.
- **Help Downtown Santa Monica Compete:** New retail concepts in the West Los Angeles marketplace are threatening to erode the vitality of Downtown Santa Monica. All of these retail centers, from The Grove to Century City, provide a spotless, family-friendly and stimulating experience. The PBAD will provide resources to help downtown retain its unique position in this increasingly competitive market.
- **Broaden Ratepayer Control and Accountability:** The Bayside District Corporation will follow a newly balanced board nomination structure to govern the PBAD, ensuring that decisions affecting assessments are made by a board with a majority of effected property owners, businesses and residents. PBAD-financed programs will be subject to an annual audit and other private sector performance standards and controls

A PBAD is formed only after a majority of the property owners in the district submit petitions to the Santa Monica City Council. Please join us in this exciting initiative to improve Downtown Santa Monica.

Sincerely,

Supporters of the Downtown PBAD



- Alan Mont, Property Owner
- Allen Freeman, JSM Capital, LLC
- Barbara Bryan, Interactive Cafe
- Barbara Tenzer, Tenzer Commercial Brokerage
- Bill Tucker, Tucker Investment Group
- Bruria Finkle, Artist & Santa Monica Resident
- Chris Jones, Holiday Inn at the Pier
- David Khedr, Khedr Management Group
- Ellis O'Connor, Fairmont Miramar Hotel
- Eric & Crystin Sedman, Property Owners

- Ernie Kaplan, Century Commercial
- Jan Sweetnam, Federal Realty
- Janet Morris, Property Owner & Greater Promenade Association President
- Jennifer Hranilovich, Resident & BDC Vice Chair
- John Warfel, Metropolitan Pacific
- Judy Abdo, Resident and Former Mayor
- Kelley Wallace, Above the Fold Newsstand
- LaRae Mardescic Bechmann, Chrysalis
- Lawry Meister, Steaven Jones Development

- Michael Farzam, Ocean View Hotel, Travelodge & Pacific Sands Motel
- Randy Brant, Macerich
- Rick Stoff, Resident & BDC Boardmember
- Rob Rader, Resident & BDC Boardmember
- Steaven Jones, Steaven Jones Development
- Todd Flora, Resident & BDC Boardmember
- Wally Marks, Jr., Walter Marks Realty
- Bayside District Board of Directors
- City of Santa Monica City Council & Staff
- PBAD Working Group

Photos Top Row: R. Landau; Center Row (left to right): M. Caine, M. Caine, Fabian Lewkowicz, M. Caine, G. Peterson; Bottom: R. Friday

downtown
santa monica
PBAD proposed
boundary



PBAD formation process at a glance:

To form a Management Plan for the Downtown Santa Monica PBAD, downtown property and business owners, community residents and civic leaders have been involved in an 18 month process that began in the summer of 2006. Steps in the process include:



1 Downtown Management Framework: Creation of the Downtown Santa Monica PBAD is a top recommendation of the Downtown Management Framework that was endorsed by the Santa Monica City Council in April of 2007. With input from more than 200 community participants, several new initiatives were proposed, including:

- Enhanced maintenance and new ambassador services.
- Initiatives to reduce homelessness, implement parking improvements and special projects to mitigate congestion, update infrastructure and expand marketing.
- New commitments for resources to improve downtown from both the public and private sector.
- A new balanced governance structure for Bayside.

2 PBAD Working Group: To guide the consultant team and test PBAD concepts, members of the Bayside board of directors, key downtown property owners, residents and civic leaders served as the PBAD Working Group over an eight month period.

3 One-On-One and Round-table Meetings with Property Owners: To review draft management plan concepts, the consultants held a series of meetings with property owners, businesses and residents.

4 City Base Level of Services: Meetings were held with City staff to develop an accounting of current city services and a policy commitment to continue these services through the duration of the PBAD.



5 City Council Update & Community Survey: A progress report on the evolving PBAD Management Plan was presented to the Santa Monica City Council in January of 2008. At the suggestion of City Council, an online community survey was launched to seek input on the PBAD plan from a broad cross-section of residents, businesses and property owners. Nearly 500 people responded, nearly 85% of whom are Santa Monica residents or visitors from outside of downtown.



6 Plan Review & Final Plan: The draft PBAD Management Plan and budget were reviewed by the PBAD Working Group and individual property owners during the first three months of 2008. All affected property owners were invited to a series of public forums to review the plan. Input from these meetings led to the completion of the final plan.

7 Petition: The Working Group is currently asking property owners to sign a petition. For this process to advance, property owners representing a majority of assessments must sign.

8 Ballot: City Council holds a hearing after verifying petitions and sends a mail ballot to property owners. A weighted majority of affirmative votes results in the creation of a PBAD.



Q&A

What is the Downtown Santa Monica PBAD?

The PBAD - or Property-Based Assessment District - is a special district where property is assessed to fund specific downtown improvements and services in addition to those provided by the City of Santa Monica. The PBAD is self-imposed by a majority of property owners who must sign petitions and mark ballots to form the district. A governing board of property owners, businesses and residents will oversee the budget and management plan.

What Services Will the PBAD Provide?

The PBAD management plan focuses on providing a clean, friendly & attractive downtown. Proposed services will include maintenance teams that will work with city crews to sweep, scrub and power wash sidewalks, remove litter and graffiti, and increase maintenance of public spaces downtown. Ambassadors will provide information about downtown, provide a "neighborhood watch" to improve public safety and enhance the visitor experience. Marketing enhancements will help downtown compete with new regional competition and develop more promotions and events targeted to Santa Monica residents. Homeless Outreach will work with existing Social Services to help reduce homelessness in downtown. Special Projects will address a variety of issues, including parking, traffic congestion and updated streetscape and lighting throughout downtown.

I Already Pay Taxes, Why Support a PBAD?

Supporting the PBAD will help make downtown cleaner and friendlier, which will leverage the existing and new public and private investment in downtown. In addition, PBAD budget decisions will be made by a board of property owners, businesses and residents, which ensures direct accountability for these enhanced services.

Who Will Manage the Downtown PBAD?

PBAD services will be managed by the Bayside District Corporation with a new governance structure to ensure representation by a majority of property owners, businesses and residents within the district. The Bayside board will be composed of 13 directors, including six directors selected by downtown property and business owners, six by the Santa Monica City Council, and the City Manager or his/her designee. The Bayside board will determine budgets, assessment adjustments and monitor service delivery.

Is This PBAD Unique to Santa Monica?

No. More than 1,000 PBADs exist throughout North America, and in California, more than 80 PBADs have been established since 1995. These districts are viewed as an effective way to help business districts compete in an increasingly competitive retail environment.

How Would the PBAD Differ from the BIDs Already in Place?

Downtown has two existing business-based BIDs that raise assessments through business license fees. These include:

- CBD Business Assessment: This assessment for retail businesses was formed in 1966 and currently includes 850 retail businesses within the PBAD boundary area. The assessment raises about \$210,000 per year. It is the intention of this Plan that this district be DISSOLVED and replaced by the PBAD.

- Bayside Business Assessment: The "operations and maintenance assessment district" was formed in 1986 to provide enhanced services for the Third Street Promenade and its environs. This district applies a doubling of the business license fee (up to a maximum of \$24,000) to 600 businesses located within a six-block area. This district will REMAIN in place and assessments, which are currently used by Bayside for marketing, special projects and administration, will continue to be managed by Bayside. Provided that the PBAD is formed, it is the intention of this Plan that the Bayside BID assessment rates will be reduced and boundaries of the BID will be expanded to include the Santa Monica Place shopping center.

Will the City Reduce Its Existing Services Downtown?

No! The City of Santa Monica has established and documented the base level of pre-existing City services and has articulated its intention to continue to deliver and/or pay for these services if a PBAD is formed. The PBAD will not replace any pre-existing general City services.

How Much Will It Cost?

Three benefit zones are proposed to acknowledge different frequencies of services in each zone and to account for differing benefits from differential rents and values within the downtown business district. Rates will be based on a calculation of lot or building square footage, whichever is larger. The proposed zones are:

- Promenade
- Bayside, including Santa Monica Place and Ocean Avenue
- Downtown East

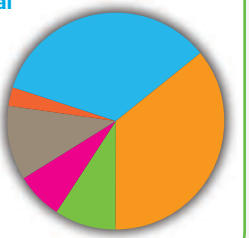
A map and rate chart can be found in this newsletter. Residential, government and non-profit uses will pay an adjusted rate. These uses will pay for maintenance and ambassador services, and not for marketing and special projects.

Will the PBAD Last Forever?

No. The district will have a 20 year life beginning January 1, 2009. To extend assessments beyond year 10, an affirmative vote will be required from property owners within the PBAD. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBAD in order for it to continue for an additional ten years. Any subsequent renewal of the District (beyond 20 years) will require a new management plan.

proposed budget

ACTIVITY	Annual Budget	% of Total
Maintenance	\$ 1,289,000	35.9%
Ambassadors	\$ 1,228,000	34.2%
Homeless Outreach	\$ 100,000	2.8%
Marketing	\$ 400,000	11.1%
Special Projects	\$ 250,000	7.0%
Administration (10% of programs)	\$ 326,700	9.1%
TOTAL	\$ 3,593,700	100%



proposed annual assessment rates

BENEFIT ZONE	Commercial (lot or building sq.ft. per year)	Residential & Government (lot or building sq.ft. per year)	Not-Profit (lot or building sq.ft. per year)
1 Promenade	0.767	0.544	0.273
2 Bayside/Ocean	0.384	0.273	0.137
3 Downtown East	0.192	0.137	0.068