



## Legislation Text

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**File #:** 23-437, **Version:** 1

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*Report Prepared by: Frank Quintero, Deputy City Manager and Director of Economic Development*

**SUBJECT:** Downtown Merced Property Based Improvement District (PBID) Approval for City Manager or Deputy City Manager to Sign Petition and Assessment Ballot

### REPORT IN BRIEF

Staff is requesting that the City Council and Parking Authority authorize the City Manager or Deputy City Manager to sign the Property Based Improvement District (PBID) petition and Assessment Ballot for City owned properties with the proposed PBID boundary.

### RECOMMENDATION:

**City Council** - Adopt a motion:

A. Authorizing the City Manager or Deputy City Manager to sign the petition and assessment ballot in support of the Downtown Merced Property Based Improvement District formation for all City-owned properties included within the PBID boundary.

**Parking Authority** - Adopt a Motion:

A. Authorizing the City Manager or Deputy City Manager to sign the petition and assessment ballot in support of the Downtown Merced Property Based Improvement District formation for all City-owned properties included within the PBID boundary.

### ALTERNATIVES

1. Approve as recommended by Staff; or,
2. Approve, subject to conditions as specified by the City Council; or
3. Deny the request; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

### AUTHORITY

Charter of the City of Merced, Section 200

### CITY COUNCIL PRIORITIES

City Goals & Priorities FY 22-23, Downtown a.1. - Continue with Property Based Improvement District (PBID) implementation

## DISCUSSION

### Background

Providing a clean, safe, and welcoming environment is crucial to the success of our Downtown. These services and more may be enhanced through the establishment of a Property Based Improvement District. For the past two years, the City of Merced and a steering committee have worked towards to the formation of a Property Based Improvement District. Kristin Lowell and Associates is the lead consultant on the PBID formation. Council approved issuing PBID formation petitions to property owners on January 18, 2022. Now, it is time for the City to execute its petitions for the properties owned with the proposed boundaries (Attachments 1 & 2).

The Downtown Merced Property-Based Business Improvement District (PBID) is proposed for establishment pursuant to the state law; the "Property and Business Improvement District Law of 1994" and is a flexible financing tool for creating private-sector, self-governed management districts. The proposed PBID will provide funding for an expanded downtown host program, maintenance services and beautification programs for both commercial and residential properties, above and beyond the baseline services currently provided by the City of Merced.

To guide the PBID for the next five years, the City of Merced in coordination with the consultant's developed a PBID Management District Plan (Attachment 3) and proposed Boundary Map (Attachment B) that responds to today's market opportunities and district economic, social and environmental challenges. The PBID will provide new improvements and activities, with an emphasis on clean and safe activities that benefit all community members working, visiting or living in the downtown, and will assist in the recovery of Downtown Merced from the Coronavirus Pandemic. The PBID has three benefit zones which receive different levels of serviced based on need.

The law requires several steps to be completed to establish a PBID.

After the Council meeting of January 18, 2022, the Downtown Merced PBID Steering Committee distributed petitions to property owners of record, along with a Management District Plan summary describing the district boundary, assessment, and services of the PBID. For the PBID to move forward, there must be more than 50% of petitions returned in support of establishing the district.

The PBID Steering Committee and the consultant are near securing 51% of the total proposed assessment, and now desire for the City to execute its petitions. The PBID is truly led by the property owners and businesses invested in establishing the district. As part of the next steps to move the process forward, the City Council is requested to authorize the City Manager or Deputy City Manager to sign both the petition and the assessment ballot to establish the district on behalf of the City for all City-owned properties within the district (Attachment 1)

If sufficient petitions are received, then a second step would be a mail an assessment ballot to all property owners. If sufficient support is received through the mailed ballots, then the Council may form the PBID through an ordinance.

For a summary about the PBID, please refer to Attachment 4.

## IMPACT ON CITY RESOURCES

The Management District Plan assumes that local governmental agencies, including the City of Merced, will pay assessments for special benefits received to their own property within the boundaries of the PBID, pursuant to Article XIID of the State of California Constitution.

The annual assessment total for the City-owned property within the proposed district is \$63,082.74. Upon formation of the PBID, the assessment would be paid from the General Fund. The assessment amount is derived from the property's use, zone within the PBID district, lot square footage, building square footage and frontage.

## **ATTACHMENTS**

1. PBID Petitions
2. Proposed PBID Boundaries
3. District Plan
4. PBID Summary