

**I. DOWNTOWN SANTA MONICA
PROPERTY-BASED ASSESSMENT DISTRICT (PBAD) SUMMARY
FINAL PLAN – MARCH 2008 (3/24)**

The proposed Downtown Santa Monica Property-Based Assessment District (PBAD) will be a special benefit assessment district that conveys special benefits to the properties located within the district boundaries. As described in this plan, it is proposed that the PBAD will provide enhanced maintenance, ambassador, marketing and special projects, above and beyond those provided by the City of Santa Monica. This approach has been used successfully in downtowns throughout California and the nation, helping to improve and preserve sales, occupancies and overall quality of life.

Location: The district will encompass the downtown area bounded roughly by Ocean Avenue to the west, Willshire Boulevard to the north, 7th Street to the east and the Santa Monica Freeway to the south. *A map of the proposed district boundary is attached.*

Improvements & Activities: ***A Clean, Friendly & Attractive Downtown:*** The district will finance services and improvements that will stabilize and improve the downtown environment and experience for workers, visitors and residents. Services will include:

- **Maintenance Teams** that will work in concert with city crews to sweep, scrub and power wash sidewalks, remove litter and graffiti, increase the frequency of trash removal and maintenance of public spaces within downtown.
- **Ambassadors** to provide information on downtown activities and establishments, provide a downtown “neighborhood watch” to improve public safety, enhance the visitor experience and work productively to reduce street populations.
- **Homeless Outreach** and assistance to reduce the incidence of homelessness in downtown.
- **Marketing** enhancements to help downtown compete with new regional competition and develop more promotions and events targeted to Santa Monica residents.
- **Special Projects** to address a variety of downtown issues, including improving parking availability, reducing traffic congestion and urban design to update streetscape and lighting throughout downtown.

Method of Financing: Levy of assessments upon real property that benefits from improvements and activities.

Budget: Total district assessment budget for its first year of operation is **\$3,593,700:**

Activity	Budget	% of Total
Maintenance < see note below >	\$ 1,289,000	35.9
Ambassadors	\$ 1,228,000	34.2
Marketing	\$ 400,000	11.1
Homeless Outreach	\$ 100,000	2.8
Special Projects	\$ 250,000	7.0
Administration (10% of programs)	\$ 326,700	9.1
Total	\$ 3,593,700	100.0

Assessments for maintenance will be co-managed with more than \$2 million from the City of Santa Monica, resulting in a total maintenance budget of approximately \$3.3 million.

Cost: Annual assessments are based upon an allocation of program costs within three benefit zones and a calculation of lot or building square footage within each zone. The greater of building or lot square footage is determined for each parcel. Three benefit zones are proposed to acknowledge different frequencies of services anticipated within each zone and to account for differing benefits from differential rents and values within the downtown business district. The three proposed zones are:

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

A map illustrating the three zones is attached.

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. Estimated annual maximum assessment rates for the first year of the district are as follows:

	Lot or Building sq.ft. per Year	Lot or Building sq.ft. per Month
Promenade	\$ 0.767	\$ 0.0639
Bayside/Ocean	\$ 0.384	\$ 0.0320
Downtown East	\$ 0.192	\$ 0.0160
Bayside/Ocean: Govt/Residential	\$ 0.273	\$ 0.0226
Bayside/Ocean: Non-Profit	\$ 0.137	\$ 0.0114
Downtown East: Govt/Residential	\$ 0.137	\$ 0.0114
Downtown East: Non-Profit	\$ 0.068	\$ 0.0057

Cap: Annual assessments may increase by as much as 5% per year to keep pace with rising prices and other program costs. The determination of annual assessment adjustments will be subject to the review and approval of the PBAD Owner's Association, which will be the Bayside District Corporation.

City Services: The City of Santa Monica has established and documented the base level of pre-existing City services and has evidenced 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.

District Governance: The PBAD Owner's Association will be the Bayside District Corporation with a new governance structure that ensures representation by a majority of property and business owners within the District. The Owner's Association 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 PBAD Owner's Association will determine budgets, assessment adjustments and monitor service delivery.

Existing BIDs: Downtown has two existing business license-based BIDs that will be affected by the new PBAD:

- The CBD BID, which has a boundary roughly contiguous with the new PBAD, currently imposes a business license tax on retail businesses. It is the intention of this Plan that the CBD BID will be eliminated.
- The Bayside BID, which is bound by Willshire Boulevard to the north, the alley between 4th and 5th Streets to the east, Broadway to the south and the alley between Ocean Avenue and 2nd Street to the west will remain. Provided that the PBAD is formed, it is the intention of this Plan that the Bayside BID assessments will be reduced and boundaries of the BID will be expanded to include the Santa Monica Place shopping center. The Bayside BID will continue to be managed by the Bayside District Corporation.

District Creation: District creation requires submission of petitions signed by property owners in the proposed district who will pay more than 50% of total assessments (i.e. petitions must represent more than 50% of the \$3,593,700 to be assessed). Petitions are then submitted to City Council and a mail ballot is sent to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBAD in order for City Council to approve it.

Duration: 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. Every five years, the Owner's Association and downtown property owners will undertake a review of the Management District Plan and PBAD programs. Any new or increased assessments that are not consistent with the provisions of this Management District Plan will require a new mail ballot process.

**The complete PBAD Management Plan and Exhibits
are available upon request from the:
Bayside District Corporation, 1351 Third Street Promenade, Suite 201
Santa Monica, CA 90401
(Telephone: 310-393-8355)**

Downtown Santa Monica PBAD Study Area

