



PBID DOWNTOWN Santa Maria

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TABLE OF CONTENTS

1	OVERVIEW	
	approach	1.1
	purpose	1.2
	what	1.3
	how	1.4
	why	1.5
	who	1.6
	where	1.7
2	CREATION	
	approach	2.1
	steering committee	2.2
	outreach	2.3
	implementation	2.4
	management	2.5
	petition	2.6
3	MANAGEMENT	
	approach	3.1
	assessments	3.3
	boundary	3.4
	budget	3.5
4	CONCLUSION	
	challenges	4.1
	recommendation	4.2
	appendix	4.3

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chapter

1

AN OVERVIEW

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1.1 AN OVERVIEW

APPROACH

This introductory chapter serves to provide a comprehensive overview of Property-based Business Improvement Districts. What is a PBID? Why should Santa Maria consider a PBID for downtown? Where have PBIDs been successfully implemented? These questions will all be answered in this chapter.

DID YOU KNOW ?

Over 1,000 PBIDs have been proven successful in many cities across the country; California alone has over 80 districts! PBIDs have been successful in cities of every scale and size, a small city like Santa Maria does not need to have a large population to reap the benefits of a district. Specific case studies used in the development of this document include Fresno, Pasadena, Sacramento, Long Beach, and Visalia.

1 purpose

2 what

3 how

4 why

5 who

6 where

1.2 ^{AN} OVERVIEW

PURPOSE



The purpose of this document is to propose a Property-based Business Improvement District for Downtown Santa Maria. The City of Santa Maria has taken the steps to refocus downtown as the commercial core of Santa Maria in the Specific Plan. This document will explain how a PBID can improve Downtown Santa Maria and includes a general overview of PBIDs, the process of creating a PBID for Downtown Santa Maria, and end with a recommendation and potential outcomes. Its aim is to provide the necessary basic background research for the district consideration process while providing the framework in outline form for implementation. Research methods were used in formulating this document and include analysis of PBID case studies, PBID Management Plans, and the Downtown Santa Maria Specific Plan.

Laws regarding legal PBID formation in California were followed in the making of this proposal:

- The Parking and Business Improvement Area Law of 1989 (Streets & Highways Code §36500 et seq.)
- Property and Business Improvement District Law of 1994 (Streets & Highways Code §36600 et seq.)

1.3 ^{AN} OVERVIEW

WHAT



What is the Downtown Santa Maria Property-based Business Improvement District (PBID)?



The Downtown Santa Maria PBID is a special public/private benefit district that can be used to enhance Downtown. The district utilizes various economic, environmental, and activation strategies to enhance downtown through new improvements, maintenance, and development.



What are the benefits of implementing a PBID for Downtown Santa Maria?

A PBID has various advantages ranging from new lighting to cleaner streets. Other advantages include:

- New development and business
- An increase of property values
- A cleaner and safer environment
- A more lively and active downtown



1.4 ^{AN} OVERVIEW

HOW



How will a Downtown PBID produce benefits for Downtown Santa Maria?



A: Economic, Environmental, and Activation programs will be implemented to achieve success. The following programs will be used:

1. Economic
 - Marketing
 - Promotion
 - Events
2. Environmental
 - Beautification
 - Streetscape enhancement
 - Maintenance and cleanliness
3. Activation
 - Ambassadors
 - Welcome kiosks

This document will outline the PBID formation process. It will tailor each step specific to Santa Maria's needs.



How will a Downtown Santa Maria PBID be managed?



This document includes guidance for creating a Management Plan as mandated by property assessment district legislation. This Management Plan covers all aspects of a PBID including fee assessment allocation and collection, management and governance, and budget.

1.5 ^{AN} OVERVIEW

WHY



Why should a PBID be implemented for Downtown Santa Maria?

The City of Santa Maria has taken the steps needed to bring life and vitality back to its Downtown. Through the creation of the Downtown Specific Plan, the City has shown an active and involved commitment to refocus Downtown as the city's commercial core. The benefits a PBID will assist in the implementation of the Downtown Santa Maria Specific Plan, and will help fuel the revitalization process.



Many cities throughout California and the country have greatly benefitted from implementing a PBID in their community. These cities will be used as case studies in the formation of a Downtown Santa Maria PBID (to be discussed further in the “where” section).

1.6 ^{AN} OVERVIEW

WHO



Who will create a Downtown Santa Maria Property-based Business Improvement District?

YOU! Implementing a PBID is a group process and involves the efforts of various parties. Active community leadership is necessary to drive the PBID process. The support of the City of Santa Maria is crucial in the efforts of formation. An active and involved community is pivotal in implementing a PBID. Teamwork, persistence, and determination will make the Downtown Santa Maria PBID a success.



1.7 ^{AN} OVERVIEW

WHERE



Where is the proposed PBID boundary for Santa Maria?



The proposed suggested boundary will be presented in Chapter 3. The boundary was determined based on various factors including existing buildings, building vacancies, and active businesses.



Where have successful PBIDs been implemented?

Thousands of successful PBIDs have been implemented in cities of every scale all over the world. PBID formation laws and procedures vary by country. In America, laws vary by state.



1.7 ^{AN} OVERVIEW

WHERE

fresno

PBID Partners of Downtown Fresno

Districts	1
Population	494,665
Blocks	64
Funding	\$607,000
Programs	Economic enhancements Security Marketing and Promotion Cleanliness Parking Promotion Environmental enhancements Streetscape enhancements Parking Management Activation Ambassadors Events

long beach

Downtown Long Beach Associates

Districts	1
Population	462,257
Blocks	95
Workforce	40,000
Funding	\$750,000/year
Programs	Image & communication Clean & safe Administration & advocacy

1.7 AN OVERVIEW

WHERE

pasadena

Old Pasadena Management District

Districts	1
Population	143,667
Blocks	22
Funding	\$607,000
Programs	Business Retention Recruitment Image & Marketing Leadership & Policy

sacramento

The Downtown Sacramento Partnership

Districts	1
Population	489,676
Blocks	65
Workforce	110,000
Funding	\$1.6 million/year
Programs	Improved cleanliness Safety Focus on revitalization Marketing Advocacy

visalia

Downtown PBID

Districts	1
Population	125,921
Blocks	70
Funding	\$333,000/year
Programs	Safety 24-hr bike patrol Maintenance Steam cleaning Flower planters Graffiti removal Beautification Benches Street signs Welcome kiosks

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chapter 2

THE CREATION

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2.1 THE CREATION

APPROACH

The five procedures outlined in this chapter are standard for creating a Property-based Business Improvement District. Each step provides guidance for successfully involving community members in the creation process from development to implementation.

DID YOU KNOW ?

PBIDS were described as “the best hope of getting parts of America’s cash-strapped cities working again” by Economist Magazine.

1 steering committee

to guide district creation

2 community outreach

to receive community input

3 implementation

to develop a vision and goals

4 management

to implement vision and goals

5 ballot

for legal recognition

2.2 THE CREATION

STEERING COMMITTEE

The first step of the PBID creation process is to create a steering committee. This committee will be comprised of various stakeholders and will serve as the PBID formation anchor. The committee should be comprised of approximately 6-8 constituents that represent various Downtown interests. The purpose of this group is to provide input and in effect “steer” the PBID.

City staff will serve as liaisons between community members and the City of Santa Maria. Staff will compose letters to be sent to Downtown residents and property owners inviting them to apply to be a Board Member of the Steering Committee. The letter should inform residents and business owners that a PBID is being considered for downtown and may benefit their properties and businesses. The letter should briefly discuss the responsibilities of board members and that Board Members will be expected to make a long-term commitment to the district until its 5-year expiration and can reapply for re-appointment if PBID is reinstated.

The following groups should be represented in the steering committee:

- City staff (at least 2)
- Residents
- Commercial property and business owners
- Community organizations

2.2 THE CREATION

STEERING COMMITTEE

City representatives will select the Steering Committee members based on qualifications and their role and involvement in Downtown Santa Maria. Once the Steering Committee has been formed, a partnership name should be chosen (PBID title examples can be seen in Chapter 1 Case Studies), and meeting times should be created (once-weekly). After an initial steering committee has been formed, a chairperson should be chosen. The chairperson should work closely with city staff in the PBID planning phase.

CHAIR SELECTION:

The steering committee chairperson should be selected based on the following attributes:

Experience

An understanding of urban issues and extensive knowledge of Santa Maria.

Commitment

Has downtown fiscal and economic commitments.

Influence

An extensive social network. Has the ability to reach out to various social and interest groups.

Reputation

A strong professional relationship with the Santa Maria business sector.

RESPONSIBILITY:

The chairperson will be the figurehead of the steering committee and will:

- lead the PBID committee
- complete outreach process
- communicate with city staff
- serve as PBID representative
- implement policies
- achieve goals and vision

2.3 THE CREATION

COMMUNITY OUTREACH

surveys

Surveys are a great way to receive additional community input! Survey Downtown stakeholders. The survey will aim to receive input in order to develop a set of PBID priorities (which will be used to develop the PBID Strategic Plan). The survey will be conducted both electronically and by mail and will be tabulated and analyzed by Steering Committee city staff.

To gauge the support and feasibility of a Property Based Improvement District for the Downtown Santa Maria, the Steering Committee should hold up to four (4) round-table discussions with various property owners and stakeholders. Discussion groups should include at least 8 to 12 downtown citizens representing various Downtown interests. Examples of Downtown interests include citizens with property relating to retail, entertainment, and residential. These round-table meetings will serve to educate and inform participants on the PBID formation processes as well as to develop a Strategic Plan for PBID implementation. The meetings should identify the following for downtown:

Vision: long-term, achievable, and comprehensive view of what Downtown Santa Maria should be in the future

Values: specific to Downtown Santa Maria, taking into account Santa Maria's history, culture, and traditions

Opportunities & Constraints: to help formulate specific implementing programs

Strengths & Weaknesses to select programs to support identified opportunities

2.4 THE CREATION

IMPLEMENTATION

Information compiled from the community outreach surveys and round table discussions will be formulated into a set of goals, objectives, and implementing actions. These implementation strategies should correspond with downtown values, address downtown opportunities and constraints, and achieve the downtown vision. The formulated goals, objectives, and actions will be included in the district Management Plan.

goal

A goal is used to establish a context to formulate policies and actions. Goals should be broad and long-term. Goals describe a desired end state and contribute to achieving the comprehensive vision.

objective

An objective is a specific statement of purpose and is created to help achieve a goal. Objectives describe context and provide a rational.

action

An action is a concrete, implementable program that follows an objective to help achieve a goal. An action can be short or long-term.



2.5 THE CREATION

PROGRAMS

Implementing actions should have a specific focus and are also be called “programs.” Programs will have measurable results and should be concentrate on supporting the following three improvements areas:

1

Environmental Improvements: include physical improvements in downtown appearance and includes enhancing cleanliness and safety. Enhancements include streetscape beatification.

Maintenance

- Street/sidewalk cleaning
- Graffiti removal

Public Safety/Hospitality

- Public safety officers
- Visitor assistance

Capital Improvements

- Improved streetlights
- Custom trash receptacles
- Directional street signage
- Custom news boxes
- Flower boxes

Landscaping

- Planting trees/flowers
- Tree pit maintenance

2.5 THE CREATION

PROGRAMS

2

Economic Improvements: include programs to help attract and develop a thriving business base to downtown. Economic improvements includes enhancing image through marketing and branding strategies.

Business Development

Retention and Recruitment: Located at the City of Santa Maria Community Development office and under the guidance of city staff, this program will aim to provide a central location for prospective business owners, developers, and residents to acquire information related to downtown. Provided resources should include building vacancies and potential opportunities for development.

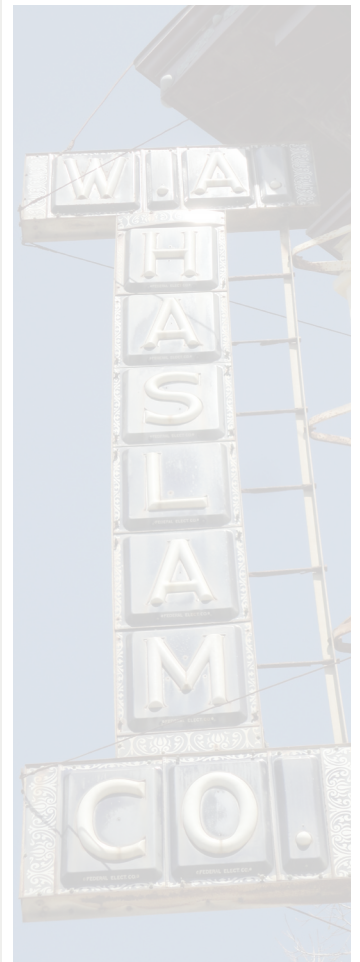
3

Activation: strategies will be implemented to attract visitors to downtown and includes event and entertainment programming.

Ambassadors

Marketing

- Special events
- District public relations
- Promotional materials
- Holiday decorations



2.6 THE CREATION

BALLOT

Conducting community outreach to develop vision, values, opportunities & constraints, and strengths & weaknesses, gives the community the opportunity to address their concerns and provide their input in the PBID creation process. Once the community outreach process has been completed, the PBID Steering Committee must form a ballot for PBID implementation.

The PBID Steering Committee will create a ballot to be mailed to all property owners located within the district boundary. A time frame should be established for vote processing, and should be no longer than 12 weeks from the time the ballot is distributed.

This process requires a 2-1 ratio of signatures of assessed downtown business owners who will pay more than 50% of total assessment fees. This means that the petitions must represent at least half of the total yearly assessment for a PBID to be considered by the Santa Maria City Council.

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chapter 3

THE MANAGEMENT

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3.1 THE MANAGEMENT

APPROACH

The purpose of this chapter is to address the management component of a PBID. This chapter will outline a Management Plan, propose a district boundary, fee allocations and assessments, and create a district budget. Case study Management Plans were analyzed to develop implementation strategies for Santa Maria.

DID YOU KNOW ?

The first PBID was implemented in 1960 in Toronto, Canada. In America, the first PBID was established in 1974 in New Orleans, Louisiana.

1 management plan

district implementation

2 assessments

fee calculation and collection

3 boundary

graphic & selection criterion

4 budget

program funding

3.2 ^{THE} MANAGEMENT

MANAGEMENT PLAN



A Management Plan will serve as a strategic road map for guiding growth and development of the district. The Management Plan will incorporate the downtown vision and accompanying goals, policies, and actions developed from information gathered through community outreach. It should discuss the sources and methods used in its creation, the definition of a Property Based Improvement District, present the district's vision, goals, objectives and actions, location and boundary, assessment fee allocation and collection, program budget, governance, and district duration. The Management Plan is in effect for the five-year duration of the district. If the district is reinstated, the Management Plan must be revised and updated.

3.3 THE MANAGEMENT

ASSESSMENTS

The assessment fee calculation was determined by the analysis of case study formulas. Downtown Santa Maria was compared to other downtown PBIDS based on workforce population, economic state, building vacancies, and existing uses.

The assessment formula is based on two assessment zones. Fee allocations are based on the anticipated benefit each property is expected to gain within the district boundary. Property owners will not benefit mutually depending on property location; therefore to create a fair assessment to reflect individual benefit, the district was divided into the following zones:

Zone 1

Ground Floor Sq Ft. x .20
+ Upper Floor Sq Ft x .05
= Total Assessment

207 West Main Street

$3,625 \times .20 = \$725.00/\text{year}$
\$60.42/month

Zone 2

Ground Floor Sq Ft. x .15
+ Upper Floor Sq Ft x .05
= Total Assessment

912 South Broadway

$2,450 \times .15 = \$368/\text{year}$
\$31/month

panorama city

The fee per square foot of floor space was successfully implemented in Panorama City, California, population 65,235. Panorama City's assessment formula also includes an additional fees to be added for lot square footage.

3.3 THE MANAGEMENT

ASSESSMENTS

A. Zone 1 - Programs: Economic/Environmental/Activation

Each parcel was allocated one (1) Building Benefit Unit (@ \$0.20) for each square foot of the first floor of each building on parcels fronting Main Street. Each parcel was allocated one fourth (.25) a Building Benefit Unit (at \$0.05) for each square feet of additional floors of each building on parcels fronting Main Street.

The properties located in Zone 1 will benefit from economic, environmental, and activation programs of the PBID. These are properties located along the major arterial routes of Main Street. Because these properties will benefit from the environmental enhancement improvements located along Main Street, the assessment fee for Zone 1 is higher than Zone 2.

B. Zone 2 - Programs: Economic/ Activation

Parcels not fronting Main Street: Each parcel was allocated three fourths (.75) a Building Benefit Unit (@ \$0.15) for each square foot of the first floor of each building on the parcels not fronting Main Street. Each parcel was allocated one sixth (.16) a Building Benefit Unit (@ \$0.03) for each square feet of additional floors of each building on parcels that are not fronting Main Street.

3.3 THE MANAGEMENT

ASSESSMENTS

All properties that do not have store frontages along Main Street are considered to be located in Zone 2. These properties will benefit from the economic and activation enhancements of the district, but not environmental enhancements such as streetscaping, therefore their assessment fee is lower than Zone 1.

collection

fees will be collected on a monthly basis
by the PBID steering committee



3.4 THE MANAGEMENT

BOUNDARY

The proposed PBID boundary is located within the Gateway District of the Downtown Santa Maria Specific Plan. District boundary locations include all properties fronting Main Street east of Curryer Street, west of School Street and properties fronting Broadway south of Mill Street and north of Main Street. This boundary was chosen for a number of factors including:

Building height: According to the Downtown Specific Plan, zoning height requirements for the properties located in proposed district boundary is a maximum of 70 feet (the highest of any downtown district). This is beneficial as with an increase of height and square footage provides a higher assessment fee to benefit the district.

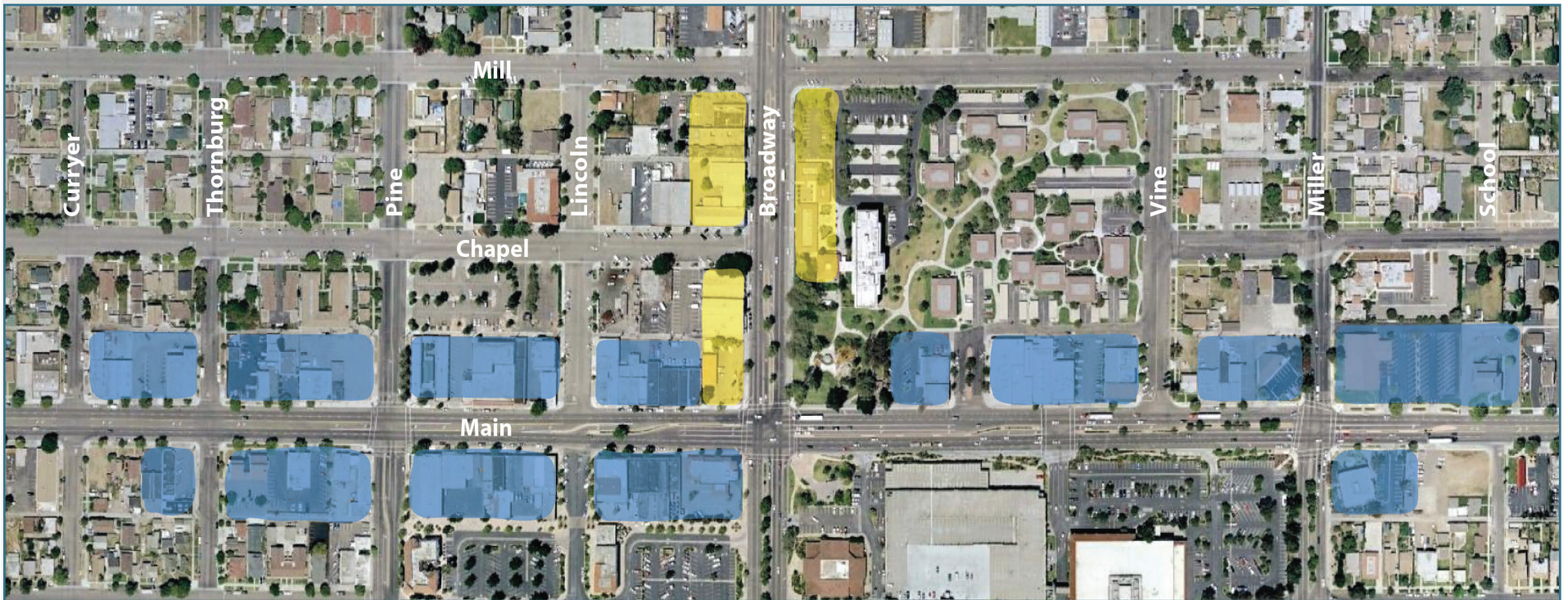
Zoning: Properties in the boundary allow for a mixture of uses, however properties fronting Main Street required to be at least 75% commercial.

Primary existing uses: The area at Broadway and Main Streets are primarily lined with retail and office buildings. This area will benefit greatly from a PBID as there is a limited amount of residential development (which cannot be assessed). This area

Potential of future development: The area of proposed boundary will benefit from streetscape and environmental enhancements. The streets in this area are 100 feet wide, with potential to expand narrow sidewalks to accommodate new street furniture and pedestrian activity.

3.4 THE MANAGEMENT

BOUNDARY



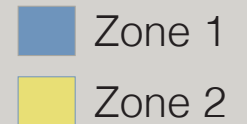
The proposed boundary include the following building estimates:

Buildings: 55

Single Story: 45

Multi-Story: 10

Total Building Square Footage: 312,729



3.5 THE MANAGEMENT

BUDGET

administration

The administration portion of the budget include fees associated with the following administration programs:

- Accounting/auditing
- Supplies/equipment
- Overhead costs
- Management support



The total Downtown Santa Maria first year budget \$54,436.04 for for existing conditions is projected to be \$54,436.04. See the first year budget break-down below:

\$ BUDGET breakdown

Program	Budget	% Total
economic	\$21,774.42	.40
environmental	\$21,774.42	.40
activation	\$5,443.60	.10
administration	\$5,443.60	.10

3.5 THE MANAGEMENT

BUDGET

The following 5-year PBID Budget was calculated using the assumption that market improvements and program costs will increase revenue by 5% each year. The total revenue over the PBID lifetime is estimated to be \$300,793.48.

Program	Year 1	Year 2	Year 3	Year 4	Year 5
economic	\$21,774.42	\$22,863.14	\$24,006.29	\$25,206.61	\$26,466.94
environmental	\$21,774.42	\$22,863.42	\$24,006.29	\$25,206.61	\$26,466.94
activation	\$5,443.60	\$5,715.78	\$6,001.57	\$6,301.65	\$6,616.73
administration	\$5,443.60	\$5,715.78	\$6,001.57	\$6,301.65	\$6,616.73

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chapter 4

THE CONCLUSION

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4.1 THE CONCLUSION

1 challenges

While the potential benefits of implementing a successful PBID can greatly enhance Downtown Santa Maria, there are challenges and obstacles the City of Santa Maria must first overcome. Gaining community support and allocating administrative resources are both large components of a PBID. With proper focus and procedure, both obstacles can be addressed.

Community support is pivotal in creating a district, therefore, the community outreach and engagement process plays an important role in the PBID procedure. Many citizens are reluctant to approve any program that imposes new fees or taxes without full disclosure of program details. This document will aid in educating and informing the community on the benefits of a PBID for their businesses and community. Most importantly, community members must understand that they play an active role in creating, governing, and allocating their own funding.

Another PBID obstacle is funding administrative support. The City of Santa Maria must commit staffing resources to oversee the PBID from formation to governance. With a limited budget, the City must allocate administrative funds and utilize them in the most efficient and cost effective manner possible. The city must also commit additional resources to house a central office to serve as the PBID headquarters.

4.2 THE CONCLUSION

2 recommendation

Recommendation concludes that the City of Santa Maria pursue the development of a Property-based Improvement District for downtown. Thousands of cities across the country have reaped the benefits of PBIDs. Districts have brought back life and vitality to downtowns in need. With the City's creation of the Downtown Specific Plan and the implementation of a PBID, Downtown Santa Maria has great revitalization potential.

The City of Santa Maria should begin district implementation when the economic business climate is healthy. Additional infill development and less building vacancies attribute to a more effective and efficient PBID, therefore, the City should consider waiting for further downtown development to occur. Once the ideal business climate has been established, the City should initiate the community outreach procedure to measure and gauge community support of a district before moving forward.

With a healthy business climate, successful community outreach, and support of city officials, a Property-Based Improvement District can be successfully implemented for Downtown Santa Maria. District implementation can benefit downtown by funding and implementing various environmental and economic enhancements. These investments will attract new business, residents, and visitors and will help to re-establish downtown as the City's commercial core.

4.3 THE CONCLUSION

3 appendix

Downtown Fresno Partnership, Downtown Association of Fresno. (2010). *Management District Plan for the creation of the Downtown Fresno Property-Based Business Improvement District*.

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