

OVERVIEW

The Downtown Association (DTA), Downtown Management Corporation (DMC) and the City of Santa Cruz Economic Development Department recently completed a strategic planning process to evaluate downtown's two management organizations that were formed in the 1990s. The DTA and DMC provide enhanced services in parts of downtown through funding received from business-based fees and property-based assessments respectively.

Based on a review of the existing organizations and an extensive community outreach process, it was recommended that the DTA and DMC be dissolved and replaced with one new property-based business improvement district (PBID). The PBID will be modeled after national best practices to address the challenges facing Downtown Santa Cruz today. DTA and DMC leadership have endorsed this recommendation.

WHAT IS A PBID?

A PBID is a private sector funding mechanism designed to provide enhanced services above and beyond those provided by local government. Services can include things like enhanced safety, maintenance, beautification, marketing, special events and local business support. PBIDs are a self-imposed, self-governed assessment on property. They work the same way as a common area maintenance (CAM) agreement in shopping malls and office parks.

ARE THERE PBIDS ELSEWHERE?

There are more than 1,000 PBIDs across North America and more than 100 PBIDs in California, including downtown Santa Monica, Berkeley and San Jose.

WHAT SERVICES WILL THE PBID PROVIDE?

Informed by community priorities, identified through outreach to over 3,000 stakeholders, the DTSC PBID Management Plan has three core areas of enhanced service.

Clean, Safe and Welcoming services provide an enhanced level of cleaning and maintenance (e.g. litter removal, hand sweeping, spot cleaning) and enhanced safety and hospitality services through highly-trained Downtown Navigators, who walk the district and provide extra sets of eyes and ears to address and report issues. The PBID will also contract additional outreach workers to support people experiencing homelessness.

Economic Vitality services will support Downtown's local businesses, activate public spaces with programming, and provide research and education on policies impacting Downtown.

Marketing and Image enhancements will focus on communicating a positive image of Downtown and increasing visitation.



WILL THE CITY REDUCE ITS EXISTING DOWNTOWN SERVICES?

No! The City of Santa Cruz has documented base level City services, which it will continue to deliver regardless of whether a PBID is formed. A PBID does not replace City services, it only serves to enhance services to better meet current demands.

WHO DECIDES IF WE NEED A PBID?

You do. PBID formation requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments. Petitions are submitted to the Santa Cruz City Council and the City will mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the DTSC PBID in order for City Council to consider approval.

WHO MANAGES THE PBID?

Decisions related to implementation of the Management Plan, including annual work programs, budgets and assessments, will be made by the DTSC PBID Board of Directors. A majority property owner board will represent a variety of property types and

geographic areas served by the PBID. At least one third of the board will be businesses owners, who are not property owners, and there will be a reserved seat for the City Manager or designee.

DO SERVICES VARY DEPENDING ON WHERE MY PROPERTY IS LOCATED?

Yes. Within the PBID boundary there are three benefit zones, to account for varying levels of service needs. Zone 1 contains the highest concentration of commercial uses in the District and the most intense foot traffic. In turn, this is where some of the cleanliness and safety issues are most concentrated. Zone 1 therefore will receive the highest level of Navigator deployment and maintenance services. Zone 2 has a lower demand for services than Zone 1 but a higher demand than Zone 3, which has the lowest demand for services. The table below provides a SAMPLE of how clean, safe, and welcoming services could be deployed based on zones. **Ultimately, it will be up to the PBID Board of Directors and service contractors to determine specific frequencies by zone.**

SAMPLE FREQUENCY OF CLEAN, SAFE AND WELCOMING SERVICE BY BENEFIT ZONE			
	Zone 1	Zone 2	Zone 3
Navigator Services	Daily circulation on foot - early a.m., until later p.m. and on weekends (approx. 8am – 10pm)	Twice per day	Periodically
Outreach Services	Daily circulating beginning in the early morning hours until later eve., and on weekends of (approx. 7:30am – 10pm)	Four times per week	As needed
Removal of Litter and Debris	Four times per day, or as demand dictates	Daily	Twice per week
Hand Sweeping	Six times per day or as demand dictates	Three times per week	Twice per month
Graffiti Reporting	Three times per day	Once a day	Three times per week
Service Trash Receptacles	Four times per day, or as demand dictates	Daily	Twice per week
Additional Sidewalk Sweeping & Pressure Washing; Gum Removal	Once a week, and as demand dictates	Twice per month, and as demand dictates	N/A
On demand spot cleaning, and Poop Scooping Services	As needed	As needed	As needed

WHAT WILL IT COST?

Assessment rates vary based on two factors **1) location within the PBID** (benefit zones described above) and **2) property type**. Non-commercial properties (residential, non-profit, government) do not benefit from economic vitality and marketing services the way commercial properties do and therefore have a lower assessment on lot and building square footage. Assessment rates for Zone 1 and 2 are calculated by lot plus building square footage plus linear frontage. Zone 3 is not assessed for linear frontage.

ESTIMATED ANNUAL ASSESSMENT RATES	LOT + BUILDING SQ. FT.	LINEAR FRONTAGE (PER FOOT)
Zone 1 – Commercial	\$0.1750	\$34.41
Zone 1 – Non-Commercial	\$0.0776	\$34.41
Zone 2 – Commercial	\$0.1750	\$17.21
Zone 2 – Non-Commercial	\$0.0776	\$17.21
Zone 3 – Commercial	\$0.1750	N/A
Zone 3 – Non-Commercial	\$0.0776	N/A

COMMERCIAL STOREFRONT EXAMPLE:

2,500 sq. ft. of building, 2,500 sq. ft. of land, and 25 linear feet of frontage

Zone 1: \$1,735/year or \$4.75/day

Zone 2: \$1,305/year or \$3.58/day

Zone 3: \$875/year or \$2.40/day

DTSC PBID PROPOSED ANNUAL BUDGET

Clean, Safe, Welcoming Enhancements	\$ 700,000
Economic Vitality Enhancements	\$ 150,000
Marketing and Image Enhancements	\$ 200,000
Executive Director, Administration & Reserve	\$250,000
TOTAL	\$ 1,300,000

HOW DO THE NEW ASSESSMENTS COMPARE TO WHAT I MAY ALREADY PAY IN ASSESSMENTS?

The new PBID will replace the existing business-based BID fees that help to fund the Downtown Association and the existing Downtown Management Corporation property assessments – both of these existing assessments will be eliminated once the PBID is formed. Plus, the PBID plan anticipates the phased elimination of parking deficiency fees that will end in 2023. The proposed PBID budget is equivalent to the revenue raised by these three pre-existing sources. For individual properties, the new assessments will vary in relation to existing fees and assessments that are being eliminated – some properties will pay more, others will pay less.



WILL THE PBID BE REVIEWED?

The DTSC PBID will have an initial five-year term. Renewal of the district will require a new management plan, petition and mail ballot process. At this time the district can be renewed for ten years.

PBID SUPPORTERS:

Business Owners

Suna Lock- Stripe Design
Cara Pearson- Pacific Cookie Company
Linnaea Holgers James- Artisans & Agency
Valerie Moselle- Luma Yoga
Stuyvie Beams Esteva and Noelle Antolin- Lupulo
Casey Coonerty Protti- Bookshop Santa Cruz
David Guzman- David Lyng Real Estate
Shiri Gradek- Sereno Group
Jocelyn Dubin- Nourish Yoga
Emily Coonerty- Dell Williams Jewelry
Nick Fogler- 4 Mile LLC
Zach Davis- Penny Ice Cream & Snap Taco
David Jackman- Chocolate Restaurant
Anandi, Rama and Carolyn Heinrich- Pacific Trading Co.
Kamala Allison- Fybr
Bubb & Dana Rader- Berdels

Property & Business Owners

Patrice Boyle- Soif Restaurant & Wine Shop
Germaine Akin- 515 Kitchen & Cocktails, Planet Fresh
Cindy Bernard- Dell Williams Jewelry
Patty Zoccoli- Zoccoli's Delicatessen

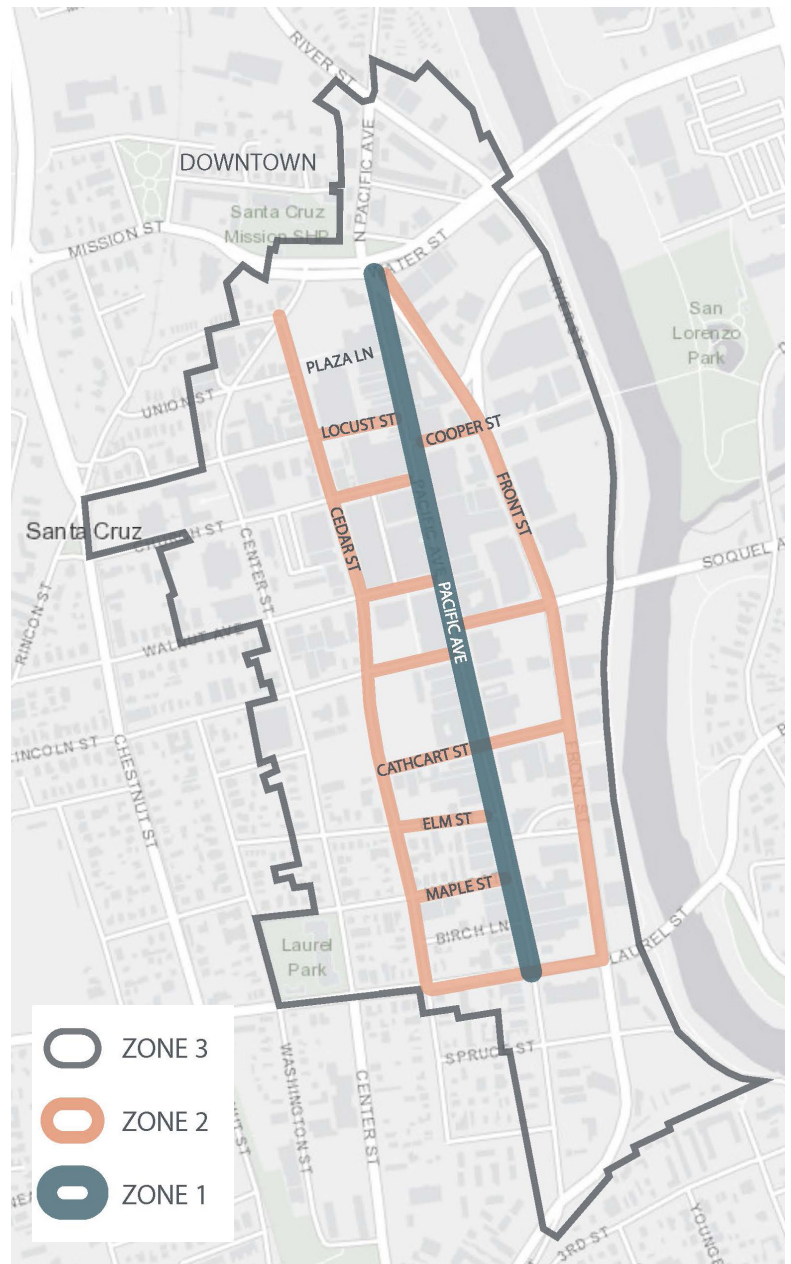
Property Owners, Brokers, Managers

Enda Brennan- Sharkeys Properties LLC
Lee Slaff- Commercial Broker and Property Owner
Reuben Helick- Commercial Leasing Agent
Owen Lawlor- Manager SC Riverfront LLC
Prindle Management Company
MCM Diversified, Inc

Other Supporters

Nesh Dhillon- Santa Cruz Farmers Markets
Chris Murphy- Santa Cruz Warriors
Robert Singleton ED of Business Council Santa Cruz County
Downtown Streets Team
Downtown Association of Santa Cruz
Downtown Management Corporation
Alliance for Women Entrepreneurs (AWE)
Economic Development of Santa Cruz

WHAT IS THE PROPOSED PBID BOUNDARY?



**For more information, contact Abra Allan at -
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