

Management District Plan
for the creation of the
Downtown Fresno
Property-Based Business Improvement District

FINAL DRAFT
April 2010 (4/17/10)

CONTENTS

I.	Summary of the Management District Plan	1
II.	Why Create the Downtown Fresno PBID?	3
III.	Improvement and Activity Plan	4
	A. Process to Establish the Plan	
	B. PBID Boundaries	
	C. Work Program	
	D. Plan Budgets	
	E. Five Year Operating Budgets & Maximum Assessments	
IV.	Assessments	12
	A. Assessment Methodology	
	B. Calculation of Assessments	
	C. Assessment Adjustments	
V.	Governance	16

Exhibits:

- **Engineer's Report**
- **List of properties to be benefited**
- **Map with parcel detail**
- **Base level of service letter of intention from City of Fresno**
- **Roster of the Downtown PBID Steering Committee**

*Exhibits are available upon request from the
Downtown Association of Fresno*

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Downtown Fresno Partnership and the
Downtown Association of Fresno
by
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DOWNTOWN FRESNO
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID) SUMMARY
FINAL DRAFT (4-17-10)

The proposed Downtown Fresno Property-Based Business Improvement District (PBID) 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 PBID will provide economic development and environmental enhancement programs, above and beyond those provided by the City of Fresno. This approach has been used successfully in downtowns throughout California and the nation, helping to improve sales, occupancies and values.

Location: The district will encompass the core of the downtown area bounded roughly by Fresno, Q, Ventura and H Streets, plus the entire Van Ness corridor. *A map of the proposed district boundary is provided on page 5.*

Improvements & Activities: ***An Inviting, Attractive and Economically Vital 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:

- **Economic Enhancements**, including programs and incentives to attract, grow and incubate new businesses, marketing and promotions to improve downtown’s image and invite consumers to downtown and special events to attract residents and visitors.
- **Environmental Enhancements**, including ambassador services to improve both the reality and perception of public safety, streetscape and signage to make downtown more attractive, and parking management initiatives to better utilize existing parking and plan for future needs.
- **Fulton Mall Activation** to provide coordinated programming of the Fulton Mall with events, entertainment and activity.

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 operations is **\$607,000:**

Activity	Budget	% of Total
Economic Enhancements	\$ 190,000	31.3
Environmental Enhancements	185,000	30.5
Fulton Mall Activation	44,500	7.3
Management & Administration	130,000	21.4
Delinquency & Contingency	57,500	9.5
Total	\$ 607,000	100.0

Cost: Annual assessments are based upon an allocation of program costs within three benefit zones and a calculation of lot and one-half of building square footage within each zone. Three benefit zones are proposed with three different levels of service. All properties will receive benefits from

economic enhancements, and environment enhancements and Fulton Mall activation services will be delivered in sub-areas of the district.

Residential and charitable non-profit uses will pay an adjusted rate based upon reduced benefits that these uses will receive from the PBID. Estimated annual maximum assessment rates for the first year of the district are as follows:

<i>Estimated Annual Assessments: Commercial Properties</i>	Per sq.ft. of Lot per Year	Per sq.ft. of Building per Year
Zone 1	\$ 0.0222	\$ 0.0111
Zone 2	\$ 0.1008	\$ 0.0504
Zone 3	\$ 0.1487	\$ 0.0743
Zone 1: Residential/Non-Profit	\$ 0.0	\$ 0.0
Zone 2: Residential/Non-Profit	\$ 0.0786	\$ 0.0393
Zone 3: Residential/Non-Profit	\$ 0.1264	\$ 0.0632

Cap: Annual assessments may increase by as much as 5% per year to keep pace with the consumer price index and other program costs. The determination of annual assessment rates will be subject to the review and approval of the PBID Owner's Association.

City Services: The City of Fresno 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 PBID is formed. The PBID will not replace any pre-existing general City services.

District Governance: The PBID Owner's Association will be the Downtown Association of Fresno with a reconfigured board of directors consisting primarily of property owners within the District. The PBID Owner's Association will determine budgets, assessment rates and monitor service delivery.

Existing BIA: It is recommended that downtown's existing business-based business improvement area will be eliminated and its revenue and programs will be replaced by the new PBID.

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 \$607,000 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 PBID in order for City Council to approve it.

Duration: The district will have a five-year life beginning January 1, 2011. Any subsequent renewal of the District will require a new management plan, petition and mail ballot process.

II. WHY CREATE THE DOWNTOWN FRESNO PBID?

What is a PBID?

The International Downtown Association estimates that more than 1,000 property-based business improvement districts (PBID) currently operate throughout the United States and Canada. **A PBID provides enhanced improvements and activities, such as public safety, maintenance and image enhancement, in addition to those provided by local government.** PBIDs provide services that improve the overall viability of business districts -- resulting in higher property values, sales and tax revenues.

Since the creation of California's Property and Business Improvement District Law in 1994, more than 80 new PBIDs have been established in California downtowns, including Sacramento, Stockton, San Jose, Visalia, Long Beach, Los Angeles and San Diego.

Why Create a PBID for Downtown Fresno?

- **Proactively Improving Downtown:** Downtown Fresno has endured a long legacy of failed plans and projects. The PBID is viewed as a proactive step to improve downtown, different from past efforts in that it will create immediately visible services and improvements, and will be governed by a board of property and business owners.
- **Attract New Businesses and Investment to Downtown:** In keeping with priorities established by downtown property owners and residents, the PBID will devote significant resources to a variety of economic development initiatives that are intended to grow and attract businesses, jobs and investment.
- **Create a Consistently Inviting and Attractive Downtown:** Downtown suffers from a lingering stigma that it is unsafe and dull. Working in concert with the City of Fresno, the PBID will provide supplemental resources to ensure a consistently clean and safe downtown at all times, with efforts aimed at changing downtown's image to reflect our recent, current and future progress.
- **Enhance Property Values, Sales, and Occupancies:** PBIDs are acknowledged as a critical ingredient in downtown revitalization and are proven to work by funding improvements and services that enhance the overall vitality of a business district. Success is measured by higher property values, sales and occupancies.
- **Leverage Planning and Redevelopment Efforts in Downtown:** The new City administration promises a number of significant changes within downtown. The PBID will help to ensure that the benefits of new development, planning, and civic energy will be maximized to benefit all businesses and properties within the central business district.
- **The PBID Is Something The Private Sector Can Control:** A board of directors consisting primarily of downtown property owners will govern the PBID. Annual PBID work plans and budgets will be developed by the board, ensuring that the PBID will be directly accountable to those who pay an assessment. PBID-financed programs will be subject to private sector performance standards and controls.

III. IMPROVEMENT AND ACTIVITY PLAN

A. Process to Establish the Management District Plan

The notion of creating a Downtown Fresno PBID has been discussed for more than ten years. To advance the concept to reality, an advisory panel from the International Downtown Association (IDA) was held in the summer of 2008. Recommendations from the IDA panel led to a commitment from the Downtown Fresno Partnership, Downtown Association of Fresno and the City to support moving the process forward.

To form the PBID Management District Plan, downtown property and business owners and civic leaders have been involved in a participatory process that was initiated in the fall of 2008. The consulting firms of Progressive Urban Management Associates and Kristin Lowell Inc. were retained by the Downtown Fresno Partnership to guide the process for creating the PBID. Key steps of the process included:

1. **PBID Committee:** To guide the consultant team and test PBID concepts, members of the Downtown Association of Fresno board of directors and key property owners within downtown have served as the PBID Committee. A roster of the PBID Committee is provided in the *Appendix*.
2. **One-On-One and Roundtable Meetings with Property Owners:** The consultants held a series of one-on-one and roundtable meetings with property owners located throughout the PBID study area. Open forums were held in January and May, 2009. Top improvement priorities and guiding principles that emerged from property owners and the PBID Committee included:
 - We need to do something proactive to advance downtown revitalization
 - Improving the economic climate downtown is critically important, particularly during the current economic recession
 - The PBID needs to combat lingering stigmas of downtown as unsafe
 - PBID services need to be supplemental to, and not replace, City services
 - The PBID should be simple and non-bureaucratic
 - Keep costs reasonable
3. **City Base Level of Services:** Concurrent with the property and business owner outreach process to develop the PBID Management District Plan, 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 PBID. A letter was provided by the city manager identifying current city services and an intention to continue these services through the life of the PBID.
4. **Plan Review & Final Plan:** The draft PBID Management District Plan and budget were reviewed by the PBID Committee and individual property owners. Property owners were invited to a series of forums in May and July to review the plan and informal meetings continued through August. Input from these meetings led to the completion of the final plan.

B. PBID Boundaries

The proposed PBID district will encompass the core of the downtown area bounded roughly by Q Street to the northeast, Ventura Street to the southeast, H Street to the southwest and Fresno to the northwest. The Van Ness corridor is also included from Ventura to Amador Streets.

Benefit Zones: Three benefit zones are proposed with three different levels of service. The benefits are delineated as follows:

- Economic enhancement services, including business support and marketing programs, will be provided in Zones 1, 2 and 3 throughout the entire PBID.
- Environmental enhancements including safety ambassadors, streetscape improvements and parking management services, will be provided in Zones 2 and 3, encompassing the Van Ness and Fulton Street corridors.
- A Fulton Mall Activation program will be provided in Zone 3 and includes only Fulton Street from Tuolumne to Inyo.

A map of the proposed district boundary is provided below and a more detailed map with specific parcel lines will be provided upon request.



C. Work Program

An Inviting, Attractive and Economically Vital Downtown

To respond to stakeholder priorities and guiding principles for a Downtown Fresno PBID, the PBID Committee reviewed several scenarios for providing district-wide services.

Objectives in developing the scenarios included:

- Deploy a program that will make a visible, tangible and lasting impact.
- Carefully document existing City services and ensure that PBID-funded services are supplemental to, and do not replace, existing City services.
- Ensure that the program is properly capitalized and that additional funding will not be required once the PBID is created.
- Provide flexibility in the modeling of the program so that the PBID can make adjustments as market conditions change.

Major activities to be financed by the PBID include economic enhancements, environmental enhancements and Fulton Mall activation.

1. Economic Enhancements

Economic Enhancements include programs and incentives to attract, grow and incubate new businesses, marketing and promotions to improve downtown's image and invite consumers to downtown and special events to attract residents and visitors.

To proactively improve the downtown business climate, combat Fresno's lingering stigmas and the challenges associated with a prolonged national economic recession, new downtown-wide economic enhancements designed to fill building vacancies and storefronts are recommended to be supported by the PBID. A collaborative approach is proposed, whereby multiple property owners and real estate professionals will work collectively with civic leaders to promote the advantages of downtown as a business location. Based upon "best practices" from other PBIDs in major downtown markets throughout the country, three primary program activities are proposed:

- a. **Business Retention and Recruitment:** Housed at the offices of the Downtown Association of Fresno, the program will provide a primary one-stop point of contact for all business prospects looking to locate and/or grow in downtown. Comprehensive market information on downtown will be researched, packaged and maintained. Specialized research will identify specific target business groups and niches that are most likely to locate within downtown. Program staff will work collaboratively with regional economic development agencies, the City of Fresno and the Fresno Chamber of Commerce to coordinate and leverage business attraction efforts.
- b. **Image and Marketing:** Marketing strategies and programming to encourage a fresh image will be developed as part of the overall program to economically enhance Downtown Fresno. Strategies will build off existing strengths that have

emerged in the marketplace, including the cultural arts, supporting the agricultural roots of the community through Farmer's Markets and the like, building off existing activity drivers such as the baseball stadium, and supporting developing amenities in the dining and entertainment sectors. Image and marketing efforts will aim to support business retention and recruitment efforts as well as encouraging both locals and visitors to explore downtown.

Traditional and non-traditional marketing activities and products will be explored including an interactive website and electronic communications tools, stronger public and media relations efforts to communicate ongoing positive changes in the downtown marketplace, and printed products including periodic market reports and updates, maps and brochures that provide users with information about the amenities downtown has to offer. In addition, programming and events to activate downtown will be developed as part of an overall image and marketing campaign.

- c. **Leadership and Policy:** Emerging as a respected advocate for the downtown business community, the PBID will ensure that business climate issues will be kept in the forefront of civic decision-making. Key policy issues that could be advanced include assisting with the implementation of the new Downtown Strategic Plan, advancing parking management policies that support economic development, and establishing incentives for business relocation and growth.

The PBID Management Plan initially budgets 31.3% of its total budget to support downtown-wide economic enhancements.

2. Environmental Enhancements

Environmental Enhancements will include Ambassador services to enhance both the reality and perception of public safety, streetscape and signage to make downtown more attractive, and parking management initiatives to better utilize existing parking and plan for future needs.

Environmental enhancements are proposed along Downtown's key Van Ness and Fulton Mall corridors. In this area, PBID resources will be concentrated to make Downtown's most highly visible vehicular and pedestrian corridors safe, attractive and easy to use. Key environmental enhancements include:

- a. **Ambassadors:** Uniformed ambassadors will be deployed to help address both the reality and perception of a clean and safe downtown along Van Ness and Fulton Mall. The approach has been used with great success in other downtowns in California's Central Valley, including Sacramento, Stockton and Visalia. Activities of ambassadors could include:
 - Foot and bike patrols to help provide additional "eyes and ears" for police
 - Interaction with homeless individuals to direct them to services and other assistance
 - Assistance to downtown visitors to help them find services and destinations

- Escorts for employees to accompany them to parking lots and other destinations
- Supplemental cleaning of sidewalks, including sweeping and power washing
- Graffiti removal
- Other clean and safe services as needed within the Van Ness and Fulton corridors

The PBID Management Plan initially provides funding to support an estimated 160 weekly hours of Ambassador services. Deployment can vary by season, events and other factors.

b. **Streetscape Enhancements:** An allowance for cosmetic improvements to the streetscape along both Van Ness and Fulton are included in the environmental enhancement budget. Options for enhancements include:

- Street furniture, such as benches, newspaper racks and kiosks
- Pedestrian lighting
- Public art
- Banners
- Trees and landscaping
- Design and planning for streetscape enhancements

PBID funds could be leveraged with capital improvement funding and grants to increase the amount of resources available for beautification.

c. **Parking Management:** Environmental enhancement funds can also be utilized to improve the management of parking in the Van Ness and Fulton corridors. Options include identifying employee parking options, creating parking validation and promotions for consumers and funding studies to evaluate options for increasing the parking supply.

The PBID Management Plan initially budgets 30.5% of its total budget to support environmental enhancements along the Van Ness and Fulton Mall corridors. Funds for these enhancements will be raised only from properties located within these corridors.

3. Fulton Mall Activation

Fulton Mall Activation to provide coordinated programming of the Fulton Mall with events, entertainment and activity.

For properties along Fulton Mall from Tuolumne to Inyo, an additional assessment is proposed to support a full time “mall manager” and Fulton Mall activation program. The mall manager is envisioned to provide a variety of marketing, communications and support services for Fulton Mall property and business owners. Anticipated responsibilities include:

- Conduct ongoing daily communications with all Fulton Mall property and business owners
- Coordinate special events and marketing initiatives that aim to drive consumer traffic to the Mall

- Develop and maintain an inventory of Fulton Mall market information, including property ownership, business profile, vacancies, pedestrian counts, etc.
- Work with City staff and agencies to make sure that the Fulton Mall public space is well maintained and amenities are kept in good repair
- Participate in planning efforts that aim to improve Fulton Mall

7.3% of the initial budget in the Management Plan is budgeted to support Fulton Mall Activation activities. All of these funds will be raised from properties located within the Fulton Mall benefit zone.

4. Management, Administration & Reserve

Like any business, the PBID will require a professional staff to properly manage programs, communicate with stakeholders and provide leadership. In addition to ambassadors, a marketing manager and the Fulton Mall manager, a full time management staff of two is envisioned, including:

- A full time executive director to provide general oversight of programs, oversee economic and environmental enhancements, communicate with property and business owners and provide leadership on a variety of advocacy issues with the City, Redevelopment Agency and other civic partners.
- A full time administrative assistant to provide daily operational support within the PBID office.

To reduce administrative costs, increase leveraging of funds and avoid duplication of enhanced services, this plan anticipates that the day-to-day services financed by the PBID will be managed by the Downtown Association of Fresno. PBID funds will be leveraged by sponsorships from special events, contracts, grants and earned income.

Additional administrative costs will include:

- Accounting and annual financial audit
- Insurance
- Program support costs including supplies, equipment and rent
- County PBID assessment collection fee, estimated at 1% of assessments
- Other administration costs associated with the overhead and administrative support of programs.

A reserve is also budgeted to provide a contingency for unforeseen program needs and to provide a cushion for assessment delinquencies. Reserve funds can also be utilized to repay PBID start-up loans, and to pay for costs associated with PBID renewal.

21.4% of the initial PBID budget is allocated to support management and administration and 9.5% is allocated to the reserve.

D. Plan Budgets

2011 Operating Budget Summary

The total improvement and activity plan budget for 2011 is projected at \$607,000. The initial budget allocation is summarized below:

Activity	Budget	% of Total
Economic Enhancements	\$ 190,000	31.3
Environmental Enhancements	185,000	30.5
Fulton Mall Activation	44,500	7.3
Management & Administration	130,000	21.4
Delinquency & Contingency	57,500	9.5
Total	\$ 607,000	100.0

An illustrative budget follows, but final budget allocation decisions will be subject to the annual determination of the PBID Owner Association, which will be the Downtown Association of Fresno.

<u>Activity</u>	<u>Sub-Total</u>	<u>TOTAL</u>
Economy		
Marketing Manager (\$50K x 20%)	60,000	
Market Research & Business Development	20,000	
Image Enhancement -- Consumer Marketing	60,000	
Website, electronic marketing	20,000	
Special Events	30,000	
Total Economy		190,000
Environment		
<i>Clean & Safe</i>		
Ambassadors (160 hrs/wk @ \$12.50)	104,000	
Insurance, Workmans Comp, Etc. 20%	21,000	
Streetscape Enhancement Allowance	50,000	
Parking Management Strategies	10,000	
Total Environment		185,000
Fulton Mall Manager (\$37K x 20%)	44,500	
Total Fulton Mall Activation		44,500
Management & Administration		
Executive Director 67% (\$85K x 20%)	68,340	
Administrative Asst 67% (\$25K x 20%)	20,100	
Rent, Audit, Bookkeeping, Supplies, etc.	41,560	
Total Management & Administration		130,000
<i>Delinquency Contingency</i>		57,500
TOTAL		607,000

2. Five Year Operating Budget

A projected five year operating budget for the Downtown Fresno PBID is provided in the Five Year Operating Budget and Maximum Assessment exhibit below.

The projections are based upon the assumption that total program revenue increases by 5% per year, the maximum allowed under the proposed annual budget adjustment to keep pace with changes in the consumer price index and other program costs. Actual budgets may not increase 5%, as determined by the PBID Owner's Association.

ESTIMATED FIVE YEAR OPERATING BUDGET

Activity	Year 1	Year 2	Year 3	Year 4	Year 5
Economic Enhancements	190,000	199,500	209,475	219,949	230,946
Environmental Enhancements	185,000	194,250	203,963	214,161	224,869
Fulton Mall Activation	44,500	46,725	49,061	51,514	54,090
Management & Administration	130,000	136,500	143,325	150,491	158,016
Delinquency & Contingency	57,500	60,375	63,394	66,563	69,892
TOTAL	607,000	637,350	669,218	702,678	737,812

MAXIMUM ANNUAL ASSESSMENT RATES: Per Square Foot of Lot

	Year 1	Year 2	Year 3	Year 4	Year 5
Zone 1	0.0222	0.0233	0.0245	0.0257	0.0270
Zone 2	0.1008	0.1058	0.1111	0.1167	0.1225
Zone 3	0.1487	0.1561	0.1639	0.1721	0.1807
Zone 1: Residential/Non-Profit	0.0000	0.0000	0.0000	0.0000	0.0000
Zone 2: Residential/Non-Profit	0.0786	0.0825	0.0867	0.0910	0.0955
Zone 3: Residential/Non-Profit	0.1264	0.1327	0.1394	0.1463	0.1536

MAXIMUM ANNUAL ASSESSMENT RATES: Per Square Foot of Building

	Year 1	Year 2	Year 3	Year 4	Year 5
Zone 1	0.0111	0.0117	0.0122	0.0128	0.0135
Zone 2	0.0504	0.0529	0.0556	0.0583	0.0613
Zone 3	0.0743	0.0780	0.0819	0.0860	0.0903
Zone 1: Residential/Non-Profit	0.0000	0.0000	0.0000	0.0000	0.0000
Zone 2: Residential/Non-Profit	0.0393	0.0413	0.0433	0.0455	0.0478
Zone 3: Residential/Non-Profit	0.0632	0.0664	0.0697	0.0732	0.0768

IV. ASSESSMENTS

A. Assessment Methodology

To develop the PBID assessment methodology, the consulting team includes Kristin Lowell Inc., a certified engineer. Kristin Lowell Inc. evaluated several methods of assessment for conveying special benefits from the type of improvements and activities described within the Downtown Fresno PBID Management District Plan.

Additional information and justification for the proposed assessment methods and adjustments are provided in the Engineer's Report, prepared by Kristin Lowell Inc. and provided as an attachment to the Management Plan.

Service benefits are distributed to lot and building square footage through a “cost allocation” approach — the costs of specific services are allocated to the assessment variables that benefit most from services. Lot and building square footage are proposed as the key variables for the assessment methodology:

- **Lot Square Footage:** Lot square footage is utilized to assess the benefit of services to the ground level of properties. Lot square footage is assessed at a full rate to acknowledge a greater benefit from PBID services delivered at the ground level.
- **Building Square Footage (1/2):** Building square footage is utilized to assess the benefit from services to buildings, including tenants, residents and employees. Acknowledging that service benefits are greater to ground floor uses, building square footage is assessed at half the rate of lot square footage, effectively placing more emphasis on lot and ground level.

Property Use Considerations: The methodology provides the following treatments for property used exclusively for residential, non-profit, parking structures and government uses:

- **Treatment of Residential Property:** Residential uses will fully benefit from environmental enhancement services and will pay a full share of these services; however, economic enhancement services will benefit residential uses to a lesser degree than commercial properties and the residential rate is adjusted accordingly. The residential portion of commercial and mixed-use parcels with residential uses will be subject to the adjusted residential assessment rate.
- **Assessment Policy on Non-Governmental Tax-Exempt Properties:** Properties that are exempt from property tax may not receive economic enhancement activities specified in this Management District Plan and may not be fully assessed for these services. An owner of real property located within the boundaries that meets these criteria may reduce the amount of the lot square footage assessment to be levied if all of the following conditions are met:
 - a. The property owner is a non-profit corporation that has obtained federal tax exemption under Internal Revenue Code section 501c3 or California franchise tax-exemption under the Revenue and Taxation Code Section 23701d.
 - b. The class or category of real property is eligible for exemption, in whole or in part, from real property taxation (i.e. ad valorem tax).

- c. The property owner makes the request in writing to the Downtown Association of Fresno prior to the submission of the PBID assessment rolls to the Fresno County Assessor (on or before July 1 of each year), accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property.

If these conditions are met, the amount of the PBID assessment to be levied for economic enhancement shall be reduced in the same proportion to the real property tax exemption granted to the property by Fresno County.

- **Treatment of Parking Structures:** Parking structures receive different levels of benefit from PBID improvements and services based upon their use and ownership. Parking structures will be subject to one of the following methodologies:
 - a. Parking structure square footage that is integrated within a building, has the same ownership as the building, and the building has uses in addition to parking where parking is just an ancillary use, does not receive benefit from the PBID services and therefore square footage of the parking structure will not be assessed.
 - b. Stand-alone public parking structures owned and operated by government receive half the benefit of a similarly sized building due to their role as part of the infrastructure that supports downtown commerce and will be assessed at one-half of the gross building square footage of the parking structure.
 - c. Other stand-alone parking structures that are not ancillary to a building or publicly-owned, will receive the full benefit from PBID improvements and activities and will be assessed at standard assessment rates for commercial properties.
- **Government Assessments:** The Downtown Fresno PBID Management District Plan assumes that the City of Fresno, Fresno Redevelopment Agency, Fresno County, State of California and other government entities will pay assessments for the special benefits conferred to government property within the boundaries of the PBID. Government properties will fully benefit from PBID services and will pay the same assessment rates as commercial properties. Article XIII D of the California Constitution was added in November of 1996 and provides for these assessments.

B. Calculation of Assessments

The preceding methodology is applied to a database that has been constructed by Kristin Lowell Inc., the Downtown Association of Fresno and the City of Fresno Redevelopment Agency. The process for compiling the property database includes the following steps:

- Property data was first obtained from the Fresno County Assessor's Office through the City of Fresno Redevelopment Agency.
- County assessor property data was cross-checked with reliable private sector sources.
- Data verification notices were sent to all property owners within the proposed PBID during the month of August 2009. The data verification notice contained lot and building square footage information. Building square footage is gross square footage excluding basements. Property owners were offered an opportunity to provide evidence to correct the data.
- Property owners may request final verification of data from the Downtown Association of Fresno on or before July 1, 2010, which is one month prior to the submission of assessment information to the Fresno County Assessor.

A list of properties to be included in the PBID is provided within the *Appendix*.

Benefit Zone Adjustments: The assessments are adjusted to reflect anticipated service frequencies within each of three benefit zones:

- All properties within the PBID that will benefit from proposed economic enhancements and the cost from these services are allocated to Zones 1, 2 and 3.
- Properties in Zones 2 and 3 will benefit from economic enhancements plus proposed environmental enhancements. Areas affected include the Van Ness and Fulton Street corridors.
- Zone 3 includes only the properties located within the Fulton Mall area bounded by Tuolumne and Inyo Streets. Properties in this area will benefit from economic enhancements, environmental enhancements and the proposed Fulton Mall Activation program.

The resulting assessment calculation by service and benefit zone follows:

Assessment by Service	Per sq.ft. of Lot per Year	Per Sq.Ft. of Building per Year
Economic Enhancements	\$ 0.0222	\$ 0.0111
Environmental Enhancements	\$ 0.0786	\$ 0.0393
Fulton Mall Management	\$ 0.0478	\$ 0.0239

Total Estimated Assessments: Based upon the methodology, property data and the proposed PBID budget, approximate lot and building assessments are calculated. Assessments will not exceed the following amounts during the first year of the PBID:

Benefit Zone	Per sq.ft. of Lot per Year	Per sq.ft. of Building per Year
Zone 1 (economic enhancements)	\$ 0.0222	\$ 0.0111
Zone 2 (economic + environmental enhancements)	\$ 0.1008	\$ 0.0504
Zone 3 (economic + environmental + Fulton enhancements)	\$ 0.1487	\$ 0.0743
Zone 1: Residential/Non-Profit	\$ 0.0	\$ 0.0
Zone 2: Residential/Non-Profit	\$ 0.0786	\$ 0.0393
Zone 3: Residential/Non-Profit	\$ 0.1264	\$ 0.0632

C. Assessment Adjustments

Annual Adjustment: Annual assessment rates may be adjusted for annual changes in the Fresno Area Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed 5%. Actual annual adjustments may range from 0% to 5%. Assessment rates will not exceed the levels illustrated by the Five Year Operating Budget and Maximum Assessment exhibit.

Budget Process: A balanced budget approach is utilized to develop each annual budget within the constraints of the assessment rates. Any annual budget surplus or deficit is tracked by program. Prior year surpluses may be used as necessary based on the allocations described in the Management District Plan.

Time and Manner for Collecting Assessments: As provided by state law, the Downtown Fresno PBID assessment appears as a separate line item on annual property tax bills prepared by Fresno County. Property tax bills are distributed in the fall and payment is expected by lump sum or installment. Existing laws for enforcement and appeal of property taxes apply to PBID assessments.

Disestablishment: State law provides for the disestablishment of a PBID pursuant to an annual review process. Each year that the PBID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the district was first established by City Council. Within that 30-day period, if a written petition is submitted by the owners of real property who pay more than 50 percent (50%) of the assessments levied, the PBID may be disestablished. The City Council will hold a public hearing on disestablishing the PBID prior to actually doing so.

Issuance of Bonds: No bonds or other bonded debt is to be issued to finance activities and improvements envisioned in the Management District Plan. If the PBID Owner's Association decides to issue bonds or other bonded debt in the future that increases the term and/or assessment rates set in this Plan, revisions to the Management Plan will require new petition and mail ballot procedures.

V. GOVERNANCE

For the Downtown Fresno PBID, the Downtown Association of Fresno is an existing 501(c)6 California non-profit corporation that shall serve as the PBID Owner's Association. The Downtown Association of Fresno, with a new board composition and staffing structure, is envisioned to manage all pre-existing programs plus the new initiatives financed by the PBID.

The role of the Owner's Association is consistent with similar PBIDs and downtown management organizations throughout California and the nation. The Owner's Association will determine budgets, assessment adjustments and monitor service delivery. As part of the Management Plan, the Owner's Association will oversee the delivery of day-to-day PBID services in order to:

- Reduce overall administrative costs of the PBID;
- Leverage PBID funds with other resources, programs and capabilities provided by the Downtown Association of Fresno;
- Eliminate the potential for duplication of enhanced services and activities;
- Ensure that downtown is represented by a unified voice, thereby maximizing downtown's influence in policies and civic affairs.

Pursuant to the State of California PBID legislation the PBID Owner's Association will be subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act.

The Owner's Association will establish a 13 to 17 member board of directors that will include representation from all benefit zones within the PBID. The goal and spirit of the board's composition is to have a majority of downtown property owners, but also include representatives from downtown businesses, non-profit organizations, residents and governments that pay PBID assessments. Guidelines for board composition include:

- A majority of board members will be owners of commercial property located within the PBID
- Board members will also include business owners who may not be property owners.
- Other representatives may include non-profit, residential and government property owners that are paying PBID assessments.
- Board members will represent all benefit zones within the PBID.
- Diversity in property and business type will be sought, including large and small owners, and different uses within downtown including office, retail, hospitality and government.

Board members will serve three-year rotating terms. A board member may serve a maximum of two consecutive terms. Board members will be selected through a nominating process that invites all stakeholders to participate. A nominating committee will develop an annual slate of board nominations, and nominations will be voted on at an annual meeting of PBID ratepayers. Detailed by-laws will be prepared building upon the preceding framework.

Relationship to Existing BIA: It is recommended that downtown's existing business-based business improvement area be eliminated and its revenue and programs be replaced by the new PBID. The existing BIA currently raises about \$30,000 annually from business tenants located in the central business district.