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.

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

<table>
<thead>
<tr>
<th>ESTIMATED ANNUAL ASSESSMENT RATES</th>
<th>LOT + BUILDING SQ. FT.</th>
<th>LINEAR FRONTAGE (PER FOOT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1 – Commercial</td>
<td>$0.1750</td>
<td>$34.41</td>
</tr>
<tr>
<td>Zone 1 – Non-Commercial</td>
<td>$0.0776</td>
<td>$34.41</td>
</tr>
<tr>
<td>Zone 2 – Commercial</td>
<td>$0.1750</td>
<td>$17.21</td>
</tr>
<tr>
<td>Zone 2 – Non-Commercial</td>
<td>$0.0776</td>
<td>$17.21</td>
</tr>
<tr>
<td>Zone 3 – Commercial</td>
<td>$0.1750</td>
<td>N/A</td>
</tr>
<tr>
<td>Zone 3 – Non-Commercial</td>
<td>$0.0776</td>
<td>N/A</td>
</tr>
</tbody>
</table>

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

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean, Safe, Welcoming Enhancements</td>
<td>$ 700,000</td>
</tr>
<tr>
<td>Economic Vitality Enhancements</td>
<td>$ 150,000</td>
</tr>
<tr>
<td>Marketing and Image Enhancements</td>
<td>$ 200,000</td>
</tr>
<tr>
<td>Executive Director, Administration &amp; Reserve</td>
<td>$250,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 1,300,000</strong></td>
</tr>
</tbody>
</table>

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.
**What is the Proposed PBID Boundary?**

For more information, contact Abra Allan at -
director@downtownsantacruz.com

**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