

Downtown Santa Barbara Community Benefit Improvement District (CBID) FAQ's

What is a CBID?

A CBID is a Property-based Community Benefit Improvement District. A unique funding tool which allows business district property owners to pool their financial resources by assessing themselves to pay for certain district-wide activities and improvements. There are hundreds of CBIDs throughout California and thousands throughout the country. CBIDs are a more modern way for urban districts to invest in and support themselves that offer additional legal authorities and benefits to its members.

What is the purpose of the proposed Downtown Santa Barbara Community Benefit Improvement District (CBID)?

The purpose of the proposed Community Benefit Improvement District (CBID) is to ensure the future economic vitality of downtown. This initiative aims to assess property owners within the proposed district to independently fund and direct special benefits to address cleanliness, safety, beautification, maintenance, identity, and placemaking, beyond what the City currently provides. The Downtown Organization of Santa Barbara, the Santa Barbara South Coast Chamber of Commerce, and the CBID Steering Committee are putting forward this important initiative.

Formation of the CBID would provide property owners and business community members in the district with a unified voice to advocate for the district, collectively liaise with the City, and independently manage the use of funds to their benefit. Assessments on real property within the proposed district will fund enhanced benefits to attract new customers, businesses, residents, and appeal to visitors throughout downtown.

What is the vision for the Downtown Santa Barbara Community Benefit Improvement District?

A steering committee of dedicated property owners has united with a vision for a vibrant and prosperous future for downtown Santa Barbara. Over the last year the group has come together to work on a Community Benefit Improvement District (CBID) for downtown Santa Barbara—an initiative strategically designed to address the area's challenges and foster economic prosperity. Through a recent survey, property owners identified key areas for downtown improvement, including tackling homelessness, enhancing public safety and security, and revitalizing the downtown area with special events and beautification projects. This [report](#) from Noozhawk covers more information on the initiative and envisioned implementation of a CBID for downtown Santa Barbara.

Who is on the Steering Committee for this initiative?

The CBID Steering Committee is made up by a diverse cross section of downtown property owners and business leaders who want to support the future of downtown.

Members of the Steering Committee include Joe Corazza, Trey Pinner, Crosby Slaughter, Janet Garufis, Ron Robertson, Trevor Large, Geoffrey Carter, Peter Lewis, Mitchell Sjerven, Matt LaBrie, David de L'Arbre, Dan Burnham, CJ Young, Kristen Miller, Mary Lynn Harms-Romo, Robin Elander, Daniel Ramirez, Consultant, and Marco Li Mandri of New City America.

Contact either Robin Elander, Executive Director of the Downtown Organization of Santa Barbara (robin@downtownsantabarbara.org) or Kristen Miller, the President/CEO of the Santa Barbara South Coast Chamber of Commerce (kristen@SBSCChamber.com) for further information.

How is a CBID governed?

The Santa Barbara CBID would be governed by local property and business owners in the district, and elected by membership. 51% of the board members are property owners, and the remainder of the board members are business owners and key stakeholders in the district.

How are CBIDs paid for?

CBIDs are funded primarily through the special assessment fees of property owners within the district's defined boundaries. The fees are used to fund various improvement projects that typically include addressing safety and the homeless population, maintaining sidewalk and street cleanliness, improving landscaping, installing decorative amenities like lighting and art, promoting and protecting downtown's image, managing events and programming, and providing directional signs and services.

What services will be funded by the new district?

Through a 2022 survey of all property owners in the proposed District, the survey results informed the priority services desired by the property owners. The top five special benefits are:

1. Respond to homelessness, panhandling, and loitering activities that interfere with business in downtown Santa Barbara.
2. Safety ambassadors and private security for downtown Santa Barbara.
3. Fund community events to improve the identity and bring positive attention to downtown Santa Barbara.

4. Enhanced sidewalk and sweeping services, enhanced cleaning/graffiti removal, and increased pressure washing of sidewalks.
5. Marketing, promotions, social media, and branding programs or campaigns to bring new business and attract new tenants.

How are property owners assessed within a CBID?

There will be five factors used in the determination of proportional costs to the parcels in the District. The five factors are as follows:

1. Linear frontage, on all sides of the parcel (excluding alleys)
2. Lot square footage
3. Building square footage
4. Current and future residential condominiums
5. Location within one of the two geographic benefit zones of the district

How will the assessments be made?

The costs per parcel are determined by five factors: building square footage, lot size, linear frontage, residential condo unit square footage, and anticipated special benefits based on proximity to the core of the district and frequency of special benefit services. Assessments must be proportional to the special benefits received.

First Year Annual Costs Per Benefit Zone Property Variable Benefit Zone 1 | Benefit Zone 2

- Building Square Footage: \$0.22 | \$0.16
- Lot Size: \$0.18 | \$0.13
- Linear Frontage: \$6.00 | \$4.50
- Residential Condos Unit Sq. Ft.: \$0.22 | \$0.22

In addition, other factors will determine assessments based on anticipated benefit:

- Residential condominiums: Assessed for parcel unit building square footage only.
- Publicly owned parcels: Assessed for linear frontage and lot size only.
- Hotels: Exempt from District Identity and Placemaking services within the proposed district boundaries due to existing funding from the Tourism Improvement District for those services.

What are other cities that have CBIDs?

Downtown Denver Partnership (Denver, Colorado)
Downtown Seattle Association (Seattle, Washington)

Downtown Brooklyn Partnership (Brooklyn, New York)
Hollywood Property Owners Alliance (Los Angeles, California)
Gaslamp Quarter Association (San Diego, California)
Downtown Sacramento Partnership (Sacramento, California)
Downtown San Diego Partnership (San Diego, California)
Midtown Business Association (Sacramento, California)
Historic Third Ward Business Improvement District (Milwaukee, Wisconsin)
Uptown Houston Management District (Houston, Texas)
Downtown Dallas Inc. (Dallas, Texas)
Magnificent Mile Association (Chicago, Illinois)
Downtown Phoenix Partnership (Phoenix, Arizona)
Greater East End Management District (Houston, Texas)
Downtown Los Angeles Property Owners Association (Los Angeles, California)
Union Square Business Improvement District (San Francisco, California)
Central West End Association (St. Louis, Missouri)
Warehouse District/Hennepin Avenue Business Association (Minneapolis, Minnesota)
Downtown Partnership of Baltimore (Baltimore, Maryland)
Greater Memphis Downtown Memphis Commission (Memphis, Tennessee)
Downtown San Antonio Alliance (San Antonio, Texas)
Downtown Long Beach Associates (Long Beach, California)
Downtown Norfolk Council (Norfolk, Virginia)
Downtown Pittsburgh Partnership (Pittsburgh, Pennsylvania)
Downtown Boston Business Improvement District (Boston, Massachusetts)
Downtown Detroit Partnership (Detroit, Michigan)
Downtown Portland Clean & Safe District (Portland, Oregon)
Historic South End Business Improvement District (Charlotte, North Carolina)
Downtown St. Petersburg Business Improvement District (St. Petersburg, Florida)
Old Pasadena Management District (Pasadena, California)
Downtown Santa Monica Property Owners Association (Santa Monica, California)
Historic Downtown Littleton Business Improvement District (Littleton, Colorado)
Downtown Sarasota Alliance (Sarasota, Florida)
Downtown Asheville Association (Asheville, North Carolina)
Greater Broadway District Business Improvement Area (Oakland, California)
Downtown Sacramento Partnership (Sacramento, California)
R Street Sacramento Partnership (Sacramento, California)
Downtown Boulder Business Improvement District (Boulder, Colorado)
Old Town Lansing Business Improvement District (Lansing, Michigan)
Downtown Orlando Partnership (Orlando, Florida)
West Village Improvement Association (New York City, New York)
Downtown Albuquerque MainStreet (Albuquerque, New Mexico)

Downtown Wilmington Business Improvement District (Wilmington, Delaware)
North Shore Alliance of Business Associations (Chicago, Illinois)
Downtown Durham Inc. (Durham, North Carolina)
Downtown Bellevue Association (Bellevue, Washington)
Downtown Eugene Inc. (Eugene, Oregon)
Downtown Providence Parks Conservancy (Providence, Rhode Island)
Downtown Columbia Partnership (Columbia, Maryland)
Downtown Madison Business Improvement District (Madison, Wisconsin)

Why is it important that we do this now?

The city's budget is in peril, and the implementation of a CBID will help to protect downtown investments and ensure the services are appropriately allocated for the vitality of the district.

Where are we currently at in the process?

Currently, we are collecting petitions with a goal of 25 +% petitions signed in favor of the CBID by February 28, 2024. Once the petitions are collected, in March 2024, they will be forwarded to City Council for them to also sign a petition to be part of the district as a property owner. After earning City Council's and County of Santa Barbara's approval, ballots will be distributed to property owners containing the plan summary of the CBID. Once ballots are returned, a public hearing will be held in May or June of 2024 to count ballots and if 51% are in favor the district will be formed. Services would be implemented approximately 6 months later.

How would the proposed CBID assist to mitigate issues around homelessness in Downtown Santa Barbara?

Currently, homeless service contracts and cleaning are managed by the city. The business community can only make requests for changes to how the city manages these contracts and there are insufficient resources as it is to mitigate challenges in the district.

This new system would allow the CBID district (the business and property owners) to manage the service contracts in a way that better suits them, directing services exactly where they need to go. Also city maintenance services only focuses on city sidewalks, streets and landscaping. A CBID contract would not only maintain sidewalks but also power wash and sweep/ blow debris from property entryways daily so that the entire district has the same level of maintenance. Homelessness case managers can also liaise with the maintenance and security team so they can provide the extra support needed. City contractors, and the police department are also not allowed on private property with out permissions. A CBID ran by property owners with property owner and business owner permissions can provide services on both public AND private property. This annually funded program, that would be deployed districtwide and managed by property and

business owners who work in the district will make all the difference. The board will also the city and the county staff and or elected officials on the board or committees so resource coordination gets more effective and efficient.

How long does a CBID typically last?

The initial term is five years. If the district assessment payers feel that the services are not going well, they can vote the district out of existence after the 5th year. If the district assessment payers feel the services are being properly delivered, they can vote to have the district continue for another five years, and then renewed every 5-10 years thereafter. Rate payers can offer feedback through various mechanisms during the initial term while services are getting set up and tested to best ensure its success.

How are CBID funds managed and allocated?

The CBID Management Plan will direct services and budget funds to benefit property owners addressing the following areas:

- 66% of funds used to enhance safety, cleanliness, beautification, and maintenance
- 14% of funds used to enhance placemaking and identity to improve the image of the District
- 15% of funds used to administer the district benefits
- 5% of funds allocated to contingency/reserve

How do CBID's tend to affect property values?

Improved Amenities and Services:

CBIDs provide enhanced services such as increased security, cleanliness, landscaping, and marketing efforts over and above what the city currently provides. These improvements can make the area more attractive to businesses, residents, and visitors, potentially increasing property values.

Enhanced Perception: As a result of the improved services and amenities, the overall perception of the neighborhood or commercial district improves. Safer, cleaner, and more appealing surroundings generally positively impact property values by making the area more desirable to potential buyers or tenants.

Stabilization of Property Values: By addressing issues like crime, blight, and disrepair, CBIDs can help stabilize property values in areas that might otherwise experience decline. This stability can be attractive to property owners and investors, as it reduces uncertainty and risk.

Increased Economic Activity: CBIDs often work to promote economic development and vitality within their boundaries. This can lead to increased business activity, job creation, and investment, all of which can contribute to higher property values.

Market Perception: The existence of a CBID may signal to potential buyers or tenants that the community is proactive about improving and maintaining the area. This perception of community investment and commitment to improvement can positively influence property values.

What happens if a property within the CBID boundaries changes ownership?

The new owner would pay the property assessment going forward.

Can property owners and businesses within a CBID area participate in decision-making processes?

Yes, property owners and businesses within a Community Benefit Improvement District (CBID) area have opportunities to participate in decision-making processes. Here's how:

Representation on CBID Boards or Committees: CBIDs have governing boards or committees composed of property owners, business owners, and other stakeholders within the district. Businesses within the CBID area have representatives on these boards or committees, allowing them to directly participate in decision-making processes.

Open Meetings and Public Input: CBID boards or committees hold open meetings where businesses, property owners, residents, and other stakeholders can provide input, feedback, and suggestions regarding the services and activities provided by the CBID. These meetings offer businesses a platform to voice their opinions and concerns.

Participation in Planning and Strategy Sessions: Downtown stakeholders are often invited to participate in planning sessions, workshops, or focus groups organized by the CBID to develop strategic plans, set priorities, and establish goals for the district allowing businesses, property owners and downtown residents to contribute to shaping the direction of the CBID.

Collaborative Partnerships: CBIDs often collaborate with local associations, chambers of commerce, specialty merchant groups, and other organizations representing businesses within the

district. These partnerships facilitate communication, coordination, and collaboration on initiatives and projects benefiting businesses in the area.

Advocacy and Engagement: Businesses can engage with CBID staff, board members, and other stakeholders to advocate for their interests, raise concerns, and propose initiatives that address their needs. Active participation in CBID activities ensures that businesses' voices are heard and considered in decision-making processes.

Overall, businesses, property owners and residents within a CBID area play a vital role in shaping the policies, priorities, and initiatives of the district through their active participation in decision-making processes and collaboration with other stakeholders.

How does a CBID work with local government agencies or municipalities?

The CBID advocates for the district's interests and needs to local government officials, serving as a unified voice for the stakeholders within the area. A CBID will also work with local government to coordinate services and initiatives within the district, particularly around aligning priorities and leveraging funding opportunities to address mutual goals such as economic development, infrastructure improvements, and community enhancement. The city and the county, because they own property in the district, will also pay into the CBID as a stakeholder.

Can CBID assessments increase over time, and if so, by how much?

The District budget and assessments may be subject to annual increases not to exceed 5% per year. Increases will be determined by the CBID board and will vary between 0% and 5 % annually.

I thought we already have a Business Improvement District (BID) in Downtown Santa Barbara, why do we need a CBID?

Downtown Santa Barbara has operated with a business based business improvement district for the last 50 years, which brings around \$250,000 a year, from special assessment fees paid by businesses in geographical boundaries of Micheltoreana to Gutierrez and Anacapa to Chapala Streets with their business license each year. The rates have stayed the same since the 1970's. The existing BID is based on an older funding and legal model and does not bring in sufficient funds to support an inviting clean, safe and beautiful district.

A CBID is a more stable and proven funding source and platform for service delivery, because properties change hands less than businesses. CBID's requires property owner involvement to support the long term investments in a community. Businesses remain an important part of a CBID and are activity involved in many ways. As property owners want successful tenants. How

the new system differs is that property owners pay the fees on the property tax bill instead of businesses paying the fee on their business licenses. Property owners may choose to pay the assessment themselves or pass all or a portion of the fees though to businesses. They may choose to do this immediately as the CBID is implemented or gradually as downtown conditions improve with the new services delivered. The proposed CBID as defined in management plan summary would bring in about \$2 Million per year of new funds to allocated towards needed services in the district.

Once this is implemented, the Downtown Organization that currently manages the existing business based business improvement district would stop collecting funds on business license fees so that the new fees have less of an impact on businesses. While some businesses may ultimately have higher fees that may be passed through from their property owner, the benefits should vastly outweigh the costs for the upgraded services that will improve the district cleanliness, security, significantly mitigate issues around homelessness and increase the brand and perception of Downtown Santa barbara.

How are decisions made within a CBID, and can property owners have input?

Decisions within a Community Benefit Improvement District (CBID) are typically made through a collaborative process involving various stakeholders, including property owners, residents, businesses, community organizations, and local government entities. Property owners often have significant input in decision-making processes. They may participate in board meetings, public hearings, surveys, and other engagement opportunities where they can provide feedback, express concerns, and propose initiatives. Ultimately, decisions within a CBID are typically reached through consensus-building and consideration of the diverse perspectives and interests of all stakeholders involved.

How can I learn more?

To learn more visit <https://www.downtownsb.org/about/cbid> or contact Robin Elander, Executive Director Downtown Santa Barbara, CBID Project Manager at Robin@downtownsb.org. Or attend an informational event. You may also reach out to any of the CBID steering committee members as well. (Their names are listed in an earlier FAQ above.)

What: CBID Informational Mixer & Networking Event

Date: Wednesday, Feb 21, 2024

Time: 5:30-7:30 pm

Location: Community Environmental Hub, 1219 State Street.

Why: Businesses, community members and property owners are invited to learn about how the proposed community benefit improvement district (CBID) can enhance critically needed services downtown. Light refreshments and wine will be served.

How can I get a copy of my petition?

You can get a copy of your petition by emailing Robin Elander, CBID Project Manager at Robin@downtownsb.org.

Make sure, as a property owner you join the conversation and **sign the petition, by Feb. 28** so you can be an integral part of this important initiative to create a thriving downtown Santa Barbara.