



# 10

# IMPLEMENTATION

The Implementation Chapter is an action plan that provides a toolbox of potential implementation strategies and financing mechanisms available to achieve the short- and long-term goals of each of the major components of the Downtown Specific Plan. It aims to explain to readers how the plan will be implemented in terms of project review, plan improvements, redevelopment or economic development, etc. This chapter is organized into the following sections:

- ▶ Recommended Development Incentives
- ▶ Implementation Action Plan
- ▶ Funding and Financing Strategy

**Plan Administration** This chapter provides clear guidance for policymakers to address the programmatic and physical improvements critical to the success of the Specific Plan vision. This

chapter provides the Implementation Action Plan matrix, which summarizes the improvements needed to achieve the short- and long-term goals of each of the major components of the Downtown Specific Plan. The time frame in which each improvement should be addressed includes short-term (0–5 years), mid-term (6–10 years), long-term (11 plus years), ongoing, and actions that will be dependent on future development. The overall implementation plan will include the following components:

- Identification of recommended projects, actions, policies, and programs
- Prioritization of projects
- Recommended timing of public improvements
- Identification of key catalyst projects within the project area
- Identification of municipal incentives desirable to implement the Specific Plan
- Designation of lead agencies for implementation of Plan actions

Also included in this chapter is a review of the likely funding mechanisms that will be utilized to fund required physical improvements.

## 10.1 RECOMMENDED DEVELOPMENT INCENTIVES

Information forthcoming. Possible incentives may include:

**Table 10.1: Table of Recommended Development Incentives**

Item	Description
<b>Fee/Tax Reductions</b>	
Building Permit and Plan Check Fees	
Business License Fees	
Development Impact Fees	
Expedited Plan Checks	
<b>Direct Financial Assistance to Developers and Businesses</b>	
Parking Incentive	
Project-Specific Infrastructure Financial Assistance	
<b>Other Incentives</b>	
Construction Incentives	
Streetscape Improvements	

Item	Description
Application Project Review Meetings	
Green Building Recognition Program	
Technical Assistance	

## 10.2 IMPLEMENTATION ACTION PLAN

**Table 10.2. Implementation Action Plan**

Implementation Action	Cost Estimate (where applicable)	Priority Lead	Responsibility	
			Lead	Support
LAND USE REGULATION OR POLICY (LU)				
LU-1	To be synthesized from Chapters 4 and 6 when complete	-	Short Term	CD
ECONOMIC DEVELOPMENT (ED)				
ED-1	To be synthesized from Chapter 9 when complete	-		Y5-5
CIRCULATION (C)				
C-1	To be synthesized from Chapter 5 and Chapter 7 when complete			Y7-7
PUBLIC IMPROVEMENTS (P)				
P-1	Coordinate public projects with any future utility improvements to the greatest extent possible	-	ongoing	U, T
P-2	Construction stormwater system projects as outlined in Chapter 8, Table 8.1	TBD		U
P-3	Construct the 18 projects identified in the WWMP	\$1,838,042		U
P-4	Construct the hydrant replacement project identified in the WMP	TBD		U
FUNDING PROGRAMS (F)				
F-1	TBD	-		

**Key:**

<u>Responsible City Department:</u>		<u>Other Responsible Party:</u>	<u>Priority:</u>
CD = Community Development ED = Economic Development F = Fire Department FI = Finance Department	PD = Police Department PW= Public Works R = Parks & Recreation		Short Term = 0-5 years Mid Term = 6-10 years Long Term = 11 + years Ongoing

## 10.3 FUNDING AND FINANCING STRATEGY (IN PROGRESS)

The Downtown Specific Plan identifies a variety of specific infrastructure improvements that will be necessary to facilitate development within the project area. This strategy identifies funding and financing sources for capital improvements needed to support the Plan. This strategy does not cover the costs of operation and maintenance of the infrastructure.

The following addresses one of the fundamental decisions relating to implementation, which is the general approach to paying for infrastructure improvements.

### “FUNDING” VERSUS “FINANCING”

The term “funding” refers to a revenue stream—whether from a tax, fee, grant, or other revenue source that generates money to pay for an improvement. “Financing” or “debt financing” refers to the mechanisms used to manipulate available revenue streams, so that agencies are able to provide infrastructure immediately, before revenue equal to the full cost of that infrastructure is available.

Typically, debt financing involves borrowing from future revenues by issuing bonds or other debt instruments that are paid back over time through taxes or fee payments. Although the terms funding and financing are often used interchangeably, the distinction is important because financing mechanisms almost always require that a funding source be identified to pay off the debt. For example, the land-based or district financing tools discussed below typically establish a new district-wide tax or fee that is used to pay back bondholders.

## POTENTIAL FUNDING SOURCES AND FINANCING MECHANISMS

A variety of funding sources are available for the types of infrastructure improvements anticipated to be included in the Plan.

This section provides an overview of funding sources and financing mechanisms for the types of improvements included in the Plan.

### LAND-BASED OR DISTRICT FINANCING

In California, the most commonly used land-based financing tools have included the formation of benefit assessment districts, community facilities districts, and tax increment financing districts. These land-based financing tools are described below, along with infrastructure financing districts, which may serve as an alternative to tax increment financing in the future since this tool is no

longer available due to the elimination of redevelopment agencies in California at the end of 2011. Many of these district financing tools depend on new real estate development to generate assessments or property tax revenues to finance the improvements.

## BENEFIT ASSESSMENT DISTRICTS

In a special assessment district, property owners within the district agree to pay an additional fee or tax in order to fund an improvement within a specific geographic area. The amount that each property owner pays must be proportional to the benefit the property will receive from the proposed improvement. Assessment districts are established by a majority vote of the property owners and can include a variety of different types of districts, from business improvement districts to sewer, utility, and parking districts.

## COMMUNITY FACILITIES DISTRICTS

Like benefit assessment districts, Mello-Roos community facilities districts (CFDs) are formed when the property owners in a geographical area agree to impose a tax or fee on the land in order to fund infrastructure improvements. Unlike benefit assessment districts, however, CFDs are most commonly formed in cases where the geographic area encompasses a small number of property owners who intend to subdivide the land for sale. This is because, to be enacted, CFDs require a two-thirds vote of property owners, unless there are at least 12 registered voters within the proposed district, in which case the district must be approved by a two-thirds majority in an election of registered voters.

## INFRASTRUCTURE FINANCING DISTRICTS

Infrastructure financing districts (IFDs) use a property tax increment to pay for infrastructure improvements. New tax revenues are diverted to finance improvements, but IFDs cannot divert property tax increment revenues from schools. Under existing California law, a city or county may create infrastructure financing districts by ordinance, if a two-thirds majority of the voters in the proposed district approves the IFD.

## SPECIAL TAX DISTRICTS

Manhattan Beach has a Downtown Business Improvement District (BID) to help fund maintenance of public property and special events in the Downtown, such as the Farmers Market, sidewalk sales, and the Holiday Open House, as well as provide marketing and branding of the Downtown area

## PRIVATE CONTRIBUTIONS/INVESTMENT

This section describes contributions and investment from the private sector that can be used to pay for new infrastructure to be used by new development.

## IMPACT FEES

Development impact fees are a one-time charge to new development imposed under the Mitigation Fee Act. These fees are charged to new development to mitigate impacts resulting from the development activity.

City impact fees to help fund the cost of providing public services and facilities. Water and sewer fees are necessary to ensure that these services will be available to serve new developments. In accordance with Chapter 10.90 of the Municipal Code, the City charges a fee for art in public places. The fee is equal to one percent of the building valuation and is not assessed on residential projects of fewer than four units. The City does not charge a traffic impact fee. While these fees are not insubstantial, they constitute only about 2% of the value of a typical owner-occupied residence and about 1.5% of the total value of a multi-family apartment. In accordance with Municipal Code Section 10.52, Affordable Housing Incentive Program, fees may be waived if the applicant agrees to meet certain affordability standards.

## DEVELOPMENT AGREEMENTS

Structured negotiations between cities and developers are often conducted to obtain desired improvements in exchange for development rights. The extent to which a new project can contribute to the provision of infrastructure depends on a number of factors, including the anticipated prices for new housing units, construction costs, lot size and configuration, and parking ratios. All of these factors will vary depending on the final format and timing of development; therefore, the amount of public benefits that can be provided is unpredictable and will have to be negotiated.

## PUBLIC/PRIVATE PARTNERSHIP

A public/private partnership typically consists of an agreement between a public agency and a private entity to deliver a new facility or infrastructure system. The public agency may agree to annual payments to the private partner in return for building and operating the new facility. A private entity may be formed to be responsible and financially liable for delivering the project and may also share in revenues from operations.

## USER FEES/RATES

User fees and rates include the fees charged for the use of public infrastructure or goods (toll road or bridge, water or wastewater system). Such fees and rates are typically set to cover a system's operating and capital expenses each year, which can include debt service for improvements to the system. It may be possible to use some portion of user fee or rate revenue toward financing the costs of new infrastructure, though doing so may require raising rates.

## GRANTS AND OTHER FUNDS

Various federal, state, and regional grant programs distribute grant funds for public improvement

projects. Because grant programs are typically competitive, grant funds are an unpredictable funding source. Grants and other potential sources include those described below.

## CAPITAL IMPROVEMENT PROGRAM

The City of Manhattan Beach has a Capital Improvement Program (CIP) which is adopted annually. The CIP identifies capital projects by category along with funding sources. Projects identified in the Specific Plan would be candidates for future inclusion in the CIP.

## ENTERPRISE FUND CAPITAL IMPROVEMENTS USER SERVICE FEES

Text TBD

## PARKS AND RECREATION FEES

Text TBD

## LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (MTA)

Text TBD

## STATE AND FEDERAL FUNDS

The City may pursue state and federal funding opportunities as they become available. Because grant programs are typically competitive, grant funds are an unpredictable funding source. These programs change over time depending on funding availability.

## 10.3 PLAN ADMINISTRATION

The City of Manhattan Beach is responsible for the administration, implementation, and enforcement of this Specific Plan. It shall be reviewed, maintained, and implemented in a systematic and consistent manner. The implementation action plan presented in this chapter summarizes the programs, policies, and projects for implementing the downtown's development as outlined in this Specific Plan. Priorities are set for actions that need to be undertaken in the first years after adoption.



