

MEMORANDUM



DATE: June 3, 2025

TO: Justin Hess, City Manager

FROM: Patrick Prescott, Community Development Director
VIA: Simone McFarland, Asst. Community Development Director
Mary Hamzoian, Economic Development Manager
BY: Marissa Cardwell, Senior Administrative Analyst

SUBJECT: Update of the Magnolia Park Property-Based Business Improvement District Process

BACKGROUND

The number of petitions needed to move the proposed Magnolia Park Property-Based Business Improvement District (PBID) forward to the next phase of approval were not received so the efforts to establish the PBID have been terminated.

The original Magnolia Park Partnership was formed as a PBID in 2006 for a five-year term. Despite efforts from the City of Burbank and some property owners to renew the PBID for another five-year term beginning 2012, efforts were unsuccessful and the PBID ended on December 31, 2011.

In 2014, a few business owners created an association known as the Magnolia Park Merchants Association (MPMA) to unite area businesses and support community events in Magnolia Park. While the organization has had successes, the lack of a stable funding mechanism and staff for the area has proven difficult. Since its establishment, the City's Economic Development Team has continuously engaged with the MPMA, attending meetings, presenting information and providing ongoing business support through event assistance and marketing efforts. Since 2014, at the request of the MPMA, several of the meetings/presentations from staff resulted in discussions regarding the potential to reestablish a PBID in the Magnolia Park area however staff expressed that the community must desire a PBID and should explicitly ask the City to proceed with an investigation regarding the feasibility to obtain enough support to approve a PBID.

As a membership funded organization, the MPMA has continuously struggled to maintain membership and collect dues annually. This has resulted in the MPMA

requesting annual funding from the City to support their events and holiday decorations. Since 2016, the City has financially supported businesses and property owners in Magnolia Park with approximately \$30,000 in annual funding or \$300,000 total, allocated for Holiday in the Park street closure and annual holiday décor. Without ongoing funding from the City, the MPMA would not be able to produce the annual event without securing alternative sponsors.

In 2024, based on feedback from some MPMA members and additional business and property owners, for the ongoing need for a stable funding mechanism, City Council allocated funding to hire a consultant to determine the feasibility of establishing a new PBID in Magnolia Park. Urban Place Consulting (Consultant) was hired to conduct a Feasibility Study and determine if a PBID was a viable funding mechanism for Magnolia Park.

Feasibility Study

The first step in the Feasibility Study began in July 2024 with an online survey sent to business and property owners in the area. Of the 375 surveys sent out, 36 responses were received. The respondents of the survey were asked to rate various attributes of the existing neighborhood and rank services or programs that would benefit their business or property in the future. Most respondents agreed that the most important areas of focus were marketing and events, followed by a diversified retail mix. Additional areas of focus and concern included issues related to safety, homelessness, and maintenance. The responses to this survey served as the framework for future discussions and community meetings with businesses and property owners.

Two business and property owner community meetings were held on September 4, 2024, and September 5, 2024, a total of 18 stakeholders attended the meetings. At these meetings, stakeholders shared feedback and input on the issues facing Magnolia Park and what proposed changes they would like to see. The general concerns mirrored those of the survey respondents, with cleanliness and safety being top issues. Marketing and events promoting local business were also deemed high priority. In general, participants were open to establishing a PBID and understood the need for the services and the stable funding mechanism.

In addition to the two business and property owner community meetings, the Consultant also visited and walked the proposed PBID area to observe and assess its physical condition and the types of commercial uses that were in the area.

From the feedback and input gained from the series of surveys, meetings, and research and observations from businesses and property owners, the Consultant developed a feasibility study (Attachment 1) that determined there was a desire to move forward with the process to establish a PBID.

Steering Committee and Petition Process

With the results from the feasibility study validating the desire to establish a PBID, the Consultant moved forward with the next steps. First, the Consultant formed a Steering Committee (Committee) (Attachment 2) comprised of eight dedicated stakeholders that

were the driving force in establishing the PBID. The Committee met monthly from October 2024 thru December 2024 and discussed the results from the survey and community meetings to help draft a plan of action which would be known as the draft Management District Plan (Plan), the guiding document for the PBID which outlined the proposed boundaries, budget, programs and services and assessment rate. In December 2024, the Committee approved the proposed draft Plan.

To establish a PBID, a majority of property owners need to sign a petition in support, the number of petitions received must equal more than 51% of the proposed assessments to move to the next step in the formation process. The following steps were then taken in an effort to establish the PBID:

- On March 11, 2025, petitions accompanied by the Plan and supporting documents were sent to each property owner within the boundaries of the proposed PBID including a letter from the Committee members stating their support.
- On March 12, 2025, information regarding the proposed PBID was added to the Economic Development page on the City of Burbank website.
- On March 20, 2025, staff held a petition drive kick-off community meeting at Porto's Bakery inviting all property owners and businesses to attend, the event concluded with a total of ten attendees.
- From March 12, 2025, thru April 30, 2025, staff and Committee members personally reached out to individual property owners via phone, e-mail, and in-person to discuss the Plan and the benefits of a PBID to ultimately encourage them to sign a petition.
- On April 2, 2025, several churches expressed concerns about their inability to pay the assessment and shared that they didn't feel the PBID would benefit them. To help mitigate some of these concerns, staff worked with the Consultant to reduce the proposed assessment for religious organizations by 75%.
- On April 21, 2025, it became evident that despite the well perceived change to the assessment for non-profits, there was not a significant change in overall support for the PBID.
- On April 28, 2025, the Consultants confirmed that with 19.5% of petitions received in favor, the proposed PBID had not received enough support to continue to the ballot phase of the establishment process.

Property Owner Concerns

Despite a vocal group of property owners and local advocates supporting the proposed PBID, there were others that expressed disinterest or opposition. Some shared concerns regarding rising business costs and new tariffs, while others expressed that Magnolia Park was already well supported, thriving and did not need additional resources. Due to the conflicting feedback received from property owners within the proposed PBID boundaries, after seven weeks of petition outreach reaching only 19.5%, the required support from property owners representing 51% of the proposed assessments was not reached.

CONCLUSION

Unfortunately, the petition process proved that there is not enough support from a majority of property owners within the proposed Magnolia Park PBID to move forward with forming a PBID at this time. Establishing a PBID would have created a strong business community with financial dependability from the City and the ability to invest in marketing and events and a long-term strategy to help revitalize the neighborhood. Without the PBID, Magnolia Park continues to struggle with funding and will be dependent on the annual \$30,000 investment from the City's General Fund. The City does not provide funding to any other merchant organization or PBID in Burbank.

Looking ahead, a comprehensive strategy for improvements in the Magnolia Park area will require a broad level of property and business owner support including a dedicated funding source to be successfully implemented.

ATTACHMENT

Attachment 1 – Feasibility Study

Attachment 2 – Steering Committee Members

**Magnolia Park
Business Improvement District Feasibility Study**

**Prepared for
The City of Burbank**

January 20, 2025

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BACKGROUND

Magnolia Park Partnership was formed as a Property-Based Business Improvement District (PBID) in 2006 for a five-year term. Although there was an effort by the City of Burbank and some property owners to renew the PBID for another five-year term beginning 2012, ultimately the efforts were unsuccessful and the PBID sunseted December 31, 2011. From 2006-2011, the PBID was comprised of all commercial properties along Magnolia Boulevard and Hollywood Way, bound by Chandler Boulevard to the north, Clark Avenue to the south, the City limits to the west, and Buena Vista Street to the east. The Magnolia Park PBID's programs in 2006 included the following:

1. Parking improvement program with a goal to create or make available at least 150 new or newly managed spaces in Magnolia Park;
2. Maintenance services to clean debris from street trees and increase the frequency of litter removal along with a tree replacement program;
3. Promotions, marketing, events, business recruitment; and
4. Advocacy to promote business interests and allow the business community to speak with one voice.

In 2014, some business owners created a merchant association known as the Magnolia Park Merchants Association or 'MPMA' to unite area businesses and support community events in Magnolia Park. While the organization has had successes, the lack of a stable funding mechanism for the area has proved difficult. Additionally, the impacts from the COVID-19 Pandemic on small and micro businesses disproportionately affected the Magnolia Park area.

Since 2016, the City has financially supported businesses and property owners in Magnolia Park with approximately \$30,000 in annual funding allocated to event street closure services and annual Holiday décor. Additionally, City staff support the commercial corridor with services above and beyond those generally provided including additional marketing support, and leasing advocacy. A stable funding mechanism and supportive services are essential to ensuring Magnolia Park continues to thrive.

Now, after a 13-year hiatus since the last PBID was implemented, the City has allocated additional funding to Magnolia Park earmarked to determining the feasibility of PBID that could address maintenance needs, marketing, events, capital improvements, infrastructure projects, and advocacy for the area.

In 2024, the City hired Urban Place Consulting to conduct a feasibility study and determine if a PBID was a viable funding mechanism for Magnolia Park.

Business Improvement Districts

Business Improvement Districts (BIDs) have been in existence since the 1970s as funding mechanisms to revitalize commercial districts. In the United States, there are upwards of 2,000 BIDs that raise well over \$700 million annually to improve commercial centers, "Main Streets" and downtowns. The number of BIDs in California is over 200 with 40 of those in Los Angeles and 2 currently in Burbank.

BIDs help improve the economic vitality of commercial districts and neighborhoods by receiving annual mandatory assessments from property owners and using those assessments to fund the resources most needed in the district, from "clean and safe" services to marketing and

promotions. Research by the Furman Center for Real Estate and Urban Policy at New York University in 2007 found that, on average, the value of commercial property within New York City BIDs was approximately 15% higher than comparable properties in the same neighborhood but outside the BID's boundaries. Likewise, in Los Angeles, for example, the Fashion District BID, which launched in 1996, created an atmosphere of investment that led to 6.3 million square feet of new development in 10 years. Vacancy rates there declined 3% in only three years.

FEASABILITY STUDY PROCESS

The first step in the feasibility study process began July 2024 with an online survey conducted with business and property owners in the area. Of the 375 surveys sent out, 36 responses were received. The respondents of the surveys were asked to rate various attributes of the existing neighborhood and rank improvements or programs that would benefit their business or property in the future. The responses to this survey served as the framework for discussions and business and property owner workshops within the district.

Two business and property owner workshops were held on September 4th and 5th. At these workshops, Magnolia Park stakeholders were able to share feedback and input on the issues facing Magnolia Park.

A property owner database was also created to help analyze potential costs per property owner based on a proposed budget and to help identify key stakeholders in the area and their needs.

During the determination process, the consultant team also visited and walked the district to observe, photograph, and assess its physical condition as well as the types of commercial uses and behavioral patterns of people using the streets and sidewalks.

The combination of surveys, public meetings, research, observations, and steering committee meetings form the foundation of this report. Through the series of these discussions all stakeholders involved agreed that a BID is necessary and would help improve the neighborhood and the businesses along Magnolia Blvd.

Surveys

The survey, distributed online, sought to gain an understanding of the needs and opportunities for Magnolia Park. The survey received 36 responses, with 17 being business owners, 19 being property owners and 7 being both a business and property owner (Exhibit A).

The respondents were asked what the most important areas that need to change to improve Magnolia Park. The majority wanted to see marketing and events, with a close second being retail mix. Respondents also wanted to see better parking management and improved sidewalks and streets. When asked more in-depth about events and retail mix, the respondents replied by rating the quantity, quality and access to parking of current events as fair and the diversity and cost range of dining options as fair.

Similar to most BIDs in Los Angeles, Magnolia Parks' biggest issue is related to homelessness, panhandling and maintaining a safe environment.

In conclusion, the survey results stated that Magnolia Park needs more neighborhood investment in maintenance and safety to attract visitors and new businesses to the area which will in return raise property values and improve the area.

Public Meetings

The consultant team met with property and business owners through two business and property owner workshops in September of 2024. All property owners in the Magnolia Park area were invited to attend these meetings which were held on two different days and at two different times to allow as many people to be able to attend as possible. In these meetings stakeholder concerns mirrored those of the survey respondents, with cleanliness and safety being top issues. Marketing and events promoting local business were also deemed of high interest. The stakeholders understood that they need both a safe and clean environment to market and increase their customer base. The groups discussed the issues they had with the neighborhood and the previous PBID. All participants were open to discussions about a new PBID and interested in the services it would provide, which they agreed was much needed and would create a stable funding mechanism to enhance the neighborhood and attract more visitors.

Consultant Research and Observations

Magnolia Park is a quaint shopping and dining district with a large thoroughfare and plenty of traffic running right down the middle of it. The sidewalks are wide; however, in need of more frequent maintenance. Streetscape is mostly non-existent with several empty tree wells or tree wells that take up the entire sidewalk. Weeds are filling tree wells and growing out of broken sidewalks. While a significant homeless population was not observed by the consultants, it was a major concern for property and business owners, which could contribute to an unsafe perception and needs to be addressed.

Summary of Needs

In the surveys, public meetings, research and observations, and steering committee meetings the same message was repeated: cleanliness, safety, and marketing/events. All the concerns discussed in stakeholder meetings and received via survey responses all be mitigated or fixed with the implementation of a PBID. Throughout Burbank and across Los Angeles BID's have successfully tackled similar issues to better their neighborhoods, increase property values, and support businesses. Magnolia Park stakeholders understand the importance of a BID and recognize the need to take ownership of their neighborhood with a stable funding mechanism and private investment.

RECOMMENDATION AND SUMMARY

In conclusion, based on these observations, the consultant determined there was a desire to move forward with the process to establish a PBID based on the research and observations from the business and property owners. Urban Place recommends that Magnolia Park commit to forming a PBID to revitalize the area.

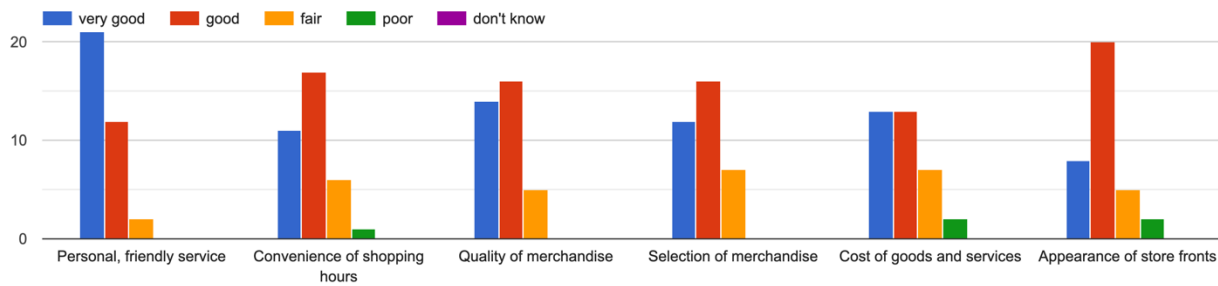
The creation of a PBID will help to establish a strong private sector organization with a dependable financial core. This self-sufficient organization is necessary to implement the PBID and why stakeholders should sign petitions. Magnolia Park has a solid foundation with its

surrounding customer base living directly adjacent to Magnolia Blvd., a history and understanding of BID programs, and strong city management. Connecting with property owners and getting signed petitions quickly will be key to a successful PBID establishment. Needing only 25% of property owners to sign petitions and move forward in the process makes this feasible.

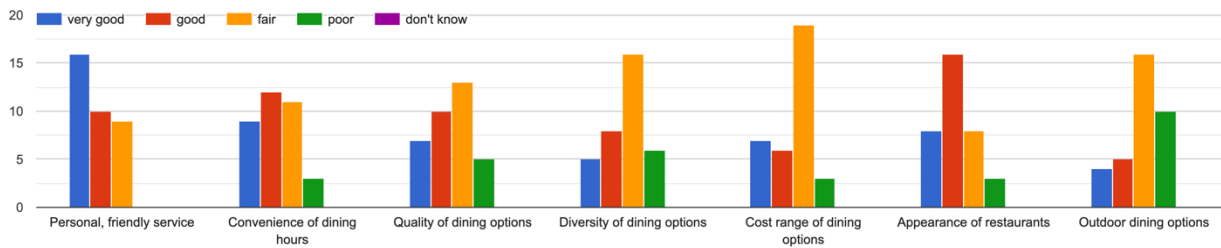
To begin the formation process, in October 2024, a panel of eight property and business owners were convened to serve as the steering committee. The steering committee met monthly from October 2024 thru December 2024 and discussed the elements of a PBID and the needs of the area allowing the Urban Place team to get a better understanding of the dynamics of the neighborhood the property and business community. In December 2024, the steering committee approved the proposed PBID programs for the area including boundaries, budget, and assessment rates, which would be submitted as a part of the Management District Plan (MDP) which will be submitted to the City in January 2025.

EXHIBIT A – SURVEY

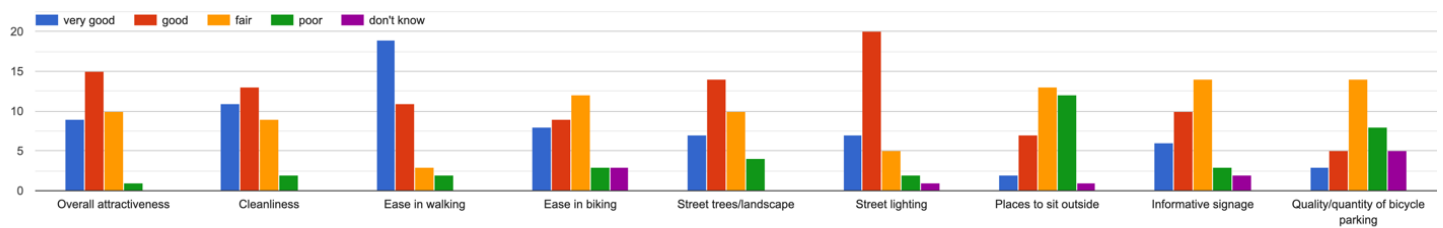
How would you rate the Retail Shopping Experience in Magnolia Park for the following:



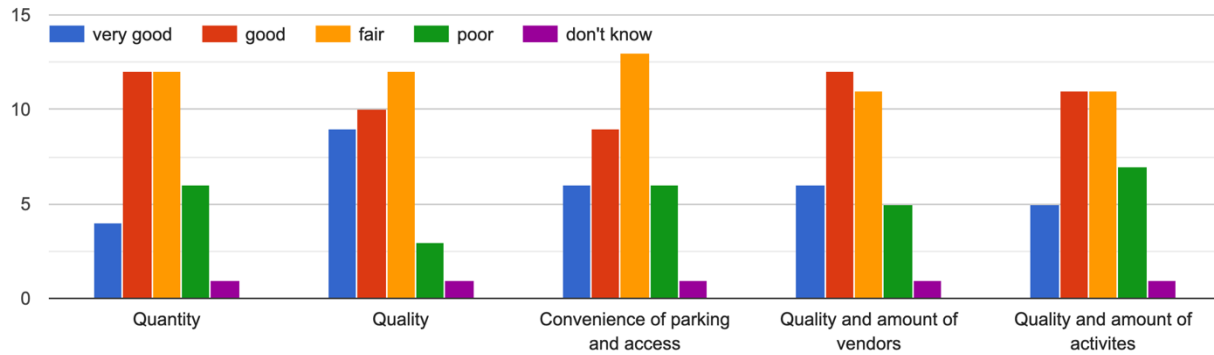
How would you rate the Dining Experience in Magnolia Park for the following:



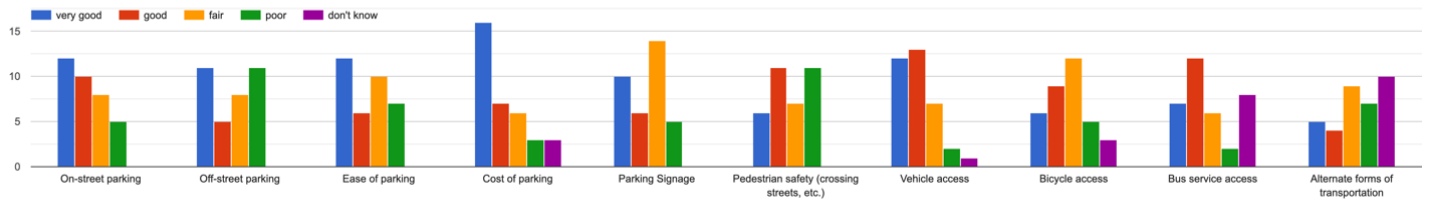
How would you rate Magnolia Park's Physical Environment in each of the following:



How would you rate the Events in Magnolia Park for the following:

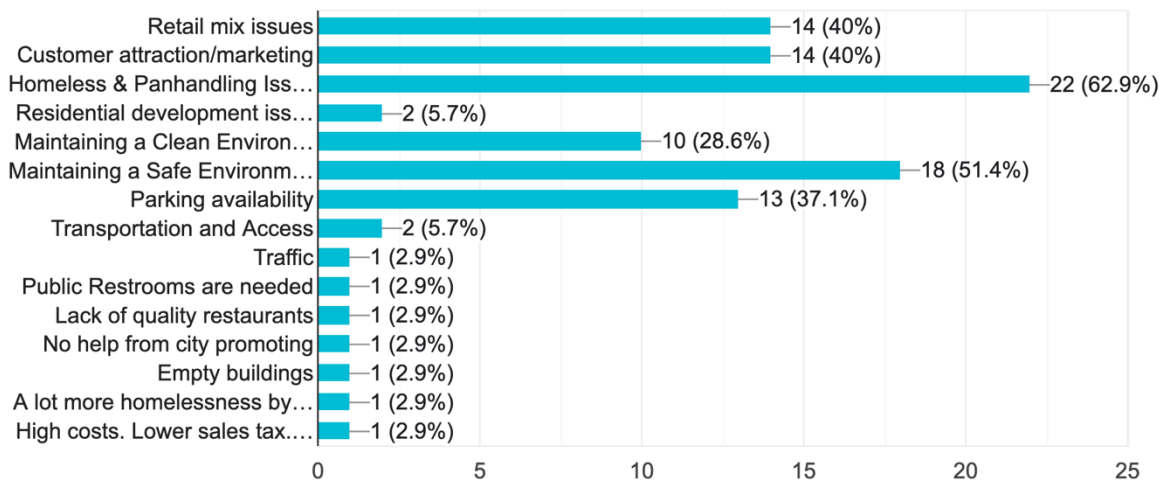


How would you rate Magnolia Park in terms of Access and Parking in each of the following



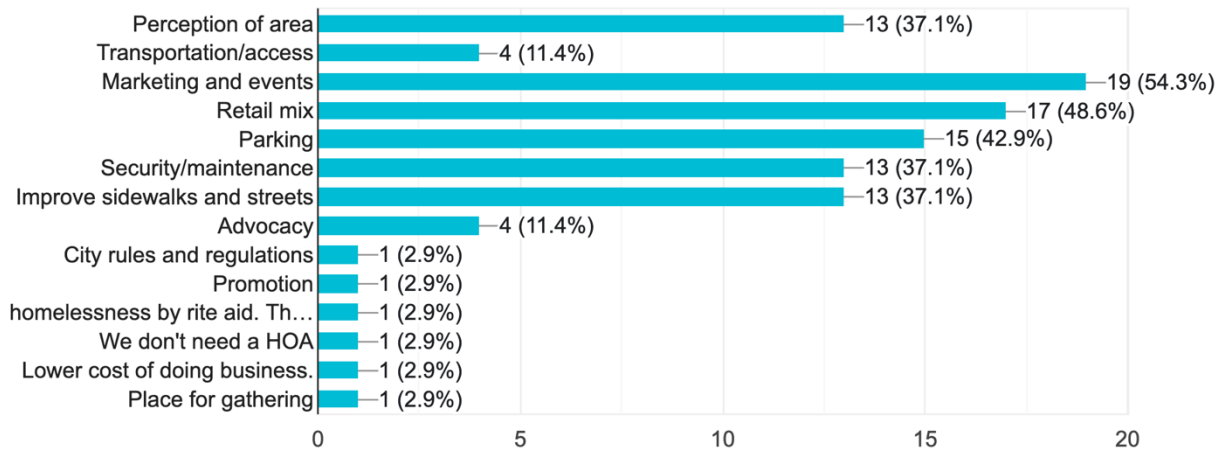
Please provide your input on Issues Facing Magnolia Park currently. Please mark what you think are the top three (3) issues:

35 responses



What are the three (3) most important areas that need to change to improve business in Magnolia Park? Mark three (3)

35 responses



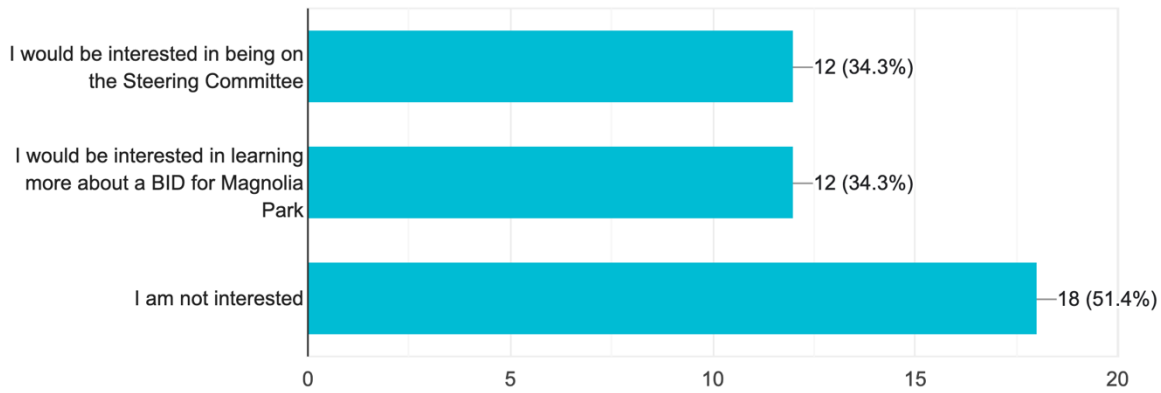
Is there anything else you would like us to know? (20 responses)

1. The trees in Magnolia Park shed berries and it is very difficult to maintain clean sidewalks!! it's a real nuisance to the store owners. The berries get dragged into the shops as well.
2. More sit down restaurants like New Deal would be great.
3. Inhibiting traffic flow and eliminating parking by adding bike lanes, etc. will DESTROY our neighborhood and business.
4. Please don't create more parking issues. Porto's is already a disaster.
5. The area needs more crosswalks and/or street lights especially towards the Buena vista side
6. Magnolia businesses bring in so much money for city but city goes out of their way to make things difficult and expensive for business to do things.
7. The cost of landlords out pricing the stores and restaurants
8. <https://www.instagram.com/reel/C80f9aA0d3d/?igsh=MTc4MmM1Yml2Ng==> Magnolia park has so much potential... however it could use some improvements on the overall natural canopy... more outdoor seating/dining/ better signage when a place has seating in the back... safer side walks... and much less of a highway feel on the road... it's way to Wild West out there The video I linked above is a bit more of an extreme case but I think we could take a few pages out of this book Excited for the future!

9. i have personally been targeted 3 times with theft. Ive also had people who seemed like they were on drugs come into my salon talking gibberish and then leaving.
10. Available security and security presence
11. More greenery, more bars resteraunts there's no night life . Too conservative
12. I love Magnolia park! I don't think we need to contract an outside company to provide any service.
13. The city needs to protect small businesses, as they are essential to the local economy and community. Rising costs of rent are killing small businesses, and there is no cap on commercial real estate rent increases. Burbank has even raised its costs for any kind of event permit, making the community suffer due to the city's own greed.
14. Burbank is becoming like LA
15. I, as a business owner, am very against having a business HOA. I don't want to pay a monthly fee for a bench or new tree in front of my shop while someone comes to regulate and fine me for anything they don't like about my store. NO HOA! THEY'RE NEVER HELPFUL AND A WASTE OF MONEY. Their ideas of putting trash cans on the street encouraged homeless people to dump them on the street and sleep next to them. Same with benches they get commandeered by homeless and discourage people from coming to our street.
16. If property owners have to pay more, they'll just pass that cost to a tenant. -Raising cost of operating. Stop allowing animal sacrifice in residential areas regardless of religious beliefs.
17. Would love to see more restaurants in the area. Also the Food Truck Fridays need more diversity in trucks and more advertisement. The first one had good attendance. The second one seemed to have less attendance.
18. put car speed signs for cars drive as if it's a freeway
19. The food truck events are not beneficial to our shop.
20. Side walks are filthy

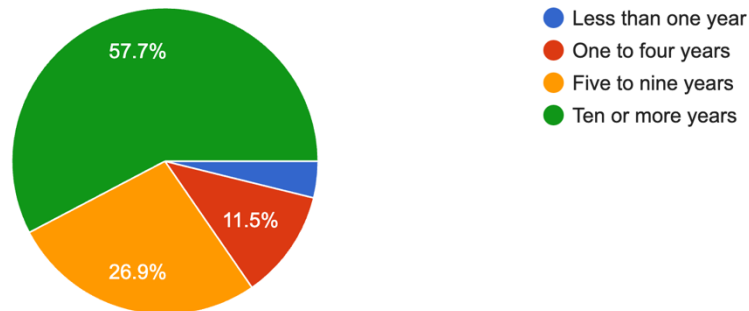
As part of this process we are creating a Steering Committee to help guide Magnolia Park. Would you be interested in serving on this Committee or help in other ways? (Please check all that apply)

35 responses



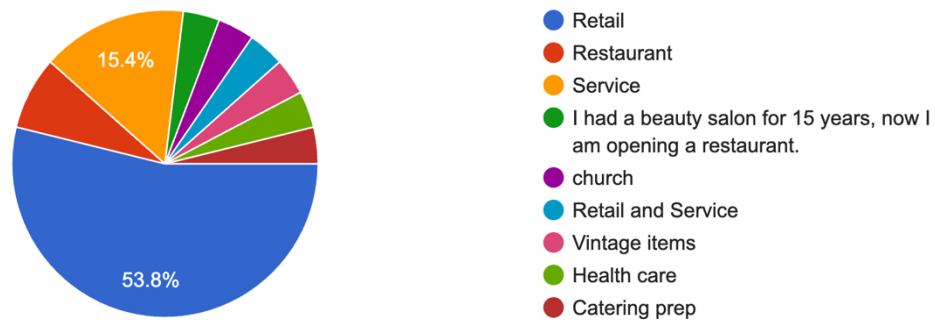
How long have you been in business in Magnolia Park?

26 responses



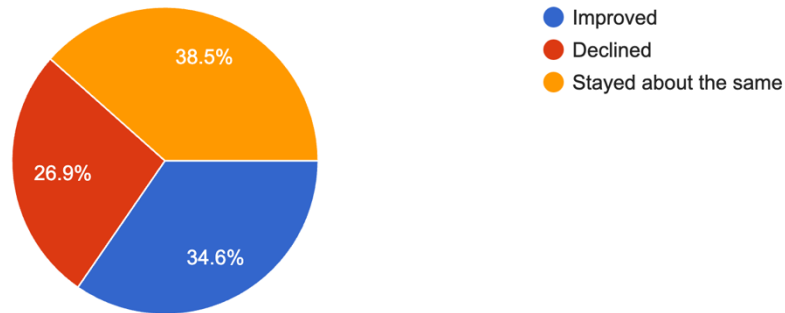
What type of business do you own?

26 responses



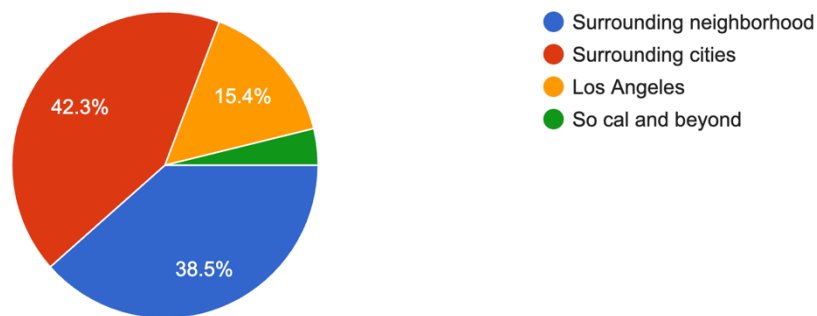
Over the last five years has your business

26 responses



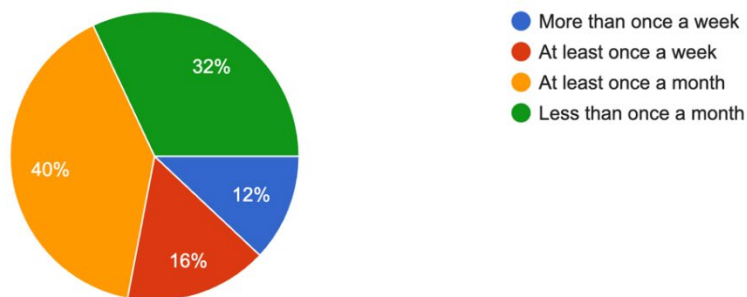
In your opinion where do the majority of your customers live?

26 responses

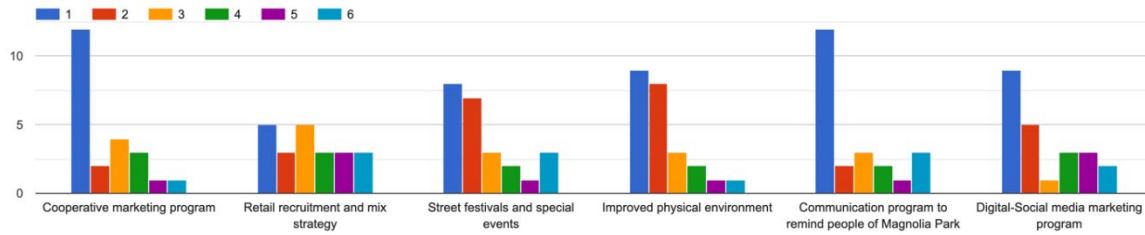


What best describes how frequently the majority of your customers use your business?

25 responses



In your opinion, what retail oriented programs would benefit your business in the future? (Please rank in order of importance, 1=most important)

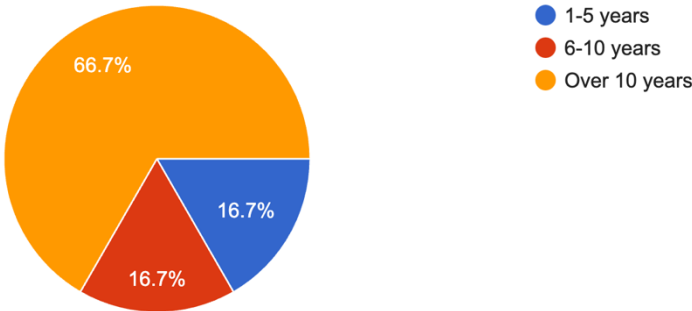


Business Name

SunMed Your CBD Store
 Kerry Nicole
 Blast From The Past
 Autobooks-Aerobooks
 Worshipwalk
 Bell Cottage
 The Herman Company
 Tansy
 Core Conditioning
 Nail Ink & Spa/ Nail Ink Nail Supply
 Discovery shop
 Vintage boutique
 Be Kind Video
 Gun World
 Mystic museum
 Playclothes
 The Brad Korb Real Estate Group
 The palm coffee bar
 Four Corners custom framing
 Scavenger's Paradise
 Dr Beau Stocking
 (Landlord)

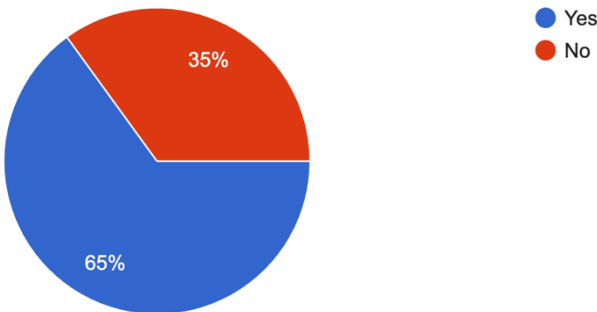
How long have you owned your property?

18 responses



Do you live in Burbank?

20 responses



Attachment 2

Magnolia Park PBID Steering Committee Members

1. Ross Benson – myBurbank.com
2. Jeff Ferguson – Run Out Groove Records
3. Brad Korb – Brad Korb Real Estate
4. Kerry Krull – Romancing the Bean and The New Deal
5. Anita Hutchinson – Ume Credit Union
6. Raul Porto – Porto's Bakery and Cafe
7. Kathy Ross – Blast from the Past
8. Michael Cusumano – Cusumano Real Estate