

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT AND ORDINANCE OF INTENTION FIRST CONSIDERATION relative to establishing a Business Improvement District (BID) to be known as the Los Angeles Tourism Marketing District (LATMD) pursuant to the Provisions of the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California) and to levy assessments.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. NOTE and FILE the revised City Clerk report dated February 12, 2025, attached to Council file No. 14-0943-S3
2. NOTE and FILE the revised draft Ordinance of Intention dated February 20, 2025, attached to said Council file.
3. FIND that:
  - a. The proposed BID is eligible for establishment pursuant to Section 36600 et seq. of the California Streets and Highways Code.
  - b. The assessments for the proposed business based BID are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 1 of Article XIII C §1(e).
  - c. The petitions submitted on behalf of the proponents of the proposed Los Angeles Tourism Marketing District are signed by lodging business owners who will pay more than 50 percent of the assessments proposed to be levied.
  - d. The marketing of the BID is a specific benefit for the lodging businesses with 50 rooms or more and exceeds the level of services provided by the City.
  - e. The assessment dollars are used in a manner that creates a clear and direct link between the marketing service provided and the benefit to the assessed lodging business.
  - f. No business other than the assessed lodging business will benefit from the assessment funded attendant marketing services and programs.
  - g. The assessment imposed does not exceed the reasonable cost to the local government of conferring the benefit.
  - h. In accordance with State Law and based on the facts and conclusions contained in the attached Management District Plan, the assessment levied on each lodging business shall not be used to provide improvements or activities outside the BID or for any other purpose other than those described in the Management District Plan and does not exceed the reasonable cost of the proportional specific benefit conferred on that lodging business.
  - i. All lodging businesses with 50 rooms or more that will have a specific benefit conferred upon them by the improvements and activities provided and upon which an assessment would be imposed are those as identified in the Management District Plan and Engineer's Report.
  - j. In accordance with State Law, the benefits and services provided by the BID to lodging businesses with 50 rooms or more within established business improvement districts in the City of Los Angeles are separate and distinct from the benefits provided by other business improvement districts.

- k. The City Clerk, or its designee, will collect the assessments.
  - l. The City Clerk, or its designee, shall be allowed to review or audit the financial records of the owners' association and all lodging businesses as necessary to ensure accurate collection and expenditure of the assessments.
  - m. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
- 4. ADOPT the Preliminary Report of the City Clerk.
  - 5. ADOPT the Management District Plan dated February 12, 2025, attached to said Council file.
  - 6. ADOPT the Engineer's Report dated February 12, 2025, attached to said Council file.
  - 7. PRESENT and ADOPT the accompanying REVISED ORDINANCE OF INTENTION dated February 27, 2025, attached to the Council file, to establish a BID to be known as the "Los Angeles Tourism Marketing District" pursuant to the Provisions of the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California) and to levy assessments.
  - 8. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the California Government Code, Section 54954.6.
  - 9. AUTHORIZE the City Clerk to release a Request For Proposals for auditing services; enter into a contract with the selected vendors and execute individual Task Orders as needed for auditing purposes of the hotels and other business improvement districts in an aggregate amount not to exceed \$172,000 for a three-year period.
  - 10. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an enabling Ordinance establishing the Los Angeles Tourism Marketing District for City Council consideration at the conclusion of the required public hearing.
  - 11. AUTHORIZE the City Clerk, upon establishment of the BID, to prepare, execute and administer a contract between the City of Los Angeles and the Los Angeles Tourism Marketing District Corporation for the administration of the District's programs.

Fiscal Impact Statement: The City Clerk reports that there are no City-owned lodging businesses within the boundaries of the proposed District to be assessed and therefore no impact on the General Fund.

Community Impact Statement: None submitted

### SUMMARY

At the meeting held on March 4, 2025, your Economic Development and Jobs Committee considered City Clerk revised reports and revised draft Ordinances of Intention relative to establishing a BID to be known as the LATDM pursuant to the Provisions of the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California) and to levy assessments.

After an opportunity for public comment was held, the Committee moved to approve the recommendations, as stated above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

## ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
SOTO-MARTINEZ:	YES
JURADO:	YES
NAZARIAN:	ABSENT
PARK:	YES

JL 3.4.2025 14-0943-S3

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**