

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT and ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the renewal of the Downtown Industrial District (Property-Based) Business Improvement District (BID).

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

1. FIND that:

- a. The petitions submitted on behalf of the proponents of the proposed Downtown Industrial District BID are signed by property owners who will pay more than 50 percent of the assessments proposed to be levied.
- b. All parcels included in the BID will receive a special benefit from the improvements and activities that are to be provided.
- c. All parcels will have a special benefit conferred upon them and upon which an assessment would be imposed are those as identified in the Management District Plan, attached to the Council file.
- d. In accordance with Article XIID of the California Constitution all assessments are supported by the Engineer's Report, attached to the Council file and prepared by a registered professional engineer certified by the State of California.
- e. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, attached to the Council file, the assessment levied on each parcel within the proposed BID is proportionate to the special benefit derived from the improvements and activities that are to be provided.
- f. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the Engineer has separated the general from special benefits with said Engineer's Report identifying general benefits in the amount of 3.05 percent to be separated from the special benefits conferred on parcels within the proposed BID with the yearly general benefits cost must be paid from funds other than the assessments collected for the Downtown Industrial District BID.
- g. The general benefit cost for first year of operation is \$102,686.84.
- h. No publicly owned parcel is exempt from assessment.

- i. The assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIII C Section 1(e).
 - j. The services to be provided by the Owners Association are in the nature of professional, expert, technical or other special services, that the services are of a temporary and occasional character, and that the use of competitive bidding would be impractical, not advantageous, undesirable or where the common law otherwise excuses compliance with competitive bidding requirements.
 - k. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
2. APPROVE the Central City East Association Owners Association to administer the Downtown Industrial District BID if the district is renewed.
3. ADOPT the following reports, attached to the Council file:
 - a. Preliminary Report off he City Clerk.
 - b. Management District Plan.
 - c. Engineer's Report.
4. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION dated March 19, 2021 to establish the Downtown Industrial District BID.
5. AUTHORIZE the City Clerk, upon establishment of the BID, to prepare, execute and administer a contract between the City of Los Angeles and the Central City East Association Owners Association, a non-profit corporation, for the administration of the BID's programs.
6. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 et seq.).
7. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare and present an enabling Ordinance establishing the Downtown Industrial District BID for City Council consideration at the conclusion of the required public hearing.

Fiscal Impact Statement: The City Clerk reports that the assessment levied on the City-owned properties within the BID to be paid from the General Fund total \$29,793.79 for the first year of the BID. Funding is available in the BID Trust Fund 659 to pay the General Fund share of the assessment for the first operating year. Proposition 218 requires the

separation of general benefits from the special benefits. The general benefit portion for the Downtown Industrial District Business Improvement District is \$102,686.84 for the first year. However, funds other than assessment revenue must be budgeted annually for the general benefit expense for the remaining years of the BID's five-year term.

Community Impact Statement: None submitted.

Summary:

On March 23, 2021, your Committee considered a March 17, 2021 City Clerk report and Ordinance relative to the renewal of the Downtown Industrial District (Property-Based) BID. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the renewal as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee

PRICE: YES
KREKORIAN: YES
BLUMENFIELD: YES
RAMAN: YES
HARRIS-DAWSON: YES

-NOT OFFICIAL UNTIL COUNCIL ACTS-