

ECONOMIC DEVELOPMENT 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 fifty (50) percent of the assessments proposed to be levied.
- b. All parcels that 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.
- c. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the Engineer's Report, the assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.
- d. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the Engineer's Report, the Engineer has separated the general from special benefits. The Engineer's Report identified general benefits in the amount of 1.85 percent to be separated from the special benefits conferred on parcels within the proposed District. The yearly general benefits cost must be paid from funds other than the assessments collected for the Downtown Industrial District BID. The general benefit cost for first year of operation is \$38,251.
- e. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the Engineer's Report, no assessment imposed on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
- f. The assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIIC §1(e).
- g. 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.
- h. 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 to serve as the Owners' Association to administer the Downtown Industrial District BID.
3. ADOPT the Preliminary Report of the City Clerk, attached to Council file (C.F.) No. 12-0931.
4. ADOPT the Management District Plan, attached to C.F. No. 12-0931.
5. ADOPT the Engineer's Report, attached to C.F. No. 12-0931.
6. PRESENT and ADOPT the attached ORDINANCE OF INTENTION to establish the Downtown Industrial District BID.
7. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute, and administer a contract between the City of Los Angeles and the Central City East Association, a non-profit corporation, for the administration of the District's programs upon adoption of the ordinance establishing the District.
8. 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.).
9. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an Enabling Ordinance establishing the Downtown Industrial District BID for Council consideration at the conclusion of the required public hearing.

Fiscal Impact Statement: The City Clerk reports that Assessments levied on the four City-owned properties within the District to be paid from the General Fund total \$7,851.51 for the first year of the District. Funding is available in the BID Trust Fund 659 to pay the General Fund's share of assessments for the first operating year. Assessments levied on the Community Redevelopment Agency of the City of Los Angeles property within the District will not be paid from the General Fund.

Proposition 218 requires the separation of general benefits from the special benefits. The general benefit portion for the Downtown Industrial District BID is \$38,251.00 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 seven-year term.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on Tuesday, May 27, 2014, the Economic Development Committee considered a report from the City Clerk dated May 23, 2014 and Ordinance relative to the renewal of the Downtown Industrial District Property-Based BID.

After providing an opportunity for public comment, the Committee approved the recommendations contained in the City Clerk report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	YES
HUIZAR:	YES
CEDILLO:	ABSENT
MARTINEZ:	YES

REW
5/28/14
FILE NO. 12-0931

-NOT OFFICIAL UNTIL COUNCIL ACTS-