

**ECONOMIC AND COMMUNITY DEVELOPMENT COMMITTEE REPORT and
ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the renewal of
the Arts District Los Angeles 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 Arts District Los Angeles 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, prepared by a registered professional engineer certified by the State of California, attached to the Council File.
- e. In accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, 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; the Engineer's Report identified general benefits in the amount of 2 percent to be separated from the special benefits conferred on parcels within the proposed BID; the yearly general benefits cost must be paid from funds other than the assessments collected for the Arts District Los Angeles BID; and that the general benefit cost for first year of operation is \$37,402.00.
- g. No publicly owned parcel is exempt from assessment.
- h. The assessments for the proposed BID are not taxes and that the BID qualifies for exemption from Proposition 26 under exemption 7 of Article XIIC Section 1(e).

- i. 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.
 - j. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
2. APPROVE the Arts District Los Angeles, Inc. to administer the Arts District Los Angeles District BID if the district is renewed.
3. ADOPT the:
 - a. Preliminary Report of the City Clerk dated March 30, 2023, attached to the Council File.
 - b. Management District Plan, attached to the Council File.
 - c. Engineer's Report, attached to the Council File.
4. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION, dated April 6, 2023, to establish the Arts District Los Angeles 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 Arts District Los Angeles, Inc., 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 Arts District Los Angeles 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 \$62,695.15 for the first year of the BID. Funding is available in the Business Improvement District Trust Fund No. 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 Arts District Los Angeles BID is \$37,402.00 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:

On April 19, 2023, your Committee considered a March 30, 2023 City Clerk report and Ordinance of Intention relative to the renewal of the Arts District Los Angeles BID. According to the City Clerk, it has received materials relative to the re-formation of a proposed property and business improvement district to be called the Arts District Los Angeles BID. The BID would be formed pursuant to the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California).

The City Clerk report shall serve as the Preliminary Report. Attached to this report are: 1) the Management District Plan, which details the improvements and activities to be provided and serves as the framing document for the proposed District; 2) a detailed Engineer's Report prepared by a registered professional engineer certified by the State of California, which supports the assessment contained in the Management District Plan; and 3) a draft Ordinance of Intention, approved as to form and legality by the City Attorney's Office.

The BID was originally established through adoption of City Ordinance 182910 on February 26 2014, and started its operational term on January 1, 2014 and expired on December 31, 2018. On May 12, 2015 City Council passed Ordinance 183576, modifying the first BID term. The second term began on January 1, 2019 and is set to expire on December 31, 2023. The proponents propose to renew the District for a seven-year term beginning January 1, 2024 and ending December 31, 2030.

The proposed BID is being established in accordance with the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California) (State Law), which allows for the establishment of a district in which operations would be supported by revenue collected from property owners in the district. The State Law allows for business improvement districts to renew by completing the same formation steps as the original establishment. This District is being reestablished in accordance with the provisions of State Law, which allows for the establishment of a district in which operations would be supported by revenue collected from property owners in the district. The proposed District programs include, but are not limited to the following: Clean & Safe, Communications and Management/Office & City Fees. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the City Clerk report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic and Community Development Committee



COUNCILMEMBER	VOTE
PRICE:	YES
SOTO-MARTINEZ:	YES
PARK:	YES

ARL

4/19/23

CD 14

-NOT OFFICIAL UNTIL COUNCIL ACTS-