

ORDINANCE NO. 181741

An ordinance establishing the **Los Angeles Tourism Marketing District** (District) and levying assessments, 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).

**WHEREAS**, the Property and Business Improvement District Law of 1994 authorizes cities to establish Business Improvement Districts for the purpose of levying assessments on businesses for certain purposes; and

**WHEREAS**, petitions were filed by owners of lodging business with 50 or more rooms in the Los Angeles Tourism Marketing District that would pay more than 50 percent of the total amount of assessments to be levied, requesting that the City Council establish the Los Angeles Tourism Marketing District; and

**WHEREAS**, the City Council, on Tuesday, March 29, 2011 adopted Ordinance No. 181622 declaring its intention to establish the Los Angeles Tourism Marketing District and levy assessments; and

**WHEREAS**, the City Clerk gave notice in the manner specified in Government Code Section 54954.6, to the owner of each lodging business with 50 or more rooms subject to the levy of an assessment that a public meeting would be held on **Tuesday, May 10, 2011** to hear testimony and comment relative to the establishment of the Los Angeles Tourism Marketing District and that a public hearing would be held on **Wednesday, May 25, 2011** concerning establishment of the District; and

**WHEREAS**, the City Council held a public meeting on **Tuesday, May 10, 2011** to hear testimony and comment relative to the establishment of the District shortly after 10:00 a.m. in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California; and

**WHEREAS**, the City Council held a public hearing concerning establishment of the District shortly after 10:00 a.m. on **Wednesday, May 25, 2011** in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California; and

**WHEREAS**, the City Council has heard all testimony and received all evidence concerning the establishment of the District and desires to establish the District.

**NOW THEREFORE,**

**THE PEOPLE OF THE CITY OF LOS ANGELES  
DO ORDAIN AS FOLLOWS:**

Section 1. ESTABLISHMENT OF DISTRICT AND LEVY OF ASSESSMENTS.  
The City Council hereby establishes the Los Angeles Tourism Marketing District and

levies an assessment on each lodging business with 50 or more rooms within the District for each fiscal year referred to in the Management District Plan.

Sec. 2. MAJORITY PROTEST. The City Council hereby finds that there was no majority protest against the establishment of the District and levy of assessments.

Sec. 3. DEFINITIONS. The City Council hereby reaffirms the "Definitions" as specified in Ordinance No. 181622.

Sec.4. ADOPTION OF MANAGEMENT DISTRICT PLAN. The City Council hereby reaffirms its adoption, approval, and confirmation of the Management District Plan included in Council File No. 11-0378.

Sec.5. LODGING BUSINESSES WITHIN THE DISTRICT. The City Council hereby reaffirms its finding that all lodging businesses, which will have a special benefit conferred upon them and upon which an assessment is imposed, are identified in the Management District Plan. New lodging businesses with 50 or more rooms opening during the term of the District, and lodging businesses expanding to 50 or more rooms during the term of the District, will be assessed in the District upon their expansion or opening. Lodging businesses with 50 or more rooms which reduce the number of rooms to less than fifty during the term of the District will cease to be assessed upon reduction of rooms to less than fifty.

Sec. 6. PROPORTIONAL BENEFIT. The City Council hereby reaffirms that the assessment imposed on each lodging business does not exceed the reasonable cost of the proportional benefit conferred on that lodging business.

Sec. 7. SEPARATION OF GENERAL AND SPECIAL BENEFITS. The City Council hereby reaffirms that it has separated the general benefits, if any, from the special benefits conferred on each lodging business.

Sec. 8. DISTRICT BOUNDARIES. The City Council hereby reaffirms that the boundaries of the proposed District are as detailed in the Management District Plan and consists of all existing and future lodging businesses with fifty (50) rooms or more within the geographic boundaries of the City of Los Angeles.

Sec. 9. THE DISTRICT'S ASSESSMENT. The City Council hereby reaffirms that the District's total assessment for five years is estimated to be \$57,500,000. The District's total annual assessment for the first year is estimated to be \$11,500,000.

For the duration of the District, the annual assessment rate will be 1.5% of Gross Room Rental Revenue for Transient stays of less than 31 days for lodging businesses as defined in Ordinance No. 181622. Based on the benefit received, certain stays shall not be subject to assessment as described in the Management District Plan.

Sec. 10. IMPROVEMENTS AND ACTIVITIES. The City Council hereby reaffirms that the proposed tourism related activities and improvements to be funded by

the levy of assessments on lodging businesses within the District are detailed in the Management District Plan. Such proposed activities include, but are not limited to, Marketing, Sales, Administration, Contingency and Renewal.

Sec. 11. FUNDING OF IMPROVEMENTS AND ACTIVITIES. The City Council declares that the improvements and activities to be provided in the District will be funded by the levy of assessments on lodging businesses with 50 or more rooms within the District. The revenue from the levy of assessments within the District shall not be used to provide improvements and activities outside the District or for any purpose other than the purposes specified in Ordinance No. 181622. The District will not issue bonds.

Sec. 12. BENEFIT TO LODGING BUSINESSES WITHIN THE DISTRICT. The City Council finds and declares that the assessed lodging businesses within the District will be benefitted by the improvements and activities funded by the assessments to be levied.

Sec. 13. DISTRICT OPERATIONAL PERIOD. The District's operational period shall begin on **April 1, 2011** and end on **March 31, 2016**.

Sec. 14. PERIOD TO REQUEST DISESTABLISHMENT. There shall be a 30-day period in each year of the District's operation during which lodging business owners may request disestablishment of the District. The first period shall begin one year after the effective date of this ordinance and shall continue for 30 days. The next 30-day period shall begin two years after the effective date of this ordinance and continue for 30 days. For each successive year of the District's operation, the 30-day period shall begin on the anniversary of the effective date of this ordinance and continue for 30 days.

Sec 15. SPECIAL FUND ESTABLISHMENT. The revenue from the assessment shall be collected and placed in the Special Trust Fund to be established and to be known as the Los Angeles Tourism Marketing District Fund (Fund). All interest and other earnings attributable to assessments, contributions and other revenue deposited in the Special Fund shall be credited to the Fund.

Sec. 16. AMENDMENT TO ENABLING STATUTE. The lodging businesses within the District established by this Ordinance shall be subject to any amendments to the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California).

Sec. 17. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles MAY 25 2011, and was passed at its meeting of JUN 1 2011.

JUNE LAGMAY, City Clerk

By  Deputy

Approved JUN 08 2011

  
Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By   
NOREEN S. VINCENT  
Senior Assistant City Attorney

Date May 17 11

Council File No. 11-0378