

ECONOMIC DEVELOPMENT COMMITTEE REPORT and ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the renewal of the Figueroa Corridor Partnership (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 Figueroa Corridor Partnership 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 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, attached to the Council file.
- d. In accordance with Article XIID of the California Constitution all assessments are supported by the City Engineer's Report, prepared by a registered professional engineer certified by the State of California and 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 City 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. That in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached City Engineer's Report, attached to the Council file, the City Engineer has separated the general from special benefits.
- g. The City Engineer's Report identified general benefits in the amount of 4.87 percent of the program costs to be separated from the special benefits conferred on parcels within the proposed BID.
- h. The yearly general benefits cost must be paid from funds other than the assessments collected for the Figueroa Corridor Partnership BID and that the general benefit cost for first year of operation is \$72,059.29.
- i. No publicly owned parcel is exempt from assessment.
- j. The assessments for the proposed BID are not taxes and that the BID qualifies for exemption from Proposition 26 under exemption 7 of Article XI11C, Section 1(e).
- k. The services 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.

1. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
2. APPROVE the Figueroa Corridor Partnership, Inc. to serve as the Owner's Association and to administer the Figueroa Corridor BID if the BID is renewed.
3. ADOPT the March 6, 2017 City Clerk report, Management District Plan, and Engineer's report, attached to the Council File.
4. PRESENT and ADOPT the accompanying Ordinance of Intention dated February 27, 2017 to renew the Figueroa Corridor Partnership BID.
5. AUTHORIZE the City Clerk, upon establishment of the Figueroa Corridor Partnership BID, to prepare, execute and administer a contract between the City of Los Angeles and the Figueroa Corridor Partnership, 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 renewing the Figueroa Corridor Partnership BID for Council consideration at the conclusion of the required public hearing.

Fiscal Impact Statement: The City Clerk reports that funding for assessments levied on the City-owned properties within the Figueroa Corridor Partnership BID was included in the General Fund allocation to the 2017-18 BID Trust Fund 659.

Proposition 218 requires the separation of general benefits from the special benefits. The general benefit portion for the Figueroa Corridor Partnership BID is \$72,059.29 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 ten-year term.

Community Impact Statement: None submitted.

Summary:

On March 28, 2017, your Committee considered a March 6, 2017 City Clerk report and Ordinance of Intention relative to the renewal of the Figueroa Corridor Partnership BID. According to the City Clerk, the 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 proposed District programs include, but are not limited to the following: Safe and Clean Programs, Communication/Development and Administration/Office/City Fees.

In order to proceed with the renewal process under the State Law, the proponent group needed to secure written support for the project in the form of petitions signed by property owners who will pay more than 50 percent of the assessments proposed to be levied. The proponent group for the renewal of the BID has presented to the City Clerk a set of petitions that support the formation of the proposed District. The City Clerk has verified the validity of the petitions using various City and County of Los Angeles sources. In addition, the accuracy of the assessment calculations have been verified. The petitions received indicate affirmative financial support of the project in an amount equivalent to \$795,313.48. This represents 56.47 percent of the proposed BID's projected first year assessment revenue of \$1,408,463.30. Because the more than 50 percent threshold of preliminary support has been achieved, the formal business improvement district renewal process, including a public hearing before the City Council, may be initiated.

The boundaries of the proposed District are detailed in the Management District Plan, attached to the Council file. A general description of the boundaries of the proposed District is as follows:

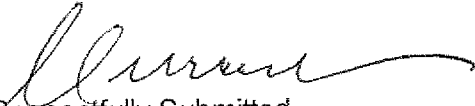
Property street front footage bounded roughly by Flower Street, Grand Avenue and Hill Street to the East, Martin Luther King Jr. Boulevard to the South, Vermont Avenue and Hoover Street to the West and the Santa Monica Freeway to the North.

Because of the linear nature of the BID and the dominance of commercial corridors on Figueroa Street, Flower Street, Vermont Avenue and Hoover Street, the BID is organized around street front footage rather than land areas or building square footage. There are 339 parcels owned by 147 stakeholders in the proposed BID. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

Article XIID of the California Constitution (Proposition 218) requires, among other things, that the City Council:

- a. Identify all parcels that will have a special benefit conferred upon them and upon which assessments will be imposed.
- b. Determine the proportionate special benefit derived by each identified parcel in relation to the entirety of the capital cost of the property related service.
- c. Not impose an assessment on a parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel.
- d. Assess only for special benefits and separate the general benefits from the special benefits conferred on a parcel.
- e. Assess all publicly owned parcels unless City Council finds, by clear and convincing evidence, that those publicly owned parcels receive no special benefit.
- f. Find that all assessments are supported by a detailed Engineer's Report prepared by a registered professional engineer certified by the State of California.

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the March 6, 2017 City Clerk report. This matter is now submitted to Council for its consideration.


Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	ABSENT
O'FARRELL:	YES

ARL
3/28/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-

City of Anaheim, California - Economic Development Committee - 3/28/17