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March 23, 2015

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 14

REGARDING: MODIFICATIONS TO THE ARTS DISTRICT LOS ANGELES PROPERTY - BASED BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

Honorable Members:

On February 26, 2014 the City Council adopted Ordinance 182910, which established the Arts District Los Angeles Business Improvement District ("ADLA BID") (Council File 13-1525). This Office has received written notification from the District's Owners' Association ("Attachment 1") requesting that the City Council make modifications to the District's Management District Plan, pursuant to Section 36600 et seq. of the California Streets and Highways Code (the "Act"). As outlined in the Act, upon the written request of modification from the District's Owners' Association, the City Council may initiate proceedings to modify the improvements and activities of the District's Management District Plan.

SUMMARY OF PROPOSED MODIFICATIONS

The ADLA BID's owners' association, Arts District Los Angeles, Inc., with the approval of the ADLA BID's Board of Directors, is proposing to modify the ADLA BID's by refunding assessments for the period of time for which assessments were collected but no services were provided. In the first year of the District, BID services did not begin until June 1st, 2014. Because services were not delivered until June 1st, each stakeholder will be refunded for the period from January 1, 2014 to May 31, 2014 of their annual assessment paid for 2014. The Arts District Los Angeles will pay the refund directly to District property owners from assessment funds received for 2014, as described in the "Modified Arts District Los Angeles' Business Improvement District Management District Plan" ("Attachment 2").

MODIFICATION PROCESS

The Act authorizes the City Council, upon the written request of the owners' association, to initiate proceedings to modify the Management District Plan after conducting one public hearing on the proposed modification. State Law requires that the public hearing must be held

after adopting an Ordinance of Intention ("Attachment 3") to modify the District and providing notice of the public hearing to each property owner. City Council may consider adoption of the modifications after hearing all protests made at the public hearing. This Office has received and reviewed the Modified Arts District Los Angeles Business Improvement District Management District Plan that incorporates the proposed modifications, as prepared by Arts District Los Angeles, Inc. and as approved by the ADLA BID's board of directors.

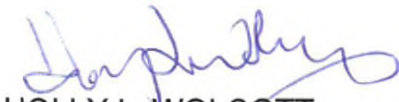
FISCAL IMPACT

Funding for the eight (8) City-owned properties located within the District to be paid from the General Fund was included in the General Fund allocation to the 2014 Business Improvement District Trust Fund 659. Assessments levied on the twelve (12) Department of Water and Power (DWP) properties within the District will not be paid from the General Fund.

RECOMMENDATIONS:

1. ADOPT the attached Ordinance of Intention to modify the Arts District Los Angeles Business Improvement District's Management District Plan.
2. INSTRUCT the City Clerk, to schedule a public hearing before the City Council to consider modification of the Arts District Los Angeles Business Improvement District's Management District Plan.
3. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an Ordinance authorizing modification of the Arts District Los Angeles Business Improvement District's Management District Plan for Council consideration during the required public hearing.
4. RECEIVE AND FILE City Clerk Report dated September 15, 2014.

Sincerely,



HOLLY L. WOLCOTT
City Clerk

HLW:GRA:MCP:RMH:rks

Attachments