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ECONOMIC DEVELOPMENT COMMITTEE REPORT and ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the formation of a proposed Property and Business Improvement District (BID) to be called the Arts District Los Angeles Property BID.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION, dated March 13, 2018, to establish a Property and BID to be known as the Arts District Los Angeles BID pursuant to the Provisions of the Property and BID Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California) and to levy assessments.
2. ADOPT the Preliminary Report of the City Clerk, attached to the Council file.
3. ADOPT the Management District Plan, attached to the Council file.
4. ADOPT the Engineer's Report, attached to the Council file.
5. 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 District 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.
 - 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.
 - e. 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.
 - f. 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 1.89 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 Arts District Los Angeles BID. The general benefit cost for first year of operation is \$27,733.90.

- g. No publicly owned parcel is exempt from assessment.
 - h. The assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIII C, 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.
6. APPROVE Arts District Los Angeles, Inc. to administer the Arts District Los Angeles BID if the district is renewed.
 7. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute and administer a contract between the City and Arts District Los Angeles, Inc., a non-profit corporation, for the administration of the District's programs.
 8. INSTRUCT 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 Arts District Los Angeles BID for City Council consideration at the conclusion of the required public hearing.

Fiscal Impact Statement: The Clerk reports that the assessment levied on the 17 City-owned parcels within the District to be paid from the General Fund totals \$62,116.94 for the first year of the District. Funding for assessments levied on City owned properties within the District was requested in the 2019-20 Budget. Assessments levied on the Los Angeles Department of Water and Power parcels 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 Arts District Los Angeles BID is \$27,733.90 (1.89 percent of the total budget) 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 five-year term.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on March 27, 2018, your Economic Development Committee considered a City Clerk report and Ordinance of Intention relative to the formation of a proposed property and BID to be called the Arts District Los Angeles Property BID. After an opportunity for public comment was held, the Committee moved to approve the Clerk's recommendations and Ordinance of Intention, as detailed above. This matter is now forwarded to the Council for its consideration. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER VOTE

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

ME
3/27/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-