

ECONOMIC DEVELOPMENT and BUDGET AND FINANCE COMMITTEES REPORT and ORDINANCE FIRST CONSIDERATION relative to dissolving Community Taxing District (CTD) No. 2 in connection with the Grand Avenue Project.

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

PRESENT and ADOPT the accompanying ORDINANCE dated May 16, 2017 dissolving City of Los Angeles CTD No. 2 and repealing any special taxes authorized by the creation of CTD No. 2 for the development of a hotel and parking structure within the Grand Avenue Project.

Fiscal Impact Statement: None submitted by the City Attorney. Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On September 19, 2017, the Economic Development Committee (EDC) considered a May 16, 2017 City Attorney report and Ordinance dated May 16, 2017 relative to dissolving CTD No. 2 on connection with the Grand Avenue Project. According to the City Attorney, on December 5, 2008, Council adopted an Ordinance of Formation (Ordinance No. 180402), which established City of Los Angeles CTD No. 2, to pay for a portion of the costs of constructing a hotel and parking structure and related facilities within the Grand Avenue Project under the Special Tax improvement Ordinance of the City of Los Angeles, Chapter 10 of Division 6 of the Los Angeles Administrative Code. On December 13, 2016, Council approved various agreements related to the development of the Grand Avenue Project, including the Grand Avenue Hotel Incentive Agreement (HDIA). The HDIA has been fully executed and provides for the City to fund the previously approved financial assistance as a yearly conditional obligation payable through a trust fund rather than through CTD No. 2.

On April 19, 2017, Council adopted an Ordinance establishing the Grand Avenue Hotel Project Trust Fund for the receipts and disbursement of appropriations to fund hotel development incentive payments to be made by the City in relation to the Grand Avenue Hotel Development Project. Council also directed the City Attorney to prepare and present an ordinance to repeal CTD No. 2. The enclosed draft ordinance dissolves CTD No. 2 as directed. Additionally, although no Special Taxes have been assessed or collected, the draft ordinance repeals the authority to levy the Special Taxes within CTD No. 2. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Ordinance as detailed in the above recommendation.

Subsequently, on October 16, 2017 the Budget and Finance Committee also considered this matter and after having provided an opportunity for public comment, moved to concur with the EDC. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER **VOTE**

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

BUDGET AND FINANCE COMMITTEE



MEMBER **VOTE**

KREKORIAN: YES

ENGLANDER: YES

KORETZ: YES

BLUMENFIELD: YES

BONIN: YES

ARL

10/24/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-