



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 17 - 0 1 6 2  
MAY 1 6 2017

**REPORT RE:**

**DRAFT ORDINANCE DISSOLVING COMMUNITY TAXING DISTRICT NO. 2 AND  
REPEALING AUTHORIZATION TO LEVY SPECIAL TAXES WITHIN COMMUNITY  
TAXING DISTRICT NO. 2 FOR THE DEVELOPMENT OF A HOTEL AND PARKING  
STRUCTURE WITHIN THE GRAND AVENUE PROJECT**

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

Honorable Members:

Pursuant to the request of the City Council, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance dissolves Community Taxing District No. 2 (CTD No. 2) and repeals the authority to levy any Special Taxes within CTD No. 2.

Background

On December 5, 2008, the City Council adopted an Ordinance of Formation (Ordinance No. 180402), which established City of Los Angeles Community Taxing District 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. The 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.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the Chief Legislative Analyst, the City Administrative Officer and the Economic and Workforce Development Department, and their comments have been incorporated.

If you have any questions regarding this matter, please contact Senior Assistant City Attorney Noreen Vincent at (213)978-7730 or Deputy City Attorney Miguel Dager at (213)978-7740. They or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney



By

DAVID MICHAELSON  
Chief Assistant City Attorney

DM:NV:MD:vw  
Transmittal