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October 30, 2014

Honorable Members of the  
Los Angeles City Council  
c/o Office of the City Clerk  
Room 395, City Hall  
Los Angeles, California 90012

**RE: CITY CLERK AUTHORITY TO ENTER INTO A MEMORANDUM OF  
UNDERSTANDING TO ACCEPT FUNDS FROM THE LOS ANGELES  
DEPARTMENT OF WATER AND POWER FOR ECONOMIC DEVELOPMENT  
EFFORTS WITH THE CITY'S BUSINESS IMPROVEMENT DISTRICTS**

**SUMMARY**

Attached for your consideration is a Memorandum of Understanding between the Office of the City Clerk and the Los Angeles Department of Water and Power (LADWP) for the provision of \$140,000 to Business Improvement Districts (BIDs) for advertising LADWP services and programs to businesses within their respective boundaries. This fosters the public/private relationship between the City and the BIDs. The City Clerk requires Council and Mayor authorization to enter into this agreement.

**DISCUSSION**

The Office of the City Clerk requires authority to enter into a Memorandum of Understanding (MOU) with the LADWP, Economic Development Group (EDG) to establish a cooperation agreement with the City's BIDs to coordinate LADWP's Economic Development Initiatives. The LADWP has extended its economic development program to include business improvement districts in an effort to establish a framework of cooperation between LADWP and all the business improvement districts through the Office of the City Clerk, Neighborhood and Business Improvement District (NABID) Division. The BIDs are economic development tools utilized to improve economic vitality of many commercial areas in the City. The BIDS have direct contact with many of the businesses within their districts. One of LADWP's Economic Development Group initiative goals is to attract, retain, and expand businesses as well as create jobs in the City of Los Angeles. The LADWP's goals include identifying and implementing initiatives that will attract, retain and expand environmentally and

economically sustainable and resource efficient businesses within its territory and assisting in job creation. The LADWP will provide \$140,000 for the BIDs to foster the knowledge of LADWP programs to businesses. It is anticipated that additional funds may be provided in future years. The Business Improvement Districts are expected to advertise DWP's resources for businesses in return for the contribution. The City Clerk requests authority to accept the funds and enter into the MOU with LADWP for these funds.

The 40 BIDs across the City of Los Angeles will form the agreement/partnership with LADWP, while providing core services to neighborhoods. BIDs will be able to better service the businesses and property owners in their respective districts by improving communication and facilitating direct and meaningful feedback to the City. BIDs will also be able to aid in business attraction if better informed on LADWP incentives and programs. Furthermore, if the BIDs have more resources for the BID Consortium and other larger, collective marketing initiatives, they will be better equipped for information sharing on best practices. Additionally, the agreement will provide funds for the BIDs to collect hard data and effectively measure progress and major accomplishments and report this back to the City in a consistent and regular manner.

Upon approval of the MOU and receipt of funds, the BID Working Group for the MOU will review and approve the requests for expenditures from LADWP's contributed funds. The BID Working Group is comprised of the LA BID Consortium Chair or a representative, a LADWP representative of its Economic Development Education and Outreach Service Division or a representative, and the City's Director of BIDs or a representative. The BID Working Group will provide the approval of expenditures and the NABID Division will prepare and submit the financial documents to the Office of the Controller to accept and disburse the funds to the respective business improvement districts. A separate account number is required to ensure the separation of the LADWP funds from other funds in the BID Trust Fund 659. The Controller is requested to create that account for the funds of the LADWP MOU. Acceptable expenditures of the funds by the business improvement districts include, but is not limited to the expenditures exceeding the special benefits as follows: conduct specialized market outreach and surveys to businesses, coordinate economic development events, State of the BIDs Report, LA BID Consortium consultant fees, BID marketing efforts of LADWP to businesses, promotion of energy efficiency, solar powered lights, and roof top gardening. The funds can be utilized for activities listed on the attached chart (Attachment 1).

The LADWP will utilize the agreement with the BIDs to establish a venue for marketing programs to businesses and participate in programs and events focused on economic growth. The Office of the City Clerk will act in a liaison capacity between the LADWP and the City's BIDs. The MOU has been reviewed by the Office of the City Attorney, as well as LADWP counsel for legality. The Office of the City Clerk requests approval to execute the MOU with LADWP.

BIDs are assessment districts and Proposition 218 requires the separation of general benefits from special benefits for assessment districts. These funds may be considered general benefits and not special benefits. As these funds are not assessments, they can be considered a portion of the general benefit supplied to BIDs.

#### FISCAL IMPACT

There is no impact to the General Fund.

#### RECOMMENDATION

That the City Council, subject to the approval of the Mayor:

1. AUTHORIZE the City Clerk to enter into a Memorandum of Understanding (MOU) with the LADWP to establish a cooperation agreement for contributions to the City's BIDs for a period of three years with two one year extensions.
2. AUTHORIZE the City Clerk to accept \$140,000, and other amounts as funds become available in future years, on behalf of the City's BIDs.
3. AUTHORIZE the City Clerk to distribute \$140,000, and other amounts if funds become available for this purpose, via interoffice transfers in amounts not to exceed \$35,000 from the BID Trust Fund Account to the individual BIDs fund accounts as approved by the BID Working Group.
4. RECOGNIZE that the BID Working Group is comprised of the LA BID Consortium Chair or a representative, a LADWP representative of its Economic Development Group, and the City's Director of BIDs or a representative and authorize the City Clerk to pay those funds to the business improvement districts pursuant to the established contracts.
5. AUTHORIZE the Controller to establish a separate account in the BID Trust Fund 659 for the allocation of the \$140,000, or any other amounts if provided, from the LADWP to the BIDs pursuant to the MOU agreement to be filed in the Office of the City Clerk upon execution.
6. AUTHORIZE the City Clerk through the BID Program to provide the approval of expenditures from the fund upon the authority of the BID Working Group for the MOU provided by a signed memo from the Group.

Honorable Members of the  
Los Angeles City Council  
October 30, 2014  
Page 4 of 4

7. AUTHORIZE the City Clerk to make technical corrections as necessary to effectuate the intent of this report.

Sincerely,

*Gregory R. Allison for HLW*

Holly L. Wolcott  
City Clerk

Attachments

HLW:GRA:MP:amm

EXE--031-14

**Attachment 1**

LA BID Consortium  
 DWP Proposed Partnerships  
 February 20, 2014

Proposed Idea	Description	Cost	Frequency	Comments
Fund State of the BID Report	The 2013 SOTB Report has been a great tool for BIDs to communicate the work we do and value we provide. It has been used at the local and state level to help educated stakeholders and elected officials.	\$10-15K	Once a year or every other year	
BID Consortium Consultant Fees	Each year the BID Consortium has special projects we need assistance with from a consultant – for example the Day at City Hall, organizing before key hearings. Perhaps DWP could fund the Consortium an annual amount for staffing needs	\$5k +	Once a year	
Grants – communication efforts, marketing, maintenance supplies	Every BID is required by the City to put out newsletters, e-communication, keep the district clean with mutt mitt, trash cans and other maintenance supplies. DWP could fund grants to experiment with new technologies or approaches.	\$5 – 10K	Annual	
Grants – promoting energy efficiency	<ul style="list-style-type: none"> <li>• Creating sustainable tree planters. Some planters have dying trees or are empty. What can we fill them with that will use less/no water?</li> <li>• Grants for energy reduction/conservation in buildings; ex. Cool Buildings project</li> <li>• Grants for installing solar-powered, compacting trash cans like Solar Belly in our District</li> <li>• Money for programs that “green” our streets while recycling storm water drainage</li> <li>• Wilshire Center BID collected building</li> </ul>	Vary depending on program; (\$5,000 to \$25,000 depending on the size of the BID)	DWP could offer grants on an ongoing or annual basis	

**Attachment 1**

LA BID Consortium

DWP Proposed Partnerships

February 20, 2014

	<p>information for their entire district – large and small buildings - and created a successful outreach plan and a program called Cool District to help buildings achieve greenhouse gas reduction goals. This is a link to their website page <a href="http://www.wilshirecenter.com/cooldistrict/">http://www.wilshirecenter.com/cooldistrict/</a></p> <ul style="list-style-type: none"><li>• DWP could contribute grant funds to help BIDs develop tailored programs and conduct building survey work</li></ul>			
Grants for solar-powered street lights	The Brooklyn Navy Yard installed more than 90 wind-solar street lamps that will save \$600,000 on installation costs and \$11,000 a year in electricity costs		DWP could offer grants on an ongoing or annual basis	May need to partner with BSL; <a href="http://www.environmentalleader.com/2009/04/15/wind-turbines-solar-coming-to-historic-brooklyn-navy-yard/">http://www.environmentalleader.com/2009/04/15/wind-turbines-solar-coming-to-historic-brooklyn-navy-yard/</a>
Grants for roof top gardening efforts / living wall concepts	DWP or some sort of water/power allowance for rooftop gardening in urban centers - could be applied for by a property owner or a BID.			Historic BID is working on this – could be used as an example for cost/process.