

City of Los Angeles
CALIFORNIA



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ERIC GARCETTI
MAYOR

January 11, 2016

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

SUBJECT: REPORT BACK ON MOTION (FUENTES-BLUMENFIELD) ON THE BEST PRACTICES OF BUSINESS IMPROVEMENT DISTRICTS ACROSS THE COUNTRY (COUNCIL FILE NO. 14-0903)

Honorable Members:

BACKGROUND

On June 27, 2014, Councilmembers Felipe Fuentes and Bob Blumenfield introduced a motion relative to identifying the best practices of business improvement districts across the country, including, but not limited to: program structure, term limits, zoning restrictions, legal parameters, private and public funding and the leverage of any other economic development funding or incentives.

SUMMARY

A total of eight (8) cities were identified across the nation where business improvement districts existed and subsequently compared to those that exist in the City of Los Angeles. Several key factors were compared: type of district, formation process and legislation, term limits, start-up and ongoing assistance, positioning within its city structure and number of employees needed to support the program. Of the eight (8) cities identified, two (2) were selected as having the greatest benefit for contrasting and comparing with the City of Los Angeles: San Francisco and New York.

The following are best practices utilized by the cities of San Francisco and New York to enhance the sustainability and creation of business improvement districts and recommendations to incorporate said practices within the Office of the City Clerk, Neighborhood and Business Improvement District Division (Division). Action Plans are provided for each section and summary of proposed recommendations are provided at the end of this report.

Discussion

I. Public Information Campaign, Capacity Building & Administrative Assistance

- A. Public Information Campaign:** New York City partnered with its Mayor Michael Bloomberg and leveraged grant awards to raise the visibility and participation within its business improvement districts. Mayor Bloomberg wove business improvement districts into his talking points consistently when addressing the public. The Neighborhood and Development Division, which maintains oversight of their business improvement districts created the Neighborhood Challenge Grant Award which awards grants of varying amounts for projects focused on finding solutions for commercial corridors, civic spaces, and property activations.

Outcome: Increased visibility and awarding of grants resulted in the formation of 69 business improvement districts.

Action Plan: That the City Clerk release a Request for Proposal (RFP) for the development, implementation and coordination of a public information campaign of Business Improvement Districts (BIDS).

Program Goal: Increase the number of business improvement districts throughout the City and opportunities for economic development and vitality.

- B. Leadership Program:** New York City conducts a six-month Neighborhood Leadership Program in partnership with their city's Small Business Services Department and Coro, a local non-profit, to provide training to select individuals who in turn are charged with exploring, testing and building effective commercial revitalization strategies that adapt and thrive in challenging environments: including business improvement districts. Staff also provides ongoing capacity building workshops focused specifically on building the capacity of the board members and staff of business improvement districts.

Outcome: Increased targeted capacity building support to business improvement district members. Development of the next generation of business improvement district leaders and access to diverse and innovative strategies and solutions to address the needs of the city.

Action Plan: That the City Clerk release a RFP for the development, implementation and coordination of a capacity building and leadership training series for Business Improvement Districts.

Program Goal: Allows the Division to shift additional resources to support the formation of new business improvement districts throughout the city and increases the technical assistance provided to current business improvement districts resulting in improved District management. Additionally, it provides access to a think-tank for new strategies, solutions and develops new and effective leaders and advocates for business improvement districts, and create public/private partnerships with other nonprofit organizations which work to improve economic development in the City.

- C. Administrative Assistance:** In New York and San Francisco, business improvement districts are assisted by the City with ongoing administration support through obtaining and leveraging grants.

Outcome: Allows the Volunteer-Based Business Improvement Districts (VBBIDs) to focus on providing the activities within their management district plans more effectively.

Action Plan: That the City Clerk pursue grant opportunities; that the City Clerk work with the CAO to identify funds to provide administrative support to VBBIDs including release of an RFP; and that the City Clerk with the Economic Workforce and Development Department (EWDD) to identify resource assistance for smaller BIDs to ensure their effectiveness with economic development opportunities.

Program Goal: Increases the rate of legislative compliance and the amount of activities and services that may be provided within VBBIDs.

II. E-Platform: The majority of the cities provide a *partial* e-platform portal to receive inquiries and/or submissions from prospective districts. However, there were no cities that provided a complete e-platform. Utilizing a complete e-platform would not only streamline the process for formation, establishment and administration but also allow staff resources to be redirected to support the public information campaign, leadership training program and technical support to the business improvement districts.

Action Plan: That the City Clerk Systems and Neighborhood and Business Improvement District Divisions work together to implement an electronic platform for the submission and routing of business improvement district applications and compliance documents.

Program Goal: A decrease of 30% in time spent during the review process for final Management District Plans, Annual Planning reports, quarterly reports, financial data and ordinance and contract routing and tracking. A decrease of 30% in the amount of paper utilized for printing and forwarding hard copies. Increased direct service satisfaction with business improvement districts.

III. Connectedness: New York and San Francisco's divisions that have jurisdiction over their business improvement districts are housed and/or linked to agencies that have a mission focused primarily on economic development: providing for a cohesive plan and timely access to economic drivers.

Outcome: Improved collaboration in overall economic development strategy and access to key economic development drivers.

Action Plan: That the City Clerk convene a working group of the appropriate City Departments to meet and report back with recommendations on streamlining inclusivity efforts, including but not limited to, a plan to include business improvement districts as a permanent part of the various economic development strategies and an information and communication strategy between the pertinent departments.

Program Goal: Allows the Business Improvement District Program to leverage existing inter-departmental resources to provide a cohesive strategy for economic growth within the City and to provide a platform to quantitatively track the effectiveness and impact across various departments.

IV. Legislation: Proposition 218 and Baseline Service Agreement

- A. Proposition 218:** With the exception of San Francisco, there are no other cities within our study that are bound by legislation similar to Proposition 218. Proposition 218, among other requirements, mandates that a group interested in forming a business improvement district must provide an Engineer's Report that identifies and separates the special benefit from the general benefit for the purposes of assessment. Article XIII D, Section 4 (a) states, " Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel." Current practice dictates that an engineer provide his/her subjective approximation of what constitutes a general benefit.

Action: Request the City Attorney to evaluate and review state law relative to general benefits and prepare and/or support legislation which would clarify the calculation, measurement and applicability of general benefit as it relates to Proposition 218.

Program Goal: Provides for standardization of general benefit calculations and proper projections of general benefit liabilities and budget control.

- B. Baseline Service Agreement:** San Francisco and New York have adopted Baseline Service Agreements with their business improvement districts. San Francisco's baselines services agreement for its Greater Union Square business improvement district is attached. New York also utilizes its baseline service agreement as a demonstration of their commitment to continue the delivery of baseline services to its business improvement districts and features it commitment to providing those services in attracting and sustaining its business improvement districts.

Outcome: Strengthens public-private partnerships and complies with state law requirements.

Action Plan: That the City Clerk work with the Los Angeles Police Department and the Board of Public Works and report back on the feasibility of establishing a baseline service agreement for new and renewing business improvement districts.

Program Goal: Demonstrates a consistent, quantifiable and continued baseline level of service from the City to the business improvement districts and strengthens public-private partnerships.

RECOMMENDATIONS:

That the City Council, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Office of the City Clerk to release a Request for Proposals (RFP) and execute a contract in the amount not to exceed \$100,000 with the selected vendor for a period of two years with two, one-year extensions to assist with the creation and implementation and coordination of a Public Information Campaign to be funded from the Business Improvement District Trust Fund.
2. AUTHORIZE the Office of the City Clerk to release a RFP and execute a contract in an amount not to exceed \$150,000 with the selected vendor for a period of two years with two, one-year extensions to assist with the creation and implementation of a capacity

building and leadership training series relative to business improvement districts and create public/private partnerships with other nonprofit organizations which work to improve economic development in the City to be funded from the Business Improvement District Trust Fund.

3. DIRECT the Office of the City Clerk to seek and apply for grants as applicable, for which the City may be eligible, to provide additional assistance to business improvement districts.
4. DIRECT the City Clerk to work with the Office of the City Administrative Officer (CAO) and the Department of Economic and Workforce Development Department (EWDD) to identify solutions to provide ongoing assistance to the Volunteer-Based Business Improvement Districts (VBBIDs) to ensure their effectiveness with economic development type activities.
5. REQUEST the Office of the City Clerk to work with the CAO to identify any available funds to provide the necessary administrative support to the volunteer-based business improvement districts and AUTHORIZE the Office of the City Clerk, to release a RFP for a non-profit organization to provide administrative support for the VBBIDs and execute a contract subject to available funds in the Business Improvement District Trust Fund.
6. DIRECT the Office of the City Clerk to report back on the steps necessary to implement an electronic platform for the submission and routing of business improvement applications and compliance documents.
7. REQUEST the Office of the City Clerk, Mayor's Office of Economic Development, Office of Finance, EWDD, Board of Public Works meet and report back with recommendations on streamlining inclusivity efforts, including but not limited to, a plan to include business improvement districts as a permanent part of the various economic development strategies and an information and communication strategy between the pertinent departments.
8. REQUEST the City Attorney evaluate and review state law relative to general benefits and prepare and/or support legislation which would clarify the calculation, measurement and applicability of general benefit as it relates to Proposition 218.
9. REQUEST the Los Angeles Police Department and the Board of Public Works to assist with the Office of the City Clerk, and report back regarding the feasibility of establishing a baseline service agreement for new and renewing Business Improvement Districts in order to meet state law requirements.
10. AUTHORIZE the Controller to authorize expenditures from the Business Improvement District Trust Fund No. 659, to effectuate the intent of this report: up to \$100,000 for the public information campaign; up to \$150,000 for the Business Improvement District leadership training and \$100,00 for nonprofit organization to provide administrative support for the VBBIDs.
11. AUTHORIZE the City Clerk to make technical corrections as necessary to effectuate the intent of this report.

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Fiscal Impact Statement: There is no impact to the General Fund due to sufficient funds in the Business Improvement Trust Fund.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment: San Francisco Baseline City Services

HWL/GRA/MCP/RMH/tkl:amm

EXE-002-16

Greater Union Square Business Improvement District Management Plan

City of San Francisco Cleaning and Maintenance Services		Enhanced BID Cleaning & Maintenance Services	
Services	Frequency	Services	Frequency
Mechanical Street Sweep	2-7 days/week	Manual Sidewalk Sweeping, 12 Full-Time equivalent people	6am-9pm, 7 days/week
Street Flushing (supplemental service per health need)	2-3 days/week		
Graffiti Removal Services	By inspection or request	Special Teams: graffiti removal, painting, and on-call maintenance	6am-9pm, 7 days/week
Street Tree Maintenance	Every few years		
Manual Sweeping Workfare Crew	Once/day, 3-6 days/week		
Public Litter Receptacles:	Emptying 1-2/day, 7 days/week	Topping off and wiping down of litter receptacles	6am-9pm, 7 days/week
Litter Receptacles	Emptying every day, as needed		
- Repairs/maintenance as needed - Cleaning/washing 1/week or as needed	2-7 days/week		
Code Enforcement (environmental, safety, cleanliness, and litter laws)	4-6 people, city wide, ongoing as required		
Market Street Sidewalk Steam Cleaning	4x/year when available		
Power Wash Sidewalks (entire district)	As needed	Sidewalk Steam Cleaning of all sidewalks in district	Every two weeks

Greater Union Square Business Improvement District Management Plan

City of San Francisco Safety Services		Enhanced BID Safety Services	
Services	Frequency	Services	Frequency
Tenderloin Police Station Boundary: Entire District			
Boundaries: Geary to Ellis, Powell to Stockton		1 10B Police Officer	11am -9:00pm Sun.-Wed. & 1pm -11pm Thurs.-Sat.
		8 full-time equivalent Community Service Ambassadors equipped with radios	8:30am-11:00pm Mon-Fri & 9am - 11pm Sat. & Sun.
- 1-2 beat officers	6am to 9pm, 4-7 days/week		
- 2 beat officers	9pm to 2am, 7 days/week		
- 3 District patrolling zones	9am to 9pm		
- 1 radio car (1-2 officers)	24 hrs/day, 7 days/week		
- Additional Police officer			
Central Station			
Boundaries: Sutter to Geary, Powell to Stockton	3pm to 9pm 5 days/week		
- 1-2 plain clothed units	6am to 6pm, 7 days/week		
- 1 beat officer	8am to 6pm, 7 days/week		
- 2 park patrol officers	7am to 9pm, 7 days/week (responsible for all of the parks in Central District)		
- 2 radio cars (1-2 officers each)	24 hrs/day		
Southern Station:			
Boundaries: Hallidie Plaza, Powell Street Turnaround, Unit block of Powell, Market, Grant to Powell.	6am to 9pm, 4-7 days/week		
- 1 beat officer	8am to 6pm, 4 days/week		
- 2 beat officers (bike/foot)	11am to 9pm on Market St. between 4 th - 8 th		
- 1-2 beat officers	4pm to 2am, 1-2 nights/week on Market		