

ECONOMIC DEVELOPMENT COMMITTEE REPORT and ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the renewal of the Lincoln Heights Industrial Zone Property Business Improvement District (BID).

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

1. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION, dated February 21, 2020, to establish a BID to be known as the Lincoln Heights Industrial Zone Property and BID pursuant to the Provisions of the 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 Lincoln Heights Industrial Zone 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 BID 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 BID 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 2 percent to be separated from the special benefits conferred on parcels within the proposed BID. The yearly general benefits cost must be paid from funds other than the assessments collected for the Lincoln Heights Industrial Zone BID. The general benefit cost for first year of operation is \$2,562.

- g. No publicly-owned parcel is exempt from assessment.
  - h. The assessments for the proposed BID are not taxes and that the BID 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 the Lincoln Heights Industrial Zone Economic Development Corporation to administer the Lincoln Heights Industrial Zone BID if the BID is renewed.
  7. AUTHORIZE the City Clerk, upon establishment of the BID, to prepare, execute and administer a contract between the City and Lincoln Heights Industrial Zone Economic Development Corporation, a non-profit corporation, for the administration of the BID's programs.
  8. DIRECT 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 Lincoln Heights Industrial Zone BID for Council consideration at the conclusion of the required public hearing.

Fiscal Impact Statement: The City Clerk reports that the assessment levied on the five City-owned parcels within the BID are to be paid from the General Fund totals \$11,049.63 for the first year of the BID. Funding for the assessment levied on this City-owned property within the BID was requested in the 2019-20 Budget. The assessment levied on the Los Angeles Department of Water and Power parcel within the BID 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 Lincoln Heights Industrial Zone BID is \$2,562 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 ten-year term.

Community Impact Statement: None submitted.

## SUMMARY

At the meeting held on February 25, 2020, your Economic Development Committee considered a City Clerk report and Ordinance relative to the Lincoln Heights Industrial Zone BID. After an opportunity for public comment was held, the Committee moved to approve the City Clerk's recommendations and Ordinance of Intention, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	ABSENT
RODRIGUEZ:	YES

ME 2/25/20

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**