

# CITYWIDE BUSINESS IMPROVEMENT DISTRICT PROGRAM

## DETAIL OF SERVICE OPERATIONS

In keeping with the intent of the state BID laws, the City Clerk serves as a facilitator to assemble the components required to consider establishing a BID in a given area of the City. The City Clerk's current responsibilities relative to the Citywide BID Program are defined in terms of three activity categories, which have been classified into five activity subgroups. Category One refers to preliminary formation activities (prior to district establishment) activities; Category Two refers to legislative establishment activities (the legal approval process); and, Category Three refers to ongoing administrative activities (after the district is established), as outlined below. Note that the activities described are those performed by the City Clerk's Office and not those performed by the business community or the hired consultant, as applicable. This document presents the three activities from a municipal operations perspective for general reference.

<u>CATEGORY 1</u>	<u>FORMATION</u>	<u>ACTIVITIES</u>
Subgroup 1 District	Development	Assistance

<u>CATEGORY 2</u>	<u>ESTABLISHMENT</u>	<u>ACTIVITIES</u>
Subgroup 1 Legislative		Assistance

<u>CATEGORY 3</u>	<u>ADMINISTRATIVE</u>	<u>ACTIVITIES</u>
Subgroup 1 Billing, Collection and Disbursement		Administration
Subgroup 2 Public-Private Sector Liaison and Public Relations		Administration
Subgroup 3 Contract	Compliance	Administration

CATEGORY 1	FORMATION	ACTIVITIES.
Subgroup 1	District Development	Assistance.

BID development work is performed, as requested by the Councilmember through an adopted City Council motion, with proponents of the proposed district and with the related Chamber of Commerce or community members and organizations. The City Clerk's Office, in conjunction with the Council Office, schedules community meetings, prepares and delivers general information presentations to the community. The meetings typically include delivery of narrative and audiovisual materials, followed by a question and answer session. The meetings serve two purposes: to inform the community and to obtain a preliminary assessment of project support. Assuming that sufficient support can be assembled, a series of "background" activities follow the meetings. Background activities focus on developing a program which is satisfactory to a majority of the interested parties and which

contains all elements required for successful district establishment. City Clerk staff may assist with the collection and distribution of educational and background data and coordinate formation activities with any consultant retained to develop the district program; staff may also serve as intermediary to solve problems or achieve consensus regarding program elements, budget development and BID advisory board selection and preparation.

Subgroup 1 Responsibilities Include:

- Meeting with the affected Council Office to receive instructions regarding details of the proposed project. The meeting may include community stakeholders to explain their vision for the project.
- Assigning City Clerk technical, engineering or business license field staff to canvass the entire area of a proposed BID in order to collect accurate property size, property use and ownership data, or current business tax, business ownership and classification data.
- Analyzing the property ownership or business data in terms of developing an appropriate assessment formula, revenue projection and program budget for the proposed BID.
- Scheduling and conducting presentations and meetings with proponent groups and Council staff, in order to assess the needs of the area, whether or not the services of a consultant are required, and the type of consultants best suited for performing the feasibility study.
- Preparing educational materials to assist the proponent groups and the affected Council offices in developing goals and expected results from forming a BID or other assessment district.
- Developing and presenting written materials to proponent groups to educate the groups regarding the types of benefit assessment alternatives available.
- Distributing copies of state BID laws and pertinent legislation and explaining the laws in terms of the goals of the proponent group and the directives received from the Councilmember.
- Providing necessary guidance to assist the proponent group and Council Office with developing the BID proposal without a consultant, if the proponent group is sufficiently organized and funded.
- Interviewing and prescreening BID and other revitalization consultants and consulting firms. The prescreening process includes reviewing resumes,

- summaries of qualifications, and other types of materials received from the consultant; conducting reference checks and quality surveys regarding prior consultant projects; and other types of activities consistent with the development of a consultant roster.
- Compiling the most qualified consulting firms into a "consultant roster" which is made available to the Council Offices and the proponent groups.
  - Preparing Motions for adoption by the Council, upon the recommendation of the related Council Committees, in order to secure the services of a consultant.
  - Scheduling hearings before the Budget and Finance and Community and Economic Development Committees, as well as the full Council, relative to the selection of a consultant.
  - Writing the actual contract for consultant services; finalizing contractual details with the consultant and the Councilmember; obtaining City Attorney agreement approval.
  - Assisting the selected consulting firm with obtaining the proper City contractual supplements, including insurance endorsements.
  - Securing approval of the consultant's insurance policy from the City's Risk Manager, as required.
  - Obtaining signatures of the appropriate parties to the contract, providing attestation of the contract, assigning a contract number from the official record of City agreements and logging the agreement into the City vault.
  - Reviewing the work product of the consultant on a regular basis. The review includes: ensuring that the evolving program is developed consistent with existing City policies and Council Office directives; monitoring the costs of the work to ensure adherence to the original budget; apprising the affected Council Office of the progress of the project; and, other related compliance issues.
  - Approving the requests for payment received from the consultant and preparing all appropriation and other City financial documents.
  - Directing the Controller to issue payment to the consultant; normally this is done in installments as work is completed.
  - Verifying and validating information contained in petitions submitted to the City Clerk by the proposed BID supporters. This involves researching

each petition for accuracy, signature authority and proper information, i.e. correct assessor parcel number or City business license number.

- Approving the consultant's final work product. The final work product is a package which, based on the Department's experience and in the Department's opinion, would meet the expectations of the Councilmember and the affected business community. If the final version of the proposed BID plan contains elements which require some modification, those elements are negotiated with the consultant and the proponent group, for adjustment prior to official acceptance by the City Clerk for presentation to the City Council.

## CATEGORY 2 ESTABLISHMENT ACTIVITIES.

### Subgroup 1 Legislative Assistance.

The proposed program is guided through the City Council Committee and full Council review and approval process. Staff may draft appropriate motions, resolutions, ordinances and contracts or other documentation appropriate to the legislative process. The Department arranges for legal documents to be reviewed and approved by the City Attorney. Notices of public hearings are prepared and delivered to the appropriate parties. Staff will verify and validate the legitimacy of petitions, ballots and protests received; staff will calculate revenue to be received under the selected funding mechanism. Staff will calculate anticipated City costs and expenses to administer the established program. Staff prepares all reports, with recommendations to the City Council, for the establishment or renewal of the district.

### Subgroup 1 Responsibilities Include:

- Drafting the report to Council approving receipt of the proposed BID project material, including program elements and budget; acknowledging that the package conforms with State and City regulations; and advising the Council that it may proceed with the project if it so desires.
- Scheduling all required and supplemental BID hearings before the proper Council Committees and the City Council.
- Preparing and mailing all public hearing notices.
- Designing, mailing, verifying and tabulating election ballots received from property owners in proposed BIDs affected by California Constitution Article XIII (Proposition 218).
- Drafting all legal documents relative to BID formation.

- Securing City Attorney review and approval of all documents.
- Calculating the fiscal effect of any protests received.
- Processing the adopted BID ordinance.
- Publishing all establishment notices and relevant Council actions.
- Negotiating, developing and preparing the contract between the City and the BID, to provide for administration and City oversight of the district.

### CATEGORY 3 ADMINISTRATIVE ACTIVITIES.

#### Subgroup 1 Billing, Collection and Disbursement Administration.

Upon establishment of a BID, the City Clerk engages in ongoing administrative work in order to assist the new district with achieving the district's goals. As the public sector partner with the BID Advisory Board, the City Clerk represents the City from a fiscal perspective and is responsible for billings, collections and disbursements. Various billing procedures are employed by the Department to effect the prompt collection of district revenue. Staff enlists the services of the City Attorney in order to effect the collection of delinquent receivables. A special contractual arrangement with Los Angeles County provides for the direct placement of business improvement district assessments on the property tax roll. Other services include: designing and mailing customized billing notices; processing payments, billing supplements and adjustments; revenue accounting; income report preparation; and, the approval and actual disbursement of funds to the appropriate district representatives.

#### Subgroup 1 Responsibilities Include:

- Developing a comprehensive accounting database for each individual BID, which contains all billing information necessary to effect collection of the BID assessment.
- Maintaining and updating each individual BID database and corresponding spreadsheet; this is accomplished through regular reviews of property ownership changes and business license activity change reports as found in the City Clerk's Tax and Permit System (TAPS), Land Use Planning and Management System (LUPAMS), and Property-based Assessments Tracking System (PATS). These three systems provide timely and accurate data which is required by the private sector organizations for ongoing administration of each BID.

- Requesting the City Controller to process FMIS documents required to establish the appropriate trust funds, revenue source codes and line accounts for each BID, for each fiscal year.
- Requesting the City Treasurer to establish the proper accounts for receipt of individual BID assessment revenues.
- Designing customized billing statements specific to the needs of each tenant or business-based BID.
- Requesting the Los Angeles County Auditor-Controller to establish the appropriate receiver accounts for each property-based BID; preparing all necessary documents and contracts with the County for assessment collection and transmittal.
- Mailing all billing statements and delinquent notices; performing all associated accounting functions for revenues received and disbursements authorized.
- Maintaining a public payment counter area for use by members of BIDs who wish to pay their assessment in person.
- Collecting BID payments and issuing receipts as necessary.
- Entering all payments, balances due and related information into the BID accounting database.
- Preparing Cash Receipt forms with deposit totals, for crediting the funds received to the proper district.
- Depositing funds received with the City Treasurer.
- Transferring delinquent BID assessment files to the City Attorney for collection; performing regular updates regarding the status of delinquent accounts.
- Appearing in Municipal (Small Claims) or Superior courts to support City Attorney collection and prosecution efforts.
- Monitoring the transmittals of BID funds from the County to the City.
- Reviewing all funding requests from each BID, including an analysis of each district's quarterly or periodic activity reports, income and expenditure summaries and any budget adjustment requests.

- Authorizing the Controller to make cash disbursements to each BID, for use in accordance with each BID's Council-approved program elements.

#### Subgroup 2: Public-Private Sector Liaison and Public Relations Administration.

As the City's liaison with the BID Advisory Board and general BID membership, the City Clerk assists with educational, technical and general public relations.

The City Clerk works with each BID's Councilmember or staff to provide extensive information outreach and media relations assistance. City Clerk staff serve as liaison between district members and the district advisory board as well as other City departments and officials. A public access area offering walk-in, telephone and facsimile service has been designed to provide efficient responses to BID inquiries from the public and the media; staff answers questions related to business improvement district programs and offers assistance regarding payments or adjustments. Staff also assists the BID's corporate Executive Director or other BID employees in the implementation of activities or programs which require the coordination and cooperation of other City departments and resources. This is a vital part of the public-private partnership aspect of the BID program in the City.

#### Subgroup 2 Responsibilities Include:

- Preparing reports and customized documents, including BID boundary maps, membership lists and revenue reports, for use by the Council Office, the Executive Director and the Advisory Board of each BID.
- Distributing program information and promotional literature prepared by the various BIDs.
- Providing assistance to the public in explaining how BID assessment formulas are calculated and how the money is used within the business community.
- Assisting proposed BID proponents in networking with existing BID members and BID employees.
- Serving as a mediator or impartial third party in the resolution of problems which may arise within a BID's membership.
- Deploying City Clerk technical field investigators to determine proper assessment adjustments or refunds in the case of property-based BIDs.

- Deploying City Clerk tax and permit field representatives to determine proper assessment adjustments or refunds in the case of tenant or business-based BIDs.
- Staffing a public reception area to assist persons with BID questions or problems.
- Functioning as lead agency relative to the transfer of funds between BIDs and various City departments. Examples of this activity include funding transfers: to the Department of General Services for construction work on a BID-related security office; to the Department of Transportation for expenses related to a parking structure in a BID; and, from the Department of Public Works for vendor payments on a sidewalk maintenance contract for services provided in a BID.

#### Subgroup Three: Contract Compliance Administration.

The continued success of a BID depends in large part upon producing tangible results, which those persons paying the assessment are likely to understand and appreciate. Whether the BID is subject to reconfirmation annually or once every five years, results matter. BID operations and programs are administered according to the district plan which was adopted by the Council. Contractually, the BID is obligated to perform in accordance with the adopted plan. To that end, the City Clerk serves as available counsel to the City's BIDs and offers advice as requested, in order to maximize the success of the programs which were originally endorsed by the Councilmember and subsequently approved by the City Council.

Staff monitors the use of revenue in order to ensure that each BID complies with all contractual provisions; and to ensure that the assessments paid by district members are used appropriately and in accordance with budgetary, statutory and City policies and procedures. Monthly, bimonthly or quarterly district operating statements and activity reports are reviewed; staff may make recommendations to the district Advisory Board or its Chair or Executive Director regarding the adjustment of various program elements.

#### Subgroup 3 Responsibilities Include:

- Preparation of BID contract amendments for budget or program adjustments.
- Performing regular reviews of expenditures and measurements of achievements to goals.

- Auditing the use of assessment funds.
- Developing an appropriate schedule for the reconfirmation hearings of each BID; performing all legislative tasks relative to the renewal process.
- Processing of contract renewals and extensions.
- Drafting and presenting the required progress reports and other documents to the City Council for use during the Council's evaluation of district operations.

The procedures and processes described above are repeated for each proposed and subsequently established BID.

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