

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT relative to the renewal of the Venice Beach (Property-Based) Business Improvement District (BID).

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

1. FIND that:

- a. The petitions submitted on behalf of the proponents of the proposed Venice Beach 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 as identified in the Management District Plan will have a special benefit conferred upon them and upon which an assessment would be imposed.
- d. In accordance with Article XIID of the California Constitution all assessments are supported by the Engineer's Report, attached to the Council File, 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, attached to the Council File, that:
  - i. 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.
  - ii. That the engineer has separated the general from special benefits with said Engineer's Report identifying general benefits in the amount of 1.5088 percent to be separated from the special benefits conferred on parcels within the proposed BID.
- f. The yearly general benefits cost must be paid from funds other than the assessments collected for the Venice Beach BID.
- g. The general benefit cost for first year of operation is \$31,241.00.
- h. No publicly owned parcel is exempt from assessment.
- i. The assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIIC Section 1(e).

- j. 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.
  - k. The proposed improvements and activities are completely separate from the day-to-day operations of the City of Los Angeles.
- 2. APPROVE the Venice Beach Property Owners Association, Incorporated to administer the Venice Beach BID if the District is renewed.
- 3. ADOPT the following, attached to the Council File:
  - a. Preliminary Report of the City Clerk.
  - b. Management District Plan.
  - c. Engineer's Report.
- 4. PRESENT and ADOPT the accompanying Ordinance of Intention dated May 18, 2021 to establish the Venice Beach BID.
- 5. AUTHORIZE the City Clerk, upon establishment of the BID, to prepare, execute and administer a contract between the City of Los Angeles and the Venice Beach Property Owners Association, Incorporated, a non-profit corporation, for the administration of the BID's programs.
- 6. 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.).
- 7. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare and present an enabling Ordinance establishing the Venice Beach BID for City Council consideration at the conclusion of the required public hearing. the petitions submitted on behalf of the proponents of the proposed Venice Beach BID are signed by property owners who will pay more than 50 percent of the assessments proposed to be levied.

Fiscal Impact Statement: The City Clerk reports that assessments levied on the 24 City-owned property within the BID to be paid from the General Fund total \$470,331.66 for the first year of the BID. Funding is available in the BID Trust Fund 659 to pay the General Fund's share of assessments for the first operating year.

Community Impact Statement: None submitted.

## Summary:

On May 25, 2021, your Committee considered May 18, 2021 City Clerk report and Ordinance relative to the renewal of the Venice Beach (Property-Based) BID. According to the City Clerk, the BID was originally established through adoption of City Ordinance 184462 on August 24, 2016, and is set to expire on December 31, 2021. The proponents propose to renew the District for a 5-year term beginning January 1, 2022 and ending December 31, 2026. The Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California) (“State Law”) allows for business improvement districts to renew by completing the same formation steps as the original establishment. This BID is being reestablished in accordance with the provisions of State Law, which allows for the establishment of a district in which operations would be supported by revenue collected from property owners in the district.

In order to proceed with the establishment process under the State Law, the proponent group needed to secure written support for the project in the form of petitions signed by property owners who will pay more than 50% of the assessments proposed to be levied. The proponent group for the proposed District, the Venice Beach Property Owners Association, Incorporated, has presented to the City Clerk a set of petitions that support the formation of the proposed District and the City Clerk has verified the validity of the petitions using various City and County of Los Angeles sources. Also, the City Clerk has verified the accuracy of the assessment calculations. The petitions received indicate affirmative financial support of the project in an amount equivalent to \$1,144,889.39. This represents 56.14% of the proposed District’s projected first year assessment revenue of \$2,039,411.00. Because the more than 50% threshold of preliminary support has been achieved, the formal business improvement district establishment process, including a public hearing before the City Council, may be initiated.

The boundaries of the proposed BID are detailed in the Management District Plan, attached to the Council File. The proposed Venice Beach Business Improvement District generally includes all non-residentially-zoned properties between the Los Angeles city boundary (with Santa Monica) on the north, the Pacific Ocean on the west and Venice Boulevard on the south. The eastern boundary is irregular, and is primarily determined by where commercially- and industrially- and open space-zoned properties end and residential (R3 and lower density residential) zoning begins. There are 455 parcels owned by 346 stakeholders in the proposed BID. The map included in the District’s Management District Plan gives sufficient detail to locate each parcel of property within the proposed BID. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the May 18, 2021 City Clerk report as detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

## Economic Development and Jobs Committee

<b>COUNCILMEMBER</b>	<b>VOTE</b>
PRICE:	YES
KREKORIAN:	YES
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	YES

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**