File No. 22-0310

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE REPORT and ORDINANCE OF INTENTION FIRST CONSIDERATION relative to the renewal of the Greater South Park 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 Greater South Park 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 District 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 XIIID 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 and attached to the Council File.

    e. In accordance with Article XIIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.

    f. In accordance with Article XIIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the engineer has separated the general from special benefits with said Engineer's Report identifying general benefits in the amount of 1.25 percent to be separated from the special benefits conferred on parcels within the proposed BID and that the yearly general benefits cost must be paid from funds other than the assessments collected for the Greater South Park BID and that the general benefit cost for first year of operation is $46,567.96.

    g. No publicly owned parcel is exempt from assessment.

    h. The assessments for the proposed District are not taxes and that the BID qualifies for exemption from Proposition 26 under exemption 7 of Article XIIIC 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 of Los Angeles.

2. APPROVE the South Park Stakeholders Group to administer the Greater South Park BID if said BID is renewed.

3. ADOPT the:

   a. March 15, 2022 Preliminary City Clerk Report, attached to the Council File.

   b. Management District Plan, attached to the Council File.

   c. Engineer's Report, attached to the Council File.

4. PRESENT and ADOPT the accompanying ORDINANCE OF INTENTION dated March 14, 2022 to establish the Greater South Park 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 South Park Stakeholders Group, 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 an enabling Ordinance establishing the Greater South Park BID for City 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 to be paid from the General Fund total $164,049.53 for the first year of the BID. Funding is available in the BID Trust Fund No. 659 to pay the General Fund's share of assessments for the first operating year. Proposition 218 requires the separation of general benefits from the special benefits. The general benefit portion for the Greater South Park BID is $46,567.96 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 seven-year term.

Community Impact Statement: None submitted.

Summary:

On March 22, 2021, your Committee considered a March 15, 2022 City Clerk report relative to renewal of the Greater South Park BID. According to the City Clerk, the BID was originally established through adoption of City Ordinance 176132 on August 4, 2004, and started its operational term on January 1, 2005; its second operational term began on January 1, 2008; its third operational term on January 1, 2013; its fourth operational term on January 1, 2018, and is set to expire on December 31, 2022. The proponents propose to renew the BID for a seven-year term beginning January 1, 2023 and ending December 31, 2029. The proposed BID is being established in accordance with the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California) (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. The 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 BID.

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 percent of the assessments proposed to be levied. The proponent group for the proposed BID, the Greater South Park Property Owners Association, has presented to the Office of the City Clerk a set of petitions that support the formation of the proposed District. This Office has verified the validity of the petitions using various City and County of Los Angeles sources. In addition, this Office has verified the accuracy of the assessment calculations. The petitions received indicate affirmative financial support of the project in an amount equivalent to $1,891,026.99. This represents 50.75 percent of the proposed District's projected first year assessment revenue of $3,685,181.07. Because the more than 50 percent 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. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the City Clerk report. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Economic Development and Jobs Committee

COUNCILMEMBER	VOTE
PRICE:	YES
KREKORIAN:	ABSENT
BLUMENFIELD:	YES
RAMAN:	YES
HARRIS-DAWSON:	YES

ARL

3/22/22
CDs 9, 14

-NOT OFFICIAL UNTIL COUNCIL ACTS-