



Board Report

File #: 2024-0183, File Type: Program

Agenda Number: 6.

FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 17, 2024

SUBJECT: NORTH HOLLYWOOD TRANSIT PROPERTY- BASED BUSINESS IMPROVEMENT DISTRICT (BID)

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) or their designee, to execute a Petition to Renew Los Angeles County Metropolitan Transportation Authority's (LACMTA) participation in the North Hollywood Transit Property-Based Business Improvement District (BID) for a period of six (6) years commencing January 1, 2025, for a total estimated amount not to exceed \$1,130,228.16 over the term of the BID renewal.

ISSUE

LACMTA owns thirty (30) parcels within the BID, representing 18.49% of total assessments for the BID. The renewal of the BID requires the submission of favorable petitions from property owners representing more than 50% of total assessments. Board approval is required as the value of the BID renewal exceeds the CEO's delegated authority of \$500,000.

BACKGROUND

Under the 1994 Property and Business Improvement District law, the State of California provided a legal basis for the formation of property-based assessment districts if a petition sent to the property owners in the district's boundaries is approved by a majority (50%). Any approved district requires renewal after its term expires. In 2019, the Board updated its 2014 Guidelines for Participation in BIDs, which are included in Attachment A.

The North Hollywood BID was established in 2007. The boundary of the BID was created to include the North Hollywood art and transit areas, including LACMTA's B Line North Hollywood Station and G Line bus terminal. The BID area is bounded roughly by Cumpston Street, Camarillo Drive, Tujunga Avenue, and Vineland Avenue (see Attachment B - BID Map). The property uses within the general boundaries of the BID are a mix of commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious. The previous BID term was approved by the Board on March 28, 2019, for five years from 2020 through 2024 for a total amount of \$699,294.

BID participation by LACMTA is paid annually to the BID upon assessment of real property ownership in the BID's defined assessment area. BID assessments, based upon an allocation of program costs and a calculation of assessable footage, will be determined by the BID Owners' Association Board of Directors each year for parcels in the defined assessment area (Attachment C - Bid Renewal Documentation).

DISCUSSION

LACMTA policy, passed at the June 1998 regular Board meeting and last updated in October 2019 (Attachment A), created an established procedure for the evaluation of benefits derived from participation in any proposed benefit assessment district.

Developed by the North Hollywood Transit Board of Directors, the BID Management Plan conveys special benefits to assessed parcels located within the BID area. The BID provides activities in three (3) program areas, including Clean & Safe, Communications, and Management. Each of the programs is designed to meet the goals of the BID, which are to improve the safety and cleanliness of each individual assessed parcel within the BID, to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the BID.

Findings

The fees paid by LACMTA to the BID will finance, in part, the annual budget for the BID, which includes:

- Clean & Safe Programs:
 - Bicycle and foot patrol
 - Sidewalk sweeping and pressure washing
 - Graffiti and handbill removal
 - Trash removal and landscaping.
- Communication & Marketing Programs:
 - NoHo Card/App business attraction program
 - District banner branding program
 - Destination Marketing
 - Placemaking Activities
 - Website
- Management, Office and City Fees

Considerations

Assessment districts can provide a wide variety of services and improvements. LACTMA analyzed whether or not LACMTA property benefits from such services and improvements. In order to determine the benefits of the BID, LACMTA's staff reviewed LACMTA's real property within the BID. Based on the analysis it was determined the real property benefits include Tier 1, Tier 2, and Tier 3 benefits, as defined in the General Guidelines for MTA Participation in Proposed Assessment Districts approved by the Board October 24, 2019, (see Attachment A). The determination of benefits

are defined as:

- Tier 1 - No Benefit - includes subsurface easements, aerial easements, and rights of way
- Tier 2 - Minor or No Potential Benefit - includes vacant land and parking lots
- Tier 3 - Minor or Some Potential Benefit - includes bus divisions and terminals, customer service centers, USG, maintenance facilities and rail divisions, terminals and stations.
- Tier 4 - Actual Benefit - Joint Development Projects

A map of LACMTA’s real property benefit types within the BID can be found in Attachment B - Bid Map, page two.

Additionally, LACMTA has executed an Exclusive Negotiations and Planning Agreement with Trammell Crow Company/Greenland USA under the Joint Development Program to develop the parcels in the immediate area as approved by the Board at the May 25, 2017, meeting. The resulting development will see these properties move to Tier 4 - Actual Benefit, under the tiered benefit definitions.

Because of the approximately 2-year processing time for the BID renewal, the BID chose a six-year term for the current BID renewal instead of the previous five-year term. In addition, higher labor costs for the Clean & Safe Program increased the BID annual assessment from 5% to 7%. That increase, along with the additional year, resulted in an overall increase from the previous BID total of \$699,294 to this year’s BID estimate of \$1,130,288.

DETERMINATION OF SAFETY IMPACT

This Board action will have a positive impact on safety for LACMTA as the BID Clean & Safe Program includes safety patrols of the streets and sidewalks within the BID. Additionally, the BID programs enhance the transit rider safety experience by providing more pedestrian traffic and a cleaner environment around the station.

FINANCIAL IMPACT

The total cost of the BID will not exceed \$1,130,228.16 over the six-year term of the BID renewal period. Annual assessment increases will not exceed 7% per year. Increases will be determined by the BID Owners' Association Board of Directors and will vary between 0% and 7% in any given year. The table below outlines the year-over-year costs to LACMTA assuming the maximum annual increase of 7%:

PERIOD	YEAR	AMOUNT	ANNUAL INCREASE
1	2025	\$158,001.15	Base
2	2026	\$169,061.23	7%
3	2027	\$180,895.52	7%
4	2028	\$193,558.20	7%
5	2029	\$207,107.28	7%

6	2030	\$221,604.79	7%
TOTAL		\$1,130,228.16	

Impact to Budget

The BID fees are included in the FY25 draft budget, Cost Center 0651, Project 306006, Task 01.001, Account 50799 -Tax Others. Future BID fee increases will be included during the annual budget development process throughout the BID term. These funds are eligible for bus and rail operations.

EQUITY PLATFORM

BIDs provide a general subsidy to support neighborhood cleanliness, public health, and safety where the agency owns real property. This BID partners with the City of Los Angeles to conduct outreach to people who are unhoused in the BID area, and the BIDs Safety Ambassador program provides recommendations on a range of services and shelter/interim housing options for them. The BID also facilitates a business discount program for local community members, which is advertised through social media, email, and the BIDs website. Lastly, to support bias-free policing, the BIDs security contractor is in the process of conducting full unconscious bias training for employees serving the BID area.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goals #3 Enhance communities and lives through mobility and access to opportunity; #4 Transform LA County through regional collaboration and national leadership; and #5 Provide responsive, accountable, and trustworthy governance within LACMTA’s organization.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the BID Petition to Renew and thereby not participate in the BID. This is not recommended as it may impact the BID’s ability to be renewed as LACMTA owns real property comprising 18.49% of the BID, which would potentially have an adverse impact on LACMTA’s B and G line termini and the proposed North Hollywood Joint Development, “District NoHo” project.

NEXT STEPS

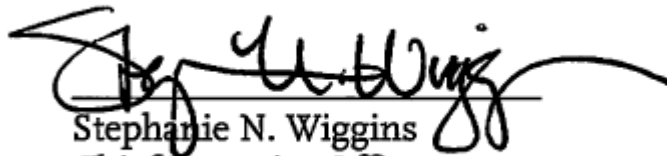
Upon guidance and approval by the Board of Directors, the BID Petition to Renew will be finalized and executed by the CEO or their designee.

ATTACHMENTS

- Attachment A - General Guidelines for Participation in Proposed Assessment Districts
- Attachment B - BID Map
- Attachment C - BID Renewal Documentation

Prepared by: Michael Luna, Senior Manager, Transportation Planning, Real Estate, (213) 922-2332
John Beck, Manager, Transportation Planning, Real Estate, (213) 922-4435
Craig Justesen, Executive Officer, Real Estate (213) 928-7051
Holly Rockwell, Senior Executive Officer, Real Estate and Transit Oriented Communities (213) 922-5585

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins
Chief Executive Officer