



Board Report

File #: 2019-0031, File Type: Program

Agenda Number: 8.

FINANCE, BUDGET AND AUDIT COMMITTEE MARCH 20, 2019

**SUBJECT: NORTH HOLLYWOOD TRANSIT BUSINESS IMPROVEMENT DISTRICT
PARTICIPATION**

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to sign the Petition to Renew the North Hollywood Transit Business Improvement District (BID) for a period of five years commencing January 1, 2020 through December 31, 2024, for an estimated amount not to exceed \$699,294 over the life of the BID renewal.

ISSUE

This North Hollywood Transit BID petition will provide a renewal for an additional five years if a majority of BID petitions consent to the special benefit assessment. LA Metro is included in the list of renewal petitions as it owns 20 percent of the assessed properties within the BID's boundaries. BID renewals over \$500,000 require board approval.

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 residing in the district's boundaries is approved by a majority. Any approved district requires renewal after its term expires.

Metro policy, passed at the June 1998 regular Board meeting and last updated in May 2014, created an established procedure for the evaluation of benefits derived from participation in any proposed benefit assessment district. The Real Estate Department is required to provide an analysis of the benefit in participating in BID programs given the type of property owned by the agency within the BID's boundaries (Attachment A - General Guidelines for Participation in Proposed Assessment Districts).

DISCUSSION

Business improvement district participation by Metro is an ongoing cost to the agency, 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 each year for parcels in the defined assessment area (Attachment B - Bid Renewal Documentation, pages 10-11).

The fees paid by Metro to the BID will finance, in part, the annual budget for the North Hollywood Transit BID’s Clean & Safe Programs providing:

- Bicycle and foot patrol
- Sidewalk sweeping and pressure washing
- Graffiti and handbill removal
- Trash removal and landscaping.

Metro’s land holdings within the BID are receiving a Tier 3, Tier 2, and Tier 1 benefit to Metro as defined in the General Guidelines for MTA Participation in Proposed Assessment Districts. This site contains both the Red Line and Orange Line termini. A map of Metro’s holdings within the BID can be found on Attachment B - Map of North Hollywood Transit District Boundaries, page one.

Additionally, Metro 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. A copy of the proposed development’s site plan is included as page two of Attachment C.

Equity Platform

BID tax payments provide for a general subsidy to support neighborhood cleanliness, hygiene, and safety.

DETERMINATION OF SAFETY IMPACT

Any resulting action from this Board recommendation will have no determinable impact to Metro safety.

FINANCIAL IMPACT

The total cost of the BID will not exceed \$699,294 over the five-year term of the BID renewal period. The table below outlines the year-over-year costs to the agency assuming the maximum annual increase of 5 percent:

Period	Year	Amount	Increase Year-Over-Year
1	2020	\$ 126,555	Base
2	2021	\$ 132,882	5%
3	2022	\$ 139,526	5%
4	2023	\$ 146,503	5%

5	2024	\$ 153,828	5%
Total		\$ 699,294	

The Real Estate Department budgets the funding for this annually in Project #306006 and Project #300044 and will continue to request funding for payment of the annual assessment as ratified by the Board through the life of the renewal period.

Impact to Budget

The funding source for the BID is bus and rail eligible revenues including fares, sales tax and fed/state grants for Metro bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Participating in the BID provides responsive, accountable, and trustworthy governance as stated in Strategic Plan Goal #5.

ALTERNATIVES CONSIDERED

The Board could choose not to sign the renewal petition and thereby not participate in the BID. This may impact the BID’s renewal prospects, which would potentially have an adverse impact on Metro’s Red and Silver line termini and joint development project.

NEXT STEPS

If approved by the Board, the Real Estate Department will complete the BID authorization documents and return to the BID’s management.

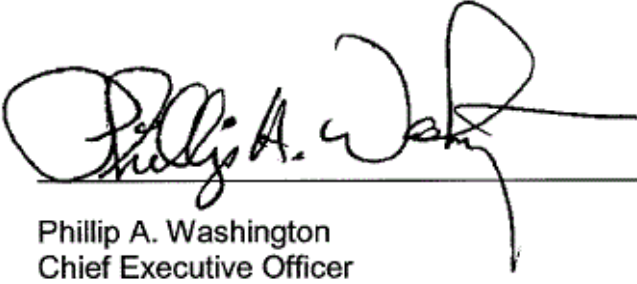
ATTACHMENTS

- Attachment A - General Guidelines for Participation in Proposed Assessment Districts
- Attachment B - Map of North Hollywood Transit District Boundaries
- Attachment C - BID Renewal Documentation

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