



## Board Report

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Agenda Number: 12.

### FINANCE BUDGET AND AUDIT COMMITTEE JULY 18, 2018

**SUBJECT: GREATER LEIMERT PARK VILLAGE CRENSHAW  
CORRIDOR BUSINESS IMPROVEMENT DISTRICT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

APPROVE Metro's participation in the Leimert Park Village Corridor Business Improvement District for a period of five years commencing January 1, 2019 through December 31, 2023 for an estimated amount of \$62,000.

#### **ISSUE**

The Leimert Park Village Crenshaw Corridor Business Improvement District (BID) is requesting a five-year authorization for BID services. The BID will have an annual assessment to improve and convey special benefits to properties located within the BID area. The BID will provide improvements and activities, including implementation of a Clean and Safe Program, Marketing Program, and management costs as well as an operating contingency.

#### **DISCUSSION**

The goals of the BID are to:

- improve the safety of each individual parcel within the District;
- increase building occupancy and lease rates; and
- encourage new business development.

Establishment of the BID is a two-step process that includes (1) submission of favorable petitions from property owners representing more than 50% of total assessments to be paid; and (2) return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Metro has supported the formation of BIDs when the service or improvements provide a direct benefit to Metro properties, employees, and customers. Under Proposition 218, the assessing agency that proposes an assessment identifies all parcels that will receive a special benefit. The special benefit for each parcel is determined by: (1) the relationship of the capital cost of a public improvement; (2)

the maintenance and operation of a public improvement; or (3) the cost of the property-related services being provided. No assessment can be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit on that parcel. All publicly-owned parcels are required to pay their proportional share of costs based on the special benefits conferred to those individual parcels. Only special benefits are assessable. The special benefit to Metro parcels will be an increase in District customers, an increased likelihood of attracting and retaining employees that follows from having a cleaner and safer area, increased use of the public facilities, and increased attraction to the neighborhood. Proposition 218 provides that parcels within a district that are owned or used by any agency "...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that the property will receive no benefit".

The Metro Board adopted the Guidelines on Metro Participation in Proposed Assessment Districts ("Guidelines", see Attachment E) in June 1998. The Guidelines require staff to analyze each assessment district based on whether it provides a benefit to Metro properties, facilities, Metro employees, and/or Metro's passengers, or reduce costs for the agency. Staff is to provide the Board with an analysis, on a case-by-case basis, that determines whether Metro property benefits from the proposed services or improvements; and whether the benefit to the property exceeds the cost of the assessment. An evaluation of the BID's benefits to Metro is attached (see Attachment C).

#### Description of BID

The BID will have an five (5) year life beginning January 1, 2019 and ending December 31, 2023. The BID Steering Committee collectively determines the programs and priorities for improvements within BID's boundaries. BIDs are administered by professional management.

#### Clean and Safe

To consistently deal with matters of cleanliness, a Clean and Safe Program will be provided. The BID personnel will sweep litter, remove debris and refuse from sidewalks and gutters. Additionally, the BID will remove graffiti.

#### Marketing

A marketing program to communicate the changes that are taking place in the BID and to enhance the positive perception of the BID's service. This program will develop the marketing of the BID as a communication strategy focused around the cultural, historical, and commercial story of the BID.

#### Management

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management oversees contracts, preparation of annual and quarterly reports in addition to policy efforts around the further promotion of the BID's needs.

#### **DETERMINATION OF SAFETY IMPACT**

The Board action will not have an impact on safety standards for Metro.

#### **FINANCIAL IMPACT**

The BID's proposed assessment for Calendar Year 2019 is \$10,862.80. The assessments will be subject to annual increases not to exceed 5% per year (see Attachment D for full schedule).

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Assuming a 5% increase per year, the total cost to Metro over the eight-year term of the BID is projected to be \$60,024.

Impact to Budget

All funding is paid out of the Non-Departmental Real Estate Accounts-Cost Center 0651, Project 300044, Account 50799-and is included FY19 budget for Countywide Planning and Development. Funding source is ordinary operating funds including fares and sales tax revenues. These funds are eligible for bus and rail operations.

**ALTERNATIVES CONSIDERED**

Metro could refrain from signing the petition and casting a ballot. This alternative is not recommended. Based on the evaluation of the benefits to Metro, participation in the BID is recommended.

**NEXT STEPS**

Execute petition and participate in the BID.

**ATTACHMENTS**

Attachment A - BID Management Plan

Attachment B - Map of Bid

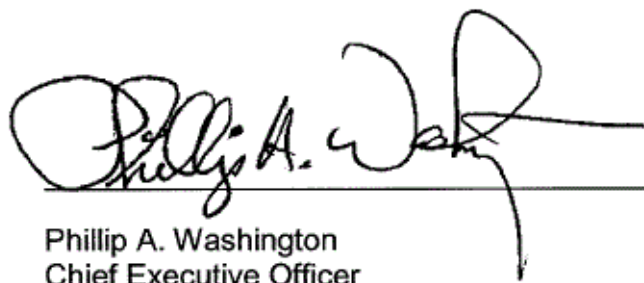
Attachment C - Evaluation of BID's Benefit to Metro

Attachment D - Metro Owned Parcels in BID and 5-Year Costs

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