

**Board Report**

File #: 2019-0246, **File Type:** Program**Agenda Number:** 10.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019****SUBJECT: HIGHLAND PARK BUSINESS IMPROVEMENT DISTRICT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to sign the Petition to establish the Highland Park 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 \$9,239 over the life of the BID renewal.

ISSUE

Per established Metro Board Guidelines, all BIDs that have not yet been approved by the Metro Board of Directors require board authorization to participate. Thereafter, those BIDs less than \$500,000 may be re-authorized by the appropriate Metro official depending on financial authority limits required.

BACKGROUND

The Highland Park BID is one of the City of Los Angeles' 42 BIDs. Metro owns one parcel within the boundaries of the Highland Park BID which comprises a quarter of one percent of the total assessed property within the BID boundaries. Metro acquired this property as part of the purchase of the Pasadena Subdivision from the Southern Pacific Railroad (now Union Pacific Railroad) in 1992. The BID, first formed in 2010, is seeking authorization for an additional five years.

Annual assessment payments to the BID are made to the City of Los Angeles Clerk's Office as fiduciary collecting for all BIDs citywide.

DISCUSSION

Given Metro's marginal amount of assessed land (see Attachment A), staff had foregone submission to the Board of Directors for authorization of the Highland Park BID in 2010 and renewal in 2015. Even without Metro's return of a petition, the BID was approved by a majority of business owners and Metro was required to pay its annual assessment over the BID's authorized periods spanning ten years. However, for this petition cycle, the BID has asked Metro to return the petition to ensure representation of all BID stakeholders.

Per Metro's established guidelines (Attachment C), Real Estate has evaluated the property within the Highland Park BID and determined it is Tier 1 - No Benefit to Metro given the property use is operating right-of-way for the Gold Line light rail transit.

However, participation in the BID provides community benefit for local businesses impacted continually by Metro transit operations. But for the BID, the crucial community services may not be provided. Several owners have publicly stated that the community is well served with the BID services.

Equity Platform:

BID assessments support equity by providing for a general subsidy to support neighborhood cleanliness, hygiene, and safety.

DETERMINATION OF SAFETY IMPACT

Approval of participation in the BID will have no impact on safety to Metro operations or customers.

FINANCIAL IMPACT

Authorization and participation in the BID, if approved by a majority of businesses in the BID's extent, would have a total cost of \$9,239 over the life of the five-year term.

Impact to Budget

All BID payments are funded from the General Fund - Real Estate Lease Revenue. Costs are budgeted under Cost Center 0651 (ND Real-Estate), Account No. 50799 (Taxes).

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Participating in the BID provides responsive, accountable, and trustworthy governance as stated in Strategic Plan Goal #5 by demonstrating Metro's commitment to be civically engaged in the communities which it owns property.

ALTERNATIVES CONSIDERED

The board could choose not to participate in the BID at which point no additional steps would be required by Metro. Given the small proportion of Metro's land within the BID, Metro not participating in the petition would be unlikely to impact whether or not the BID petition is successful. However, this would be the first BID that Metro did not support and may cause ill will towards Metro from the community. If the BID passes, regardless of whether or not Metro supports it, Metro will still be responsible for the annual payments.

NEXT STEPS

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1. Upon Board approval, Real Estate staff will return the petition to BID management and if the BID passes, will make annual payments as assessed by the City of Los Angeles Clerk's Office each year of the BID's five-year term.
 2. In fall 2019, staff will bring back to the Board a revised policy for participation in Business Improvement Districts to allow for authority to be delegated to the Metro CEO to sign petitions under an established threshold and to revise the Tier description language to ensure that the descriptions reflect the benefit received.

ATTACHMENTS

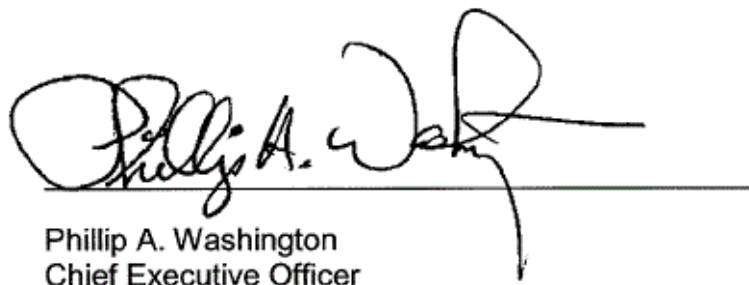
Attachment A - Map of Highland Park BID

Attachment B - Highland Park BID Renewal Documents

Attachment C - Guidelines on BID Participation

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