



Board Report

File #: 2019-0546, File Type: Policy

Agenda Number: 18.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 16, 2019

SUBJECT: DELEGATED AUTHORITY FOR BUSINESS IMPROVEMENT DISTRICT PARTICIPATION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to approve and sign all petitions, ballots and other related documents for participation in state-authorized business improvement districts (BID) and any other assessment districts (such as street lighting, health, safety, and crime prevention districts) as defined under California law, where the total assessment over the term of the BID does not exceed \$500,000.

ISSUE

Presently, Metro's policy requires all new BIDs (that have not yet been approved by the Metro Board of Directors), be authorized by the Board. Frequently, the votes to form BIDs have short timeframes and Metro cannot participate in the vote because of this requirement. Board approval of this item will facilitate approval and processing of all new BIDs where total assessment does not exceed \$500,000 over the term of the BID.

BACKGROUND

BIDs are generally accepted methods for providing essential services for the safety and cleanliness of communities where municipal funding gaps exist. Metro currently participates in all the BIDs which touch its landholdings at an annual cost to the agency of \$633,000.

In May 2014, the Board approved delegation of authority to the CEO for participation in BIDs where the total assessment over the term of the BID does not exceed \$500,000, and where the action represents a renewal of a BID previously approved by the Board (Attachment A, pages 1-2).

DISCUSSION

Staff analyzes BID participation using the *General Guidelines for MTA Participation in Proposed Assessment Districts* (included in Attachment A, pages 4-5). Local BIDs often serve as the first line of defense and notification to Metro for issues related to site security, cleanliness, and other general

upkeep related to public stewardship of land.

In June 2019, the Board approved the Highland Park BID. The 5-year obligation is estimated to be less than \$10,000. The current policy required board approval because it was a newly formed district. Metro is involved in more than 50 BIDs and the Board has not refused to participate in any of them.

Equity Platform

BIDs have proven to support Metro's equity platform by providing for a general subsidy to support neighborhood cleanliness, personal hygiene, and safety where the agency has property. By being able to participate in BID votes, Metro can better support these efforts.

DETERMINATION OF SAFETY IMPACT

This action will have no impact on Metro safety.

FINANCIAL IMPACT

Real Estate accounts for all costs related to BID payments in Cost Center 0651. Real Estate charges on the order of \$633,000 per year across the service areas and land holdings to Account 50799, Tax Others. The Funding source is operating funds including fares and sales tax revenues. These funds are eligible for bus and rail operations and capital projects.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This is an assessment obligation for Metro to pay based on a locally-formed district's decision to assess a fee. Assuring timely participation in BIDs therefore provides responsive, accountable, and trustworthy governance as stated in Strategic Plan Goal #5.

ALTERNATIVES CONSIDERED

The Board could continue to require approval of new BIDs. This is not recommended as the likely outcome would be a delayed return of BID ballots which would negate Metro's affirmation or re-affirmation to establish and participate in a BID among the communities of its various operating lines.

NEXT STEPS

Upon Board approval, staff will begin routing to the CEO for approval and signature all BID petitions, ballots and other related documents for participation in state-authorized business improvement districts and any other benefit assessment district as defined under California law, where the total assessment over the term of the BID does not exceed \$500,000.

ATTACHMENTS

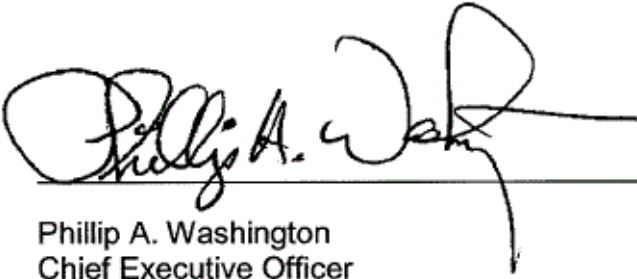
Attachment A - BID Guidelines

Prepared by: John Beck, Sr. Real Estate Officer, Countywide Planning & Development, (213) 922-4435

John Potts, Executive Officer, Countywide Planning & Development, (213) 928-3397

Holly Rockwell, Sr. Exec. Officer - Real Estate, Transit Oriented Communities and Transportation Demand Management, (213) 922-5585

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer