



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).

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

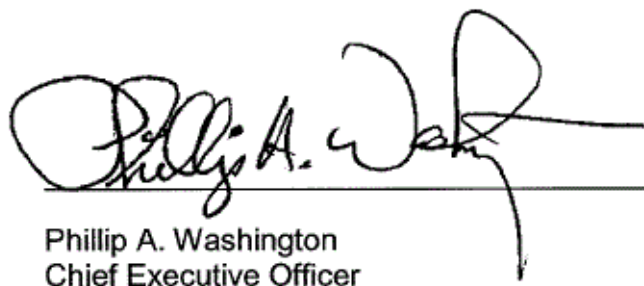
Attachment C - Evaluation of BID's Benefit to Metro

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

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Chief Executive Officer

II. Business Improvement District Boundaries

Overall Boundary (Also see map, page 11)

The Greater Leimert Park Village/Crenshaw Corridor Business Improvement District includes all property within a boundary formed by:

Beginning at the northwest corner of parcel 5044-004-025, then east along the north line of said parcel to east line of said parcel, then south along the east line of parcel 5044-004-025 and the east line of parcels abutting the east side of Crenshaw Boulevard to the south side of Exposition Boulevard, then east along the north line of parcel 5044-002-900 to the east line of said parcel to the south line of said parcel, then to the west side of Bronson Avenue, then south to the south side of Rodeo Road, then east to east line of parcel 5033-001-020, then south along the east line of parcel 5033-001-020 to the south side of Coliseum Street, then west to the west side of Bronson Avenue, then south along the east line of parcel 5033-003-019 and the east line of parcels abutting the east side of Crenshaw Boulevard to the north side of 39th Street, then west to the east side of Crenshaw Boulevard, then south to point closest to the northwest corner of parcel 5033-004-901, then across and east along the north line of said parcel to the east line of said parcel, then south along the east line of parcel 5033-004-901 and the east line of parcels abutting the east side of Crenshaw Boulevard to the south side of Martin Luther King, Jr. Boulevard, then east to the west side of McClung Drive, then south to the southeast corner of parcel 5013-009-015, then west to the east line of the parcels abutting the east side of Crenshaw Boulevard, then south along the east line of the parcels abutting the east side of Crenshaw Boulevard to the point closest to the north line of parcel 5024-017-001, then across and east along the north line of said parcel and the north line of the parcels abutting the north side of 43rd Street to the west side of Leimert Boulevard, then south along the west side of Leimert Boulevard to its intersection with the east side of Crenshaw Boulevard, then north along the east side of Crenshaw Boulevard to a point directly east of parcel 5013-013-013, then west along the south line of parcels 5013-013-013 and 014 to the southwest corner of parcel 5013-013-014, then north along the west line of said parcel and the parcels abutting the west side of Crenshaw Boulevard to Stocker Street, then across Stocker Street to a point in the south line of parcel 5032-002-040 on the north side of Stocker Street, then southwesterly along the north side of Stocker Street to the southeasterly side of Santa Rosalia Drive, then northwesterly along the east side of Santa Rosalia Drive to the east side of Buckingham Drive, then north along the east side of Buckingham Drive to the southwesterly side of Martin Luther King, Jr. Boulevard, then south along the southwesterly side of Martin Luther King, Jr. Boulevard to the southeasterly side of Marlton Avenue, then northerly along the easterly side of Marlton Avenue to the north side of 39th Street, then west along the south side of parcel 5045-019-040 to the

west side of said parcel, then north along the west side of parcel 5045-019-040 and the west line of parcels abutting the west side of Crenshaw Boulevard to the north side of Rodeo Place, then north along the west side of parcels abutting the east side of Victoria Avenue to the northwest corner of parcel 5046-022-900 , then across Exposition Boulevard to parcel 5046-040-905 and north along the western side of said parcel and east along the north line of said parcel to the west side of parcels abutting the west side of Crenshaw Boulevard, then north along the western line to the northwest corner of parcel 5046-001-047, then east along the north side of said parcel to the northwest corner of parcel 5044-004-025.

Zone Boundary Description (Also see map, page 11)

Zone 1:

Commercial areas along Crenshaw Blvd (excluding the Baldwin Hills Mall), Marlton Square, the core Leimert Park Village area parcels, and the commercial area along Leimert Blvd. make up Zone 1. The area along Crenshaw Blvd. includes both sides of Crenshaw Blvd. from the south side of Jefferson Blvd. to the north side of 39th St., the east side of Crenshaw from parcel 5033-004-901 to the north side of Stocker St., and both sides of Crenshaw Blvd. from the south side of Stocker St. to parcel 5013-013-013 just south of W. Vernon Avenue on the west side and parcel 5024-018-008 just north of the parcel at the northeast corner of Crenshaw Blvd. and 43rd Pl, on the east side of Crenshaw Blvd. Marlton Square is bounded by Martin Luther King, Jr. Blvd. to the north, Santa Rosalia Dr. to the south, Buckingham Rd. to the west and Marlton Ave. to the east. The Leimert Park Village area is bounded by the northern boundary of the parcels abutting the north side of W. 43rd St., the southern boundary of the parcels abutting the north side of W. 43rd Pl., and parcels facing Degnan Blvd. on both the east and west. The area along Leimert Blvd. includes parcels abutting the west side of Leimert Blvd. from 43rd St. to the intersection of Leimert Blvd. and Crenshaw Blvd., and will include two Metro stations, one located at Exposition Blvd. and Crenshaw Blvd., the other located at Crenshaw Blvd. and Vernon Ave. in Leimert Park Village.

Zone 2:

Crenshaw Mall parcels make up Zone 2. This zone is bounded by 39th St. to the north, Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east. It will also include a Metro station located at the Baldwin Hills Crenshaw Plaza shopping mall at the corner of Martin Luther King, Jr. Blvd. and Crenshaw Blvd.

District Boundary Rationale

The property land uses within the general boundaries of the District are a mix of retail, restaurant, art, office, parking, government, and mixed-use commercial uses. Leimert Park is unique in that for over 50 years it has been an important center of African-American art and culture as well as a center of commerce in the African-American community. Crenshaw Plaza/Baldwin Hills Mall, which is within the District, was one of the first large shopping malls developed in the United States. The boundaries for the Leimert Park BID were established in

2003 in an effort to respect the historic nature of the commercial district and bring revitalization to the district.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. All of the services provided, such as the cleaning work provided by the Clean Team, are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District. Improvements and services will only be provided to each individually assessed parcel within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

Northern Boundary:

The northern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District is Jefferson Boulevard. These programs are not designed to provide special benefit to the residential uses outside of District boundaries because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking, government, and mixed-use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, enhancing pedestrian pathways and encouraging commerce. Programs funded with the assessment, will only be provided to individual assessed parcels within the boundaries of the District.

Parcels directly north of Jefferson Boulevard differ from District uses in that they are part of the Jefferson Park community and are outside of the Crenshaw Corridor pathway that pedestrians will transverse between the Metro rail line stations at Exposition Boulevard, Martin Luther King, Jr. Boulevard and 43rd Place. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Eastern Boundary:

The eastern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District varies between the west side of Leimert Boulevard on the south and the eastern parcel line of parcels facing on the east side of Crenshaw Boulevard, except for the residentially zoned parcels on the east side of Crenshaw Boulevard between 39th Street and Martin Luther King, Jr. Blvd. This boundary was determined because properties within the district are commercial while properties outside the eastern district boundary are solely residential in use and will not specially benefit from the unique improvements and services which are designed to provide special benefits in the form of improving the economic and

environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District.

These programs are not designed to provide special benefit to the solely residential uses outside of District boundaries. District programs are designed to benefit commercial parcels because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking, government, and mixed-use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, and encouraging commerce. Specifically, sidewalk cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Southern Boundary:

The southern boundary is the southern parcel line of parcels 5013-013-013, 5013-013-014, and 5013-023-007. This boundary was determined because properties along Crenshaw Boulevard are of similar commercial use as the retail, restaurant, art, office, parking and mixed-use commercial uses as parcels 5013-013-013, 5013-013-014, and 5013-023-007. Parcels 5013-013-013 and 5013-013-014 are on the south west corner of Crenshaw Boulevard and Vernon Avenue, a multi-story bank building, are included in the District to provide District programs to all four corners of the intersection. The street on the south side of parcel 5013-013-013 is used as a street connecting S. Victoria Avenue and Crenshaw Boulevard and acts as a district boundary. Parcels south of the District boundary are a mix of residential intermingled with an occasional small commercial use.

The parcels south of the District boundary represent the dividing boundary between Council Districts 8 and 10 and are identified in the Council District 8 new Destination Crenshaw plan which is being created as a community planning area distinct from the adjacent historic Leimert Park Village located within the proposed District Boundary. Parcels south of the District boundary will not specially benefit from the District marketing program which is designed to increase awareness of historic Leimert Park Village and increase commerce to the historic commercial businesses within the District boundary. The parcels are not part of the traditional Leimert Park Village area and don't further the goal of improving the economic and environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District. Parcels south of Stocker Avenue and west of Crenshaw Boulevard are in an unincorporated area of Los Angeles County and are not included within the District boundaries because property-based business improvement districts cannot cross governmental jurisdiction lines without the approval of both jurisdictions. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only monitor and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Western Boundary:

The western boundary of the Leimert Park Village/Crenshaw Business Improvement District is the western parcel line of parcels on the west side of Crenshaw Boulevard beginning with parcel 5013-013-013 and heading north to Stocker Street. At Stocker Street turn west along Stocker Street to Santa Rosalia Drive. At Santa Rosalia Drive turn northerly along Santa Rosalia Drive to Buckingham Road. At Buckingham Road turn northerly to Martin Luther King, Jr. Boulevard. At Martin Luther King, Jr. Boulevard turn easterly to Marlton Avenue. At Marlton Avenue turn northerly to 39th Street. At 39th Street continue northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Rodeo Place, then continue northerly along the western border of parcels 5046023012, 5046023013, 5046023014, 5046023015, 5046023016, 5046023017, 5046023018, 5046023019, 5046023020, 5046023021, and 5046023023, then northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Jefferson Boulevard.

This boundary was chosen for its unique commercial uses including regional medical center, and mall restaurant/retail. Parcels west of the District boundary are zoned solely residential which are excluded by State Law from being included within the District or are commercially zoned parcels that area not being used for commercial uses. The commercial zoned uses on the southwest side of Santa Rosalia Dr. are religious, recreational and residential and do not depend on pedestrian traffic to support commercial activity. These parcels outside the District will not specially benefit from the District programs, which are specifically designed to improve pedestrian traffic and provide special benefit to the parcels that have retail, restaurant, art, office, parking, government, and mixed-use commercial uses within the District. Services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

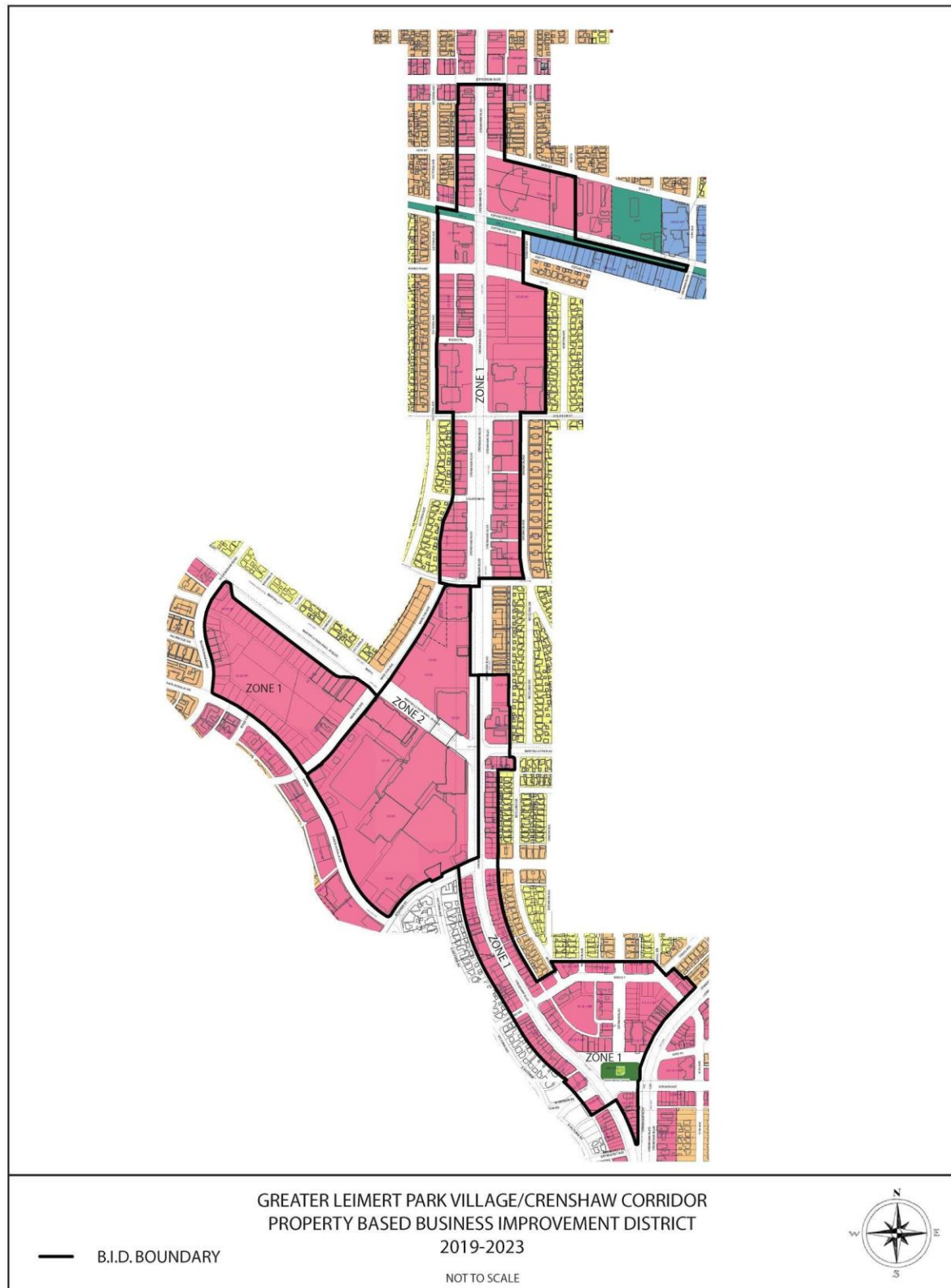
Zone 1 Boundary:

Zone 1 includes the core of the Leimert Park Village, parcels on the west side of Leimert Boulevard, parcels along Crenshaw Boulevard (not including the Crenshaw Mall), and Marlton Square. This area has the highest pedestrian counts generated by the businesses and the highest demand for clean and beautiful services.

Zone 2 Boundary:

Zone 2 consists of the Crenshaw Mall parcels. This zone is bounded by 39th St. to the north, Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east. Zone 2 has a lower need for Marketing and Clean and Safe services than Zone 1 due to the Mall service infrastructure.

MAP OF GREATER LEIMERT PARK VILLAGE CRENSHAW CORRIDOR BID



EVALUATION OF GREATER LEIMERT PARK VILLAGE CRENSHAW CORRIDOR BID-BENEFIT TO MTA FOR PERIOD 2019-2023

Evaluation of Benefits to MTA

The proposed BID includes six (6) parcels owned by MTA. The largest group of parcels is improved along the Expo Line at Crenshaw Boulevard and Exposition Boulevard.

The total proposed District budget for the 2019 year of operation is approximately \$450,000.00. Assessments may be subject to annual increases not to exceed 5% each year, if implemented. The budget will cover improvements, activities and services which include (1) enhanced safety programs such as monitoring vacant parcels for broken security fencing and reporting to property owners; and (2) clean programs such as sidewalk sweeping, sidewalk pressure washing graffiti and handbill removal, and trash removal. The proposed 2019 Arts BID assessment to LACMTA owned properties is estimated to be \$10,862.80 which is approximately 2.6% of the total BID assessment.

Analysis of Benefit to MTA

The Guidelines on MTA Participation in Proposed Assessment Districts ("Guidelines") established general guidelines for determining benefits to MTA properties as outlined below. A list of MTA properties included in the proposed BID is attached, with an indication of the benefit to MTA according to MTA's guidelines. (Attachment 4). The guidelines require an analysis of each new assessment district service and/or improvement based on whether it improves MTA property or facility, benefit MTA employees, benefit the MTA riding public or reduce costs for the MTA.

Following is the analysis of benefits to MTA from the Greater Leimert Park Village Crenshaw Corridor Business Improvement District based on the Guidelines.

TIER 1 – NO BENEFIT

- Subsurface easements
- Aerial easements
- Right of Way – Exposition Line
- Vacant Land

TIER 2 – MINOR OR NO POTENTIAL BENEFIT

- Parking Lots – 4444 Crenshaw Boulevard

TIER 3 – MINOR OR SOME POTENTIAL BENEFIT

- Bus Division – None
- Bus Terminals – None
- Customer Service Centers - None
- USG Headquarters Building – None
- Maintenance Facilities – None
- Rail Division – None
- Rail Terminus –None
- Stations – Expo Crenshaw Station
- Miscellaneous Buildings –3610 Crenshaw Boulevard, 3630 Crenshaw Boulevard, 4330 Crenshaw Boulevard, and 3510 Exposition Boulevard used for material storage—employees access periodically.

LACMTA property located along Crenshaw Boulevard receive the benefit of enhanced security patrol in the general area. The BID's removal of graffiti will benefit the properties at the Expo Line Crenshaw Station, 3610 Crenshaw Boulevard, 3630 Crenshaw Boulevard and 3510 Exposition Boulevard as they have street frontage and may experience tagging along the exterior fence. The overall improvement of the District makes the area around MTA's property more attractive to development which results in an increase to overall property values in the area of MTA's facilities. Support for the BID will continue the enhanced security, maintenance programs that are above and beyond services currently provided by the City of Los Angeles in the area.

TIER 4 – ACTUAL BENEFITS

LACMTA Benefits –The LACMTA Property fronting on a public street benefits from the BID services and pay 100% assessment if it is determined that it has some potential benefit. The services provided are categorized as Clean and Safe Program which includes security services. The special benefit to assessed parcels from these services increase the likelihood of increased commercial activity in the area which will provide a benefit to MTA's customers. The Clean and Safe Program will provide sidewalk cleaning by uniformed, radio equipped personnel who will sweep litter, debris and refuse from sidewalks, and gutters and pressure wash the sidewalks. Personnel will collect trash from sidewalk trash receptacles as needed. Graffiti will be removed by painting, using solvent and pressing washing. The District will maintain a zero tolerance graffiti policy and to remove all tags within 24 hours on weekdays.

The enhanced safety activities will make the areas included in the BID more attractive for businesses, customers, and residents, employees and ultimately private investment. The Clean and Safe activities benefit each assessed parcel by providing a clean and aesthetically appealing environment. These activities create the environment needed to achieve the BID's goals and provide special benefits to the individual parcels participating in the BID.

Implementation of the BID will not decrease MTA's maintenance expenses associated with the properties except in the area of sidewalk maintenance and graffiti removal from building and walls/fences fronting on Crenshaw Boulevard and Leimert Boulevard.

The BID will enhance the environment of the area around the Expo Line Crenshaw Station making the area cleaner and safer for MTA customers.

Metro Assessed Parcels within BID Boundaries

Parcel	Address	Frontage <i>Linear Ft.</i>	Lot <i>Square Ft.</i>	Building <i>Square Ft.</i>	2019 Assessment
5013-023-900	4444 Crenshaw Boulevard	421	342	157	2,126
5024-018-904	4330 Crenshaw Boulevard	198	610	747	2,122
5044-002-900	No Address	2,107	2,390	-	2,584
5044-002-901	3630 Crenshaw Boulevard	255	459	305	1,750
5044-002-902	3510 Exposition Boulevard	126	513	556	1,556
5046-040-905	No Address	774	532	-	725
	Total	3,881	4,846	861	\$10,863.00

Over Five-year renewal period (2019-2023) with five percent (5%) cost escalation year-over-year:

Year	Assessment
2019	\$10,862.80
2020	\$11,405.94
2021	\$11,976.24
2022	\$12,575.05
2023	\$13,203.80
Total	\$60,023.83