



# LONG BEACH REDEVELOPMENT AGENCY

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November 20, 2006

## REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach  
California

### RECOMMENDATION:

Recommendation to approve and authorize the Executive Director to execute an agreement with HdL Coren & Cone to provide property tax management and auditing services. (Citywide – All Project Areas)

### DISCUSSION

On October 24, 2001, the Redevelopment Agency Board authorized the Executive Director in partnership with the City of Long Beach (City) to enter into an agreement with HdL Coren & Cone (HdL) to provide property tax management and auditing services to the City and the Redevelopment Agency (Agency). The contract had a one-year term with the provision for four one-year extensions. The last of these extensions has expired.

Property tax revenue is the most important source of revenue for the Agency and one of three major sources of revenues for the City. Due to its significance, the City and the Agency need to carefully track this revenue source to ensure that none of their revenues are misallocated to other jurisdictions.

Due to Los Angeles County's method of operation, the City and Agency often have limited information on property tax matters from the County. The result is that staff is unable to establish the accuracy of property values and changes, and to determine if certain parcels have been misallocated to other jurisdictions or whether the parcels are in the right tax rate area. Revenues due to the City and Agency are not always properly allocated and remitted to the City and Agency.

HdL will audit the tax rolls to ensure that parcels are properly allocated to the City and redevelopment project areas, and will work directly with Los Angeles County to recover monies due as a result of misallocated parcels. Since October 2001, HdL has recovered more than \$840,000 in misallocated property tax revenue for the Agency. These revenues continue to be captured in subsequent years to the extent that the misallocated parcels remain on the property tax rolls.

*The mission of the Long Beach Redevelopment Agency is to enhance the quality of life by improving blighted areas of Long Beach, revitalizing neighborhoods, promoting economic development, creating jobs, providing affordable housing and encouraging citizen participation.*

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The proposed agreement is for the period of December 1, 2006 through November 30, 2007. It also provides for four consecutive one-year extensions. The terms of the new agreement will be the same as the prior agreement: HdL will be paid a retainer of \$19,500 annually and receive 20 percent of the net misallocated revenues actually received by the Agency. As in the past, the City and the Agency will equally share the cost of the retainer—\$9,750 each.

Fees for potential recoveries will be paid to HdL only after the County has made the corrections and the Redevelopment Agency has received the corrected remittance from the County. HdL's recovery fees will be based on the amount of additional revenue received by the Agency less pass-through payments and any loss to the City. The maximum cost to the Agency of HdL's recovery fees is set by the agreement at \$200,000 per fiscal year. As in the past, revenues received from the audits will be new monies to the Agency and will more than offset the recovery costs.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



PATRICK H. WEST  
EXECUTIVE DIRECTOR

PHW:CAB:LAF

APPROVED:



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GERALD R. MILLER  
CITY MANAGER