



Legislation Text

File #: 18-0037, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute documents necessary to establish an agreement with the Long Beach Downtown Development Corporation, a non-profit organization located in Long Beach, CA, to provide services and financial support for economic development activities in the City of Long Beach. (Citywide)

The Long Beach Downtown Development Corporation (DDC) was created in 2011. The DDC is a registered non-profit public benefit corporation formed to: (a) help attract investment to Long Beach that creates jobs, expands existing businesses, recruits new businesses, and promotes development; (b) facilitate real estate development through innovative public/private partnerships; (c) support, expand and grow businesses through innovative loan and incentive programs; (d) contribute to the overall economic health of the City; and, (e) respond to unforeseen development economic opportunities as they present themselves. The DDC provides funding for projects that advance economic opportunities citywide.

A formal agreement between the DDC and the City is requested to allow the DDC to solicit donations, apply for grants, and reimburse the City for unbudgeted programs and services that advance economic development goals, with prior written approval of the City Manager or designee. Through its agreement with the City, the DDC Board of Directors will review the activities of the DDC, approve the distribution of funds, and maintain a strict ethic of independence to avoid conflict of interest when raising funds that advance economic opportunities for workers, investors, and entrepreneurs throughout Long Beach.

The DDC is organized and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law). No part of the income or assets of the DDC benefit any of its directors, trustees, officers or members or to any private persons, except that DDC may pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its purpose. No substantial part of the activities of the DDC may consist of lobbying or propaganda, or otherwise attempt to influence legislation, or any political campaign on behalf of any candidate for public office.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on December 18, 2017 and by Revenue Management Officer Geraldine Alejo on December 29, 2017.

City Council action is requested on January 16, 2018, to allow the DDC to begin acquiring financial and material resources for economic development projects on behalf of the City.

The City will have no financial obligations to the DDC. Under this agreement, the DDC will be able to solicit donations, apply for grants, and reimburse the City for unbudgeted programs and services that advance economic development goals. The total amount of monetary and in-kind resources from the DDC efforts that will benefit the City are unknown at this time. Of the total amount of financial support received on behalf of the City, DDC will retain a portion of the contributions to offset its administrative costs. Administrative costs will be negotiated by the DDC prior to the acceptance of donations on behalf of the City. DDC administrative costs include, but are not limited to, fees for tax filing, annual audits, administrative staffing, and material support. The Economic Development Department will return to the City Council with an appropriation request, offset by revenue from DDC, once funds are secured. Although the activities of the DDC will contribute to growth in local businesses and jobs, there is no local job impact associated with the execution of this partnership agreement.

Approve recommendation.

JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER