

BUDGET & FINANCE

MOTION

In order to beautify and enhance cultural amenities and services in the City of Los Angeles, the City Council enacted an Arts Development Fee. Under Section 91.107.4.6 of the Los Angeles Municipal Code, owners of private development projects for commercial or industrial buildings are required to pay an arts fee in exchange for the right to develop a project. The amount of the fee is based on certain types of land use; however, the Code does state, "In no event shall the required arts fee exceed \$1.57 per gross square foot of any structure authorized by the [building] permit or one percent of the valuation of the project designated on the permit, whichever is lower, as determined by the Department of Building and Safety..."

The Arts Development Fee is collected by the Department of Building and Safety when the developer applies for a building permit for the project. The developer can satisfy the Fee requirement in either of the following ways: (a) deposit money into the Arts Development Fee Trust Fund or (b) develop and submit to the Cultural Affairs Department a plan for an on-site artistic or cultural amenity which serves the development's users. The amenity may be a cultural or artistic facility/ service on site or a community amenity or (3) a combination of (a) and (b). The Fee must be satisfied before the developer receives a building permit.

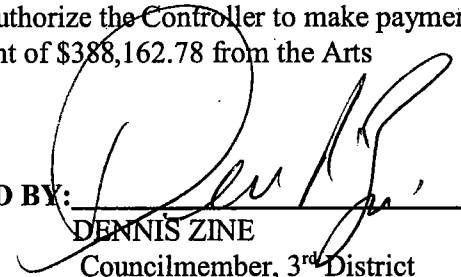
Westfield Development Corporation (Westfield), who is developing a project at 6600 Topanga Canyon Boulevard in Council District 3, had submitted to the Cultural Affairs Department a plan for an on site arts project and had secured approval of the plan. Cultural Affairs issued an Arts Development Fee Compliance and Confirmation document to Westfield which should have been presented to the Department of Building and Safety. Instead of filing the Compliance document with Building and Safety, Westfield erroneously paid an Arts Development Fee in the amount of \$388,162.78.

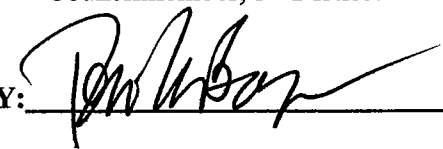
Cultural Affairs Department reports that a refund is due Westfield, but the process to refund the erroneous payment cannot proceed without Council authorization.

I, THEREFORE, MOVE that the City Council instruct the City Clerk to process a claim for refund for an Arts Development Fee paid in error by the Westfield Development Corporation.

I, FURTHER, MOVE that the City Council authorize the Controller to make payment to the Westfield Development Corporation in the amount of \$388,162.78 from the Arts Development Trust Fund 516.

AP

PRESENTED BY: 
DENNIS ZINE
Councilmember, 3rd District

SECONDED BY: 

05-2668
CD3