



## AGENDA REPORT

**Meeting Date:** December 7, 2010  
**Item Number:** C-3  
**To:** Honorable Mayor and City Council  
**From:** Mahdi Aluzri, Assistant City Manager  
**Subject:** A RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS DECLARING ITS OPPOSITION TO THE G&L REALTY CORPORATION TWO HOUR FREE PARKING INITIATIVE  
**Attachments:** 1. Resolution

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### **RECOMMENDATION**

Staff recommends that the City Council adopt the resolution formally opposing the G&L Realty Two-hours Free Parking initiative measure on the March 8, 2011 Municipal Elections ballot.

### **INTRODUCTION**

At its meeting of November 16<sup>th</sup>, the City Council adopted a resolution as required by law, to place a proposed measure on the March 8, 2011 Municipal Election that would require the City to provide two hours of free parking at most of its parking facilities.

The attached resolution formally confirms the City Council's position on the initiative and affirms its opposition to special interest groups imposing their will on the City and usurping the City Council's ability to manage its valuable parking resources.

### **DISCUSSION**

Similar to scores of other California cities, the City of Beverly Hills has grappled with several years of declining revenue and Sacramento money grabs. As a result, the City has had to make significant budget cuts of \$18 Million in Fiscal Year 2009-10 and \$9 Million in Fiscal Year 2010-11. Without adjustments, the deficit for Fiscal Year 2011-12 is projected to be approximately \$2 Million.

The City continues to work diligently to protect and maintain the essential City services that residents expect, but declining revenue has resulted in significant cuts to all City departments, including reductions to a number of full-time community service providers, such as cutting 10 police officers and reducing library staff. Library hours have been cut, the City no longer has daily commercial road/street maintenance, and grants to community-based service organizations have been reduced. City Hall will be closed for several days this month when constituents commonly contact or visit our city departments for assistance and information.

The G&L Realty parking initiative is a fiscally irresponsible measure creating a substantial loss in revenues to the Parking Enterprise Fund, which is part of the City's general fund. Staff has previously provided a report to the City Council documenting that the G&L Realty initiative will result in an annual loss of \$1.3 million to the general fund. This adds to the deficit in the Parking Enterprise Fund and would require additional subsidy from the General Fund to maintain and operate the City's parking facilities. . The City Council on the other hand proposed an alternate measure that provides greater benefits to Beverly Hills residents while causing considerably less fiscal impact to the City and the services provided to residents.

Additionally, the City has filed a lawsuit alleging that the G&L Realty initiative is an abuse of the initiative process by a private property owner for its own financial benefit, and that the initiative is not legally valid. Rather than being a proper legislative enactment, the Initiative instead directs the City Council to take an administrative action for the benefit of this private property owner.

#### **FISCAL IMPACT**

There is no fiscal impact as a result of adopting this resolution. However, as previously noted, the G&L Realty Initiative would result in close to \$1.3 Million annual loss over the next 10 years.

  
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Scott G. Miller  
Finance Approval

Mahdi Aluzri   
\_\_\_\_\_  
Approved By

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
BEVERLY HILLS DECLARING ITS OPPOSITION TO THE  
G&L REALTY CORPORATION TWO HOUR FREE PARKING  
INITIATIVE

The City Council of the City of Beverly Hills hereby resolves as follows:

WHEREAS, the City of Beverly Hills, like numerous others in the State of California, has suffered from the financial effects of the recession and State financial takeaways; and

WHEREAS, these factors have resulted in the need for the City to make dramatic budget cuts of \$18 Million in Fiscal Year 2009-10 and \$9 Million in Fiscal Year 2010-11; and

WHEREAS, these significant budget cuts will be exacerbated by the anticipated need for an additional \$2 Million in budget cuts to balance the budget in Fiscal Year 2011-12; and

WHEREAS, these past and future budget cuts affect the City's ability to continue to provide essential city services such as police, fire, street/road maintenance, and other community programs at the levels desired by our residents; and

WHEREAS, the attorney for G&L Realty Corporation, an office building owner, has testified to the City Council that G&L Realty is the proponent behind an initiative measure to direct the City Council to provide two hours of free parking to all motorists who park in City-owned off street parking facilities, including patrons of G&L's buildings; and

WHEREAS, the proposed initiative measure will result in an annual loss of an additional \$1.3 Million in revenue that would otherwise support services relied upon by our community,

such as 9-1-1 services; police, fire, and other public safety services; street/road maintenance; library services; and the joint powers agreement that supports our local schools; and

WHEREAS, the City Council believes that the G&L Realty Corporation initiative proposal is an abuse of the initiative process by a private property owner in order to compel the City to provide free parking to patrons of its buildings so that G&L Realty may charge high rents without providing reasonably priced parking for patrons of its buildings; and

WHEREAS, the City Council believes that paid signature gatherers for the proposed G&L Realty Corporation Initiative misled residents who were asked to sign the petition supporting the initiative measure; and

WHEREAS, the City Council believes that the G&L Realty Corporation initiative measure is invalid because it is not a proper legislative enactment by the residents of Beverly Hills, but instead directs the City Council to take an administrative action for the benefit of this private property owner and the City has filed a lawsuit to remove this initiative measure from the ballot; and

WHEREAS, the proposed Initiative Measure is fiscally irresponsible during a time when the City needs to identify solutions to its local fiscal and service needs that benefit the entire Beverly Hills public, and not just a select few; and

WHEREAS, the City Council has proposed an alternative and fiscally responsible initiative measure that maintains the Beverly Hills tradition of free parking for residents;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS  
HEREBY DECLARES THAT IT OPPOSES THE G&L REALTY CORPORATION  
INITIATIVE.

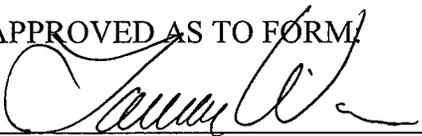
The City Clerk shall certify to the adoption of this Resolution and shall cause this  
Resolution and its certification to be entered in the Book of Resolutions of the Council of  
Beverly Hills.

Adopted:

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JIMMY DELSHAD  
Mayor of the City of Beverly Hills, California

ATTEST

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(seal)  
BYRON POPE  
City Clerk

APPROVED AS TO FORM  
  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT  
  
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JEFFREY KOLIN  
City Manager