

JUNE LAGMAY  
CITY CLERK

HOLLY L. WOLCOTT  
EXECUTIVE OFFICER

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

OFFICE OF  
CITY CLERK  
ADMINISTRATIVE SERVICES

ROOM 224, 200 N. SPRING STREET  
LOS ANGELES, CALIFORNIA 90012  
(213) 978-1099  
FAX: (213) 978-1130  
TDD/TTY (213) 978-1132

MIRANDA C. PASTER  
DIVISION HEAD

August 31, 2012

Honorable Members of the City Council  
City Hall, Room 395  
200 North Spring Street  
Los Angeles, California 90012

Council District 13

REGARDING: THE HOLLYWOOD ENTERTAINMENT DISTRICT (PROPERTY-BASED) BUSINESS IMPROVEMENT DISTRICT'S 2012 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Hollywood Entertainment District Business Improvement District's ("District") 2012 fiscal year (CF 11-0550). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with Section 36600 et seq. of the California Streets and Highways Code ("State Law"), an Annual Planning Report for the District must be submitted for approval by the City Council. The Hollywood Entertainment District Business Improvement District's Annual Planning Report for the 2012 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The Hollywood Entertainment District Business Improvement District was established on September 3, 2008 by and through the City Council's adoption of Ordinance No. 180190, which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The City Council established the District pursuant to State Law.

## ANNUAL REPORT REQUIREMENTS

The State Law requires that the District's owners' association shall cause to be prepared, for City Council's consideration, an Annual Planning Report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the planned District improvements and activities. The Annual Planning Report shall be filed with the City Clerk and shall refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following: any proposed changes in the boundaries of the district or in any benefit zones within the district; the improvements

and activities to be provided for that fiscal year; an estimate of the cost of providing the improvements and the activities for that fiscal year; the method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year; the amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and the amount of any contributions to be made from sources other than assessments levied.

The District Board has made no significant changes to 2013 budget from the 2012 budget categories. The descriptions of the budget categories have not changed from the approved Management District Plan.

The attached Annual Planning Report, which was approved by the District's Board at their November 17, 2011 meeting, complies with the requirements of the State Law and reports that programs will continue, as outlined in the Management District Plan adopted by the District property owners. The City Council may approve the Annual Report as filed by the District's owners' association or may modify any particulars contained in the Annual Planning Report, in accordance with State Law, and approve it as modified.

#### FISCAL IMPACT

There is no impact to the General Fund associated with this action.

#### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Hollywood Entertainment District Business Improvement District's 2012 fiscal year complies with the requirements of the State Law.
2. ADOPT the attached Annual Planning Report for the Hollywood Entertainment District Business Improvement District's 2012 fiscal year, pursuant to the State Law.

Sincerely,

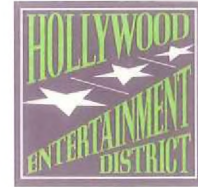


June Lagmay  
City Clerk

JL:HLW:MCP:RMH:rks

Attachment: Hollywood Entertainment District Business Improvement District's 2012 Fiscal Year Annual Planning Report

Attachment 1



Hollywood Property Owners Alliance  
1680 Vine Street, Suite 414  
Hollywood, CA 90028  
phone 323 463 6767 fax 323 463 1839

Hollywood  
Property Owners  
Alliance  
\*\*\*

Frank Stephan  
President  
Clarett West  
Development

Lynda Bybee  
Vice President  
Metro

Monica Yamada  
Treasurer  
CIM Group, Inc.

Don Mushin  
Secretary  
Hollywood Toyota

Greg Beck  
Champion Real Estate

Chris Bonbright  
Whitley Court  
Partners

Charles Colletta  
HEI, LLC.

Michael Gargano  
Argent Ventures, LLC

David Green  
Nederlander West Coast

John Lyons  
Avalon Hollywood

Jan Martin  
AMDA

Galo Medina  
Comprehensive  
Financial Services

Ron Radachy  
Oasis of Hollywood

Thaddeus Smith  
The Music Box

Tej Sudher  
Hollywood  
Guinness Museum

John Tronson  
Tronson  
Investment Group

\*\*\*

Kerry Morrison  
Executive Director

December 8, 2011

Mr. Rick Scott  
Special Assessment Section  
Office of the City Clerk  
200 N Spring St. Rm 224  
Los Angeles, CA 90012

Subject: Annual Planning Report for Hollywood Entertainment District

Dear Mr. Scott

Enclosed please find the 2012 Planning Report for the Hollywood Entertainment District (HED) Business Improvement District. This report satisfies the requirements of the contract between the Hollywood Property Owners Alliance and the City of Los Angeles.

The Board of Directors for the Hollywood Property Owners Alliance approved the detailed program plan and budget (attached) for the 2012 operational year for the HED at their recent board meeting on November 17, 2011. As you will see from the report, no significant changes are anticipated to the programs and services provided to the assessment paying stakeholders within the boundaries of the HED.

Thank you for all the assistance you have provided to the Hollywood Property Owners Alliance in the past year. Please let us know if there is any additional information you require.

Sincerely,

Kerry Morrison  
Executive Director  
Hollywood Property Owners Alliance

**2012 Planning Report**  
**Hollywood Entertainment District Business Improvement District**  
**Year Four**  
**Adopted: November 17, 2011**

---

The following report is prepared, in accordance with the requirements of Section 36650 of the Streets & Highways Code and serves as the Work Plan for the coming year for the Hollywood Entertainment District Business Improvement District.

1. **Boundaries and Zones:** There have been no changes to the boundaries or to the zones of the Hollywood Entertainment District.

2. **Detailed budget:** The following budget was approved by the board of directors for the Hollywood Property Owners Alliance at their November 17, 2011 meeting. (See Attachment A – Detailed Budget 2012.) Information is attached which compares and contrasts the budget plan for 2012 as compared to that laid out in the Management District Plan for 2012. (See Attachment B - Comparison: 2012 Budget to MDP.)

**A. Summary: 2012 Operating Budget - Gross Assessment Billings = \$3,510,444.**

This year, no CPI inflator was instituted by the HPOA Board of Directors.

(1) The revenue budget is further adjusted by the following factors: (a) the anticipated cash roll-over from 2011 is estimated at \$250,000; (b) modest interest revenue of \$3,500.

**B. Security Program -- \$1,612,000 or 45% of the budget**

The security program funds three services: (1) security patrols, (2) video surveillance cameras, and (3) homeless services outreach. The security vendor is Andrews International Security and a change order to their contract will be prepared to reflect the following services for 2012:

- ✓ Average patrol of 416 hours per week plus 79.2 hours for the Director, Assistant Director, and Dispatcher.
- ✓ This accommodates eight officers a day on Monday, seven on Tuesday and Wednesday, and eight on Thursday, Friday, and Saturday, plus six Officers on Sunday.
- ✓ On Saturday, one footbeat will represent a pairing of one officer from Hollywood and the second from the Sunset & Vine BID.
- ✓ This core scheduling will leave approximately \$20,000 in discretionary patrol funds that would be used to fund special projects and patrols.
- ✓ The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters is now housed at the LAPD sub-station at Hollywood & Highland and owing to the program management contract that the HPOA has negotiated with the Central Hollywood Coalition, to manage the Sunset & Vine BID, all security supervision and administrative costs are shared 66% HED and 34% SVBID. Office space is donated by Hollywood & Highland.

A portion of the security budget is also earmarked for the maintenance of eight video surveillance cameras, donated to the Los Angeles Police Department for their exclusive use. The maintenance contract amounts to \$3,128/month to support these cameras. The camera vendor is Metro Video Systems in El Segundo.

A set-aside in the Security Contingency budget (approximately \$35,000) will also be reserved for activities related to homeless outreach and moving individuals who are chronically homeless in the BID into housing. This will be under the direction of the Security Committee.

Security Committee meetings are held in conjunction with the Sunset & Vine BID, and the full range of public safety issues are addressed, including illegal vending, homelessness and loitering, public urination, drinking in public, vandalism and graffiti, and quality of life issues.

**C. Maintenance -- \$984,600 or 27% of the budget.**

The maintenance program involves a contract with the District's maintenance vendor, CleanStreet. Services and priorities are guided by the Hollywood Entertainment District Streetscape Committee, which awarded a three-year contract to CleanStreet after a competitive bidding process in December, 2008. A change order (with a three percent CPI increase) for the new year will be negotiated and approved by the board in November, 2011. The total annual contract with CleanStreet for services in the core BID amounts to \$885,000 includes an option to purchase add-on services, such as pressure washing, on an as-needed or seasonal basis. Alley District Services are described in Section H.

Core maintenance services include the following:

- Daily street and gutter sweeping
- Sidewalk pressure washing: Zone 1 - two times per week; Zone 2 - two times per month; Zone 3 - one time per month. In addition to the baseline level of services, the committee can allocate up to 420 additional hours of pressure washing in high-intensity zones or "spot cleaning." This year the committee elected to concentrate the pressure washing in nine key areas: Metro stops, bus stops, public gathering spaces, coffee shops, nightclubs/bars, vacant lots, vacant buildings, outdoor dining establishments, and high-traffic retail establishments.

- Trash removal twice daily from approximately 30 receptacles installed throughout the BID.
- Waste removal from three 3-cubic yard dumpsters, emptied approximately one time per day.
- Graffiti removal within 24 hours of a report.
- Sidewalk and gutter sweeping by two day porters working one 8-hour shift.
- Routine furniture washing and furniture and light pole touch up painting.
- Polish all brass medallions on all stars along the Walk of Fame at least one time per month.
- Oversight of all maintenance duties by one full-time supervisor dedicated to the district.

In addition, this year \$99,600 in funds are set aside for maintenance and landscaping related services, at the discretion of the Streetscape Committee. The types of projects to be addressed this coming year will include tree trimming, tree watering, tree replacement, equipping of a trailer for maintenance crews, minor infrastructure repairs, lights, etc.

**D. Special Projects/Marketing and Consulting -- \$110,000 or 3% of budget**

This budget category allows for the funding of marketing, communications and special projects to promote the image and improvements within the District. To provide specific guidance in this area, the HPOA board will be involved in a strategic planning retreat in January, 2013 to articulate specific projects and priorities for the coming year. Generally speaking, program specifics include the following:

- The production and distribution of a newsletter, six times a year, for District stakeholders and other community members;
- The creation of press kits and distribution of electronic news releases;
- The hosting, maintenance and enhancement of the Hollywood Entertainment District's website, [www.hollywoodbid.org](http://www.hollywoodbid.org);
- Projects related to promoting the Hollywood Facelift initiative, including educational seminars about property improvements, retail recruitment and business enhancement;
- Updating of economic research data to document trends in the BID, including changes in tax revenue, assessed values, rents, and general changes in commercial or retail activity;
- Special promotional projects associated with the arrival of the US Travel Association's POW-WOW in Hollywood in April, including a promotional video about the BID, press releases, before/after photos of the revitalization progress, and enhanced social networking;
- The funding of event sponsorships, social networking initiatives, or District promotion at the discretion of the board of directors.

The consulting budget is partially earmarked for three main professional agreements, and a discretionary amount remains (approximately \$25,000) to be deployed under the direction of the board for special projects:

- (1) Willdan – who provides quarterly updates to the property data base, and coordinates the annual update to the assessment roll for presentation to the city;
- (2) Computer Physicians – monthly retainer to maintain the Association’s computers and server;
- (3) SFW – monthly retainer to maintain and update the Accendo Mapping Software which is used to track and monitor security and graffiti incidents and to manage the parcel database.

**E. Administration/Legal/Accounting = \$613,766 or 17% of the budget.**

This category funds the central office for the HPOA including human resources costs (payroll, payroll taxes, 401(k) and health insurance); rent, telephone, office supplies, insurance, business meals and meeting expenses, travel, parking and the like. Because of the management contract between HPOA and the CHC, administrative and office expenses are allocated 26% to Sunset & Vine, and 74% to Hollywood.

A monthly legal retainer is budgeted for the Association’s counsel, Jeffrey Briggs Esq. Accounting services are provided by RBZ LLP and the annual Financial Review is compiled by Fabio Vasco CPA.

**F. City Fees, Contingency and Delinquencies -- \$270,207 or 8% of the budget**

Each year, the city levies a fee equal to one percent of the gross assessment. Further, the board of directors each year estimates the amount of delinquencies to be experienced in the coming year, in order remove those funds from the net operating budget. This year, the board is budgeting for a four percent delinquency. The contingency budget is earmarked to either accommodate a higher than budgeted delinquency rate, or to supplement services during the year at the discretion of the board of directors.

**G. Alley District Expense -- \$137,010**

This budget item is earmarked for alley maintenance and is paid for by a special linear footage assessment levied against owners along both sides of public and private alleys in the BID, subject to the conditions outlined in the Management District Plan. Alleys are pressure washed and debris is removed. Graffiti is painted where necessary. These services continue to be rendered on a daily basis and are overseen by a designated Alley Supervisor. The Alley District Expense is not included as a budget category applicable to all the BID, hence it is not regulated by a

percentage calculation.

3. **Revenues carried from year to year.** The Operating Budget is predicated upon a carry-over of \$250,000 from 2011. The year-end budget anticipates a cash-on-hand of \$37,580 to roll into 2013.

4. **Assessments levied upon parcels.**

A. Assessment Formula: The assessment rates for 2012 are the following:

	Zone 1	Zone 2	Zone 3	Zone A
Street Frontage	38.72	32.01	27.68	
Land Area	0.0690	0.0618	0.0540	
Building Area	0.1014	0.0858	0.0764	
Alley frontage*				11.93





Attachment B: Comparison of  
2012 budget to Management  
District Plan Budget

original management plan			
security		1,600,000	48
mtc		850,000	26
spec proj		110,000	3
admin		527,000	16
city fees, del, cont		212,074	6
subtotal		3,299,074	100
alley		135,000	
total		3,434,074	

2012 budget**			
security		1,612,000	45
mtc		984,600	27
spec proj		110,000	3
admin		613,766	17
city fees	35104		
delqncy	139103		
contgcy	96000	270,207	8
subtotal		3,590,573	100
alley		137,016	
total		3,727,589	

\*\* budget is impacted by \$250,000 in rollover funds from previous year and anticipated \$3,500 interest income