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MIRANDA PASTER
ACTING DIVISION HEAD

August 30, 2012

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

Council District 6

REGARDING: THE PANORAMA CITY (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 Panorama City Business Improvement District's ("District") 2012 fiscal year (CF 11-0785). 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 Panorama City 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 Panorama City Business Improvement District was established on February 11, 2009 by and through the City Council's adoption of Ordinance No. 180540, which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The District's Management District Plan was modified on August 17, 2011 by and through the City Council's adoption of Ordinance No. 181861. The City Council established and modified 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 2012 budget from the 2012 budget categories as described in the modified Management District Plan. The District Board voted to use the rollover amount for 2012 for the District's planned renewal and to reduce assessments in the renewed District as described in the 2012 Annual Planning Report. The descriptions of the budget categories have not changed from the approved Management District Plan and the City Clerk does not recognize any adverse impact to the benefits received by property owners due to this budget adjustment.

The attached Annual Planning Report, which was approved by the District's Board at their December 2, 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

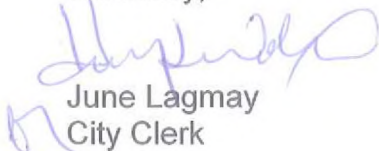
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Panorama City Business Improvement District's 2012 fiscal year complies with the requirements of the State Law
2. FIND that the District's 2012 budget concurs with the intentions of the Panorama City Business Improvement District's Management District Plan and does not adversely impact the benefits received by assessed property owners.
3. ADOPT the attached Annual Planning Report for the Panorama City Business Improvement District's 2012 fiscal year, pursuant to the State Law.

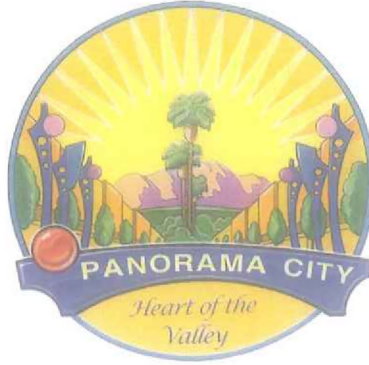
Sincerely,



June Lagmay
City Clerk

JL:HLW:MP:RMH:rks

Attachment: Panorama City Business Improvement District's 2012 Fiscal Year Annual Planning Report



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JUL 20 2012

The Panorama City Property Business Improvement District

2012 Planning Report

Presented By:

The Panorama City Business Improvement District
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North Hollywood, CA 91606

Prepared By:

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North Hollywood, CA 91606
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PANORAMA CITY BUSINESS IMPROVEMENT DISTRICT

Board of Directors and Officers

Sean Hashem
President

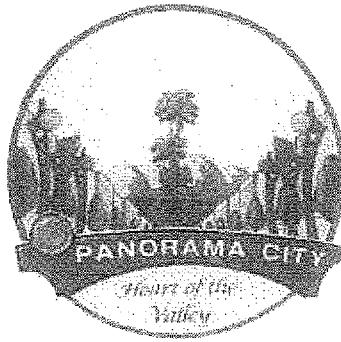
Stuart E. Siegel
Vice President

Cary Lefton
Treasurer

Ron Collins
Secretary

Cesar De La Cruz
Officer

The Panorama City BID 2012 Annual Planning Report was unanimously approved by the Board of Directors at a Board Meeting held on December 2, 2011.



December 2, 2011

Ms. June Lagmay
City Clerk, City of Los Angeles
City Hall
200 North Spring Street, Suite 395
Los Angeles, CA 90012

SUBJECT: The Panorama City BID 2012 Planning Report

Dear Ms. Lagmay:

As required by the Property and Business Improvement District Law of 1994, California Street and Highways Code Section 36650, the Board of Directors of the Panorama City Business Improvement District has caused this Planning Report to be prepared.

This report covers proposed activities from January 2012 through December 2012.

On behalf of the Panorama City BID, I would like to express our gratitude to you and your staff at the Special Assessments Section for your continuous support and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean Hashem". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sean Hashem
President

THE PANORAMA CITY BID 2012 PLANNING REPORT

DESCRIPTION OF BOUNDARIES AND BENEFIT ZONES

The boundaries of the Panorama City BID are as follows:

The northern boundary extends along Van Nuys Boulevard north of Parthenia Street and the southern boundary extends to Titus Street. The eastern boundary extends to Lennox and Tilden Avenues and the western boundary extends to Cedros. Only commercial parcels shall be assessed to fund special benefit services as outlined in this plan. There are no changes to the boundaries or benefit zones for 2012.

There are three benefit zones in the proposed district. The district includes a total of 106 parcels represented by 62 individual property owners.

LIST OF IMPROVEMENTS AND ACTIVITIES

The total improvement and activity plan for 2012 is to be \$449,671 in 2012 assessment revenue and approximately \$220,000 in 2011 rollover funds for a total 2012 budget of \$669,671. There are no deficit revenues carried over from a previous fiscal year. Interest accrued or delinquent payments may be expended in any budget category.

The Owners' Association shall have the right to shift allocations within the budget categories up to 10% of the total budget.

A DESCRIPTION OF IMPROVEMENTS ARE AS FOLLOWS:

1. LANDSCAPE/STREETSCAPE MAINTENANCE

For many years the BID had been working with the CRA to implement a major streetscape improvement plan that was to include medians, planters, trees/shrubbery, street furniture, signage, etc. It was anticipated that these improvements would have already been implemented; however due to various delays in the permitting process they were not.

In 2012, the CRA was dissolved and there is no funding available anymore for these projects. This category was to maintain these improvements over the years, but funds have been rolled over from year to year. A portion of these rollover funds has been used to increase the security patrol in the area. On June 20, 2012 the Board of Directors voted to use this rollover money for BID renewal and all remaining funds will be used to reduce the annual assessment amounts in the renewed BID.

2. MAINTENANCE

The BID will continue to contract with a maintenance vendor to sweep and pressure walk sidewalks, empty litter receptacles, remove graffiti, clean tree wells and medians, etc. to enhance the aesthetics of the district.

3. **SECURITY**
The BID will continue to contract with a security vendor to provide daily bicycle patrol throughout the district. The safety patrol team creates a safe environment for both businesses and patrons in the district and also serve as good will ambassadors.
4. **CULTURAL/SPECIAL EVENTS**
The BID will continue to support cultural/special events either through a holiday décor program or other events the Owners' Association (BID) deems appropriate.
5. **MARKETING/IMAGE ENHANCEMENT**
These activities will include producing and distributing the BID's quarterly newsletter, website design and maintenance and other projects the Owners' Association (BID) deems appropriate.
6. **ADMINISTRATION**
Included in the Administration component are the costs for a part-time Executive Director, bookkeeping, office expenses, legal fees, accounting fees, bank charges, annual report and Directors & Officers and General Liability insurance.
4. **SPECIAL PROJECTS/CONTINGENCY**
The Special Projects/Contingency budget includes City/County collection fees, and additional projects the Owners' Association (BID) deems appropriate.

The list of improvements and activities proposed for 2012 are as follows:

<u>IMPROVEMENTS</u>	<u>2012</u>
STREETSCAPE/LANDSCAPE MAINTENANCE	\$109,588
GENERAL MAINTENANCE	\$163,054
SECURITY	\$83,856
CULTURAL/SPECIAL EVENTS	\$9,317
MARKETING/IMAGE ENHANCEMENT	\$13,976
ADMINISTRATION	\$46,587
SPECIAL PROJECTS/ CONTINGENCY	\$23,293
TOTAL	\$449,671

Note: Interest accrued or delinquent payments may be expended in any of the above categories.

TOTAL ANNUAL AMOUNT PROPOSED FOR IMPROVEMENTS, MAINTENANCE AND OPERATIONS FOR EACH YEAR OF OPERATION

Annual increases assume a three (3) percentage maximum increase in overall assessment revenues collected per year. This is the maximum allowable increase based upon the

Management District Plan and assessment methodology of the property variables. This increase may be imposed at the discretion of the Owners' Association.

The Owners' Association shall make a notification to the City annually as to whether or not any adjustments to the current year's assessment rates will be made.

LEVYING OF ASSESSMENT IN SUFFICIENT DETAIL TO ALLOW EACH PROPERTY OWNER TO CALCULATE THE AMOUNT OF THE ASSESSMENT AGAINST THEIR PROPERTY

This method of financing the special services is based upon the levy of assessments on real property that benefit from proposed improvements and activities. This represents a "benefit assessment district" as defined in the State Law.

BUILDING BENEFIT UNITS

A. **Parcels fronting Van Nuys Boulevard:** Each parcel was allocated one (1) Building Benefit Unit (@ \$0.20) for each square foot of the first floor of each building on parcels fronting Van Nuys Boulevard. Each parcel was allocated one fourth (.25) a Building Benefit Unit (at \$0.05) for each square foot of the second floor and higher of each building on parcels fronting Van Nuys Boulevard.

B. **Parcels not fronting Van Nuys Boulevard:** Each parcel was allocated three fourths (.75) a Building Benefit Unit (@ \$0.15) for each square foot of the first floor of each building on the parcels not fronting Van Nuys Boulevard. Each parcel was allocated one sixth (.16) a Building Benefit Unit (@ \$0.03) for each square foot of the second floor and higher of each building on parcels not fronting Van Nuys Boulevard.

C. **Lot Benefit Units:** The parcels were allocated one Lot Benefit Unit for each square foot of the parcel's surface area at \$0.05 per square foot.

D. **Public Owned Land:** Public owned vacant land should be assessed at the same lot square footage cost, \$0.05 per square foot.

BENEFIT ASSESSMENT ZONE 1: The primary advantage of the PBID is derived by those properties that have frontage along Van Nuys Boulevard. The main boulevard within the PBID, Van Nuys, experiences a significantly higher traffic pattern of both pedestrians and vehicles. As a result there is a higher level of daily clean-up and maintenance of the landscaping. The landscaping and aesthetic improvements along Van Nuys Boulevard will be to the maximum benefit of property owners at street level facing the Boulevard. These owners also benefit to the greatest extent from the other activities to be undertaken in improving the area. However, even within Benefit Assessment Zone 1, the special benefit is not uniformly equal. For this reason, several formula factors were created to comprise the total assessment, and the Zone 1 assessment consists of the combined formula factors of *Benefit Assessment 1.1 (ground floor building square footage times \$0.20) plus 1.2 (upper floor building square footage times \$0.05) plus 1.3 (parcel lot square footage times \$0.05)*. Further defined, these formula factors are as follows:

Benefit Assessment Zone 1 Formula Factors

- **Benefit Assessment Formula Factor 1.1:** The ground floor improvement (structure) of parcels that face Van Nuys Boulevard. This portion of the assessment formula factor is based on the total square feet of the first floor improvement on Van Nuys Boulevard. For those parcels that face Van Nuys Boulevard, the ground floor level is deemed to receive the greatest benefit and therefore a higher assessment formula factor for the ground floor/level from the improvements to the PBID due to the direct pedestrian access each parcel has to the full range of street-level PBID services.

The highest assessment is for properties with an improvement (structure) and Van Nuys Boulevard frontage due to the special benefits to be received based on the total square feet of the first floor improvement.

Assessment Rate: \$.20 per square foot

PLUS

- **Benefit Assessment Formula Factor 1.2:** The improvement (structure) for all other levels (not the ground floor) of parcels that face Van Nuys Boulevard. This portion of the assessment formula factor is based on the total square feet of the improvement/structure (other than the ground floor) for those parcels that face Van Nuys Boulevard. This assessment formula factor was developed to recognize the greater special benefit received by the ground floor level of structures that face Van Nuys Boulevard and minimize the inequity of assessing the entire structure equally when the primary benefits diminish significantly after the first floor. Floors above the first floor will benefit from all PBID services, but the indirect pedestrian access to street-level services greatly reduces the special benefits received on these floors.

Assessment Rate: \$.05 per square foot

PLUS

- **Benefit Assessment Formula Factor 1.3:** The total parcel lot square footage. It was recognized that the proposed activities such as maintenance, graffiti removal, security, marketing, etc. would benefit all property owners to the same degree. Thus, Benefit Assessment Formula Factor 1.3 was created as the base assessment formula that is applied equally to all property owners within the PBID. This assessment reflects a flat fee of \$.05 per parcel square foot and is assessed to all property owners. It reflects the minimum benefit that is shared equally by all property owners.

Assessment Rate: \$.05 per square foot

ZONE 1	Total Assessment Amount	=	(Ground Floor Building Sq Ft X \$.20)
			+
			(Upper Floor Building Sq Ft X \$.05)
			+
			(Parcel Lot Sq Ft X \$.05)

As an example, the assessment for a Zone 1 business on a 5000 sq. ft. lot that has a 1000 sq. ft. one-story building would be as follows:

Parcel Lot Factor (5000 X \$0.05) = \$250	+	Ground Floor Factor (1000 X \$0.20) = \$200	+	Upper Floor Factor (0 X \$0.05) = \$0	=	Total Assessment Amount = \$450
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Each zone varies on the level of benefits received. Therefore the amount for the assessment factors vary accordingly in each zone to match the level of received benefit.

BENEFIT ASSESSMENT ZONE 2: This zone was created in recognition that the proposed activities such as maintenance, graffiti removal, security, marketing, etc. do not benefit each property owner equally. The main boulevard of Van Nuys experiences a significantly higher traffic pattern of both pedestrians and vehicles. As a result there is a higher level of daily clean-up and maintenance of the landscaping. The extra time and required attention devoted to Van Nuys Boulevard should not be paid for by those property owners on the cross streets of Parthenia and Chase as well as the north south streets of Tobias and Cedros. For this reason **Benefit Assessment Zone 2** was created. However, within Benefit Assessment Zone 2, the special benefit is not uniformly equal. For this reason, several formula factors were created to comprise the total assessment, and the Zone 2 assessment consists of the combined formula factors of **Benefit Assessment 2.1 (ground floor building square footage times \$0.15) plus 2.2 (upper floor building square footage times \$0.03) plus 2.3 (parcel lot square footage times \$0.05)**. These formula factors are defined as follows:

Benefit Assessment Zone 2 Formula Factors

- **Benefit Assessment Formula Factor 2.1:** The ground floor improvement (structure) of parcels that do not face Van Nuys Boulevard. This portion of the assessment formula factor is based on the total square feet of the first floor improvement for streets other than Van Nuys Boulevard. For those parcels that do not face Van Nuys Boulevard, the ground floor level is deemed to receive the greatest benefit and therefore a higher assessment formula factor for the ground floor/level from the improvements to the PBID due to the direct pedestrian access each parcel has to the full range of street-level PBID services.

The ground floor assessment for formula factor 2.1 is reduced compared to the ground floor assessment for formula factor 1.1 to account for the reduced amount of daily clean-up and maintenance of landscaping that Zone 2 will receive in comparison to Zone 1.

Assessment Rate: \$.15 per square foot

PLUS

- **Benefit Assessment Formula Factor 2.2:** The improvement (structure) for all other levels (not the ground floor) of parcels that do not face Van Nuys Boulevard. This portion of the assessment formula factor is based on the total square feet of the

improvement/structure (other than the ground floor) for those parcels that do not face Van Nuys Boulevard. This assessment formula factor was developed to recognize the greater special benefit received by the ground floor level of structures that do not face Van Nuys Boulevard and minimize the inequity of assessing the entire structure equally when the primary benefits diminish significantly after the first floor. Floors above the first floor will benefit from all PBID services, but the indirect pedestrian access to street-level services greatly reduces the special benefits received on these floors.

The non-ground floor assessment for formula factor 2.2 is reduced compared to the non-ground floor assessment for formula factor 1.2 to account for the reduced amount of PBID services that Zone 2 will receive in comparison to Zone 1.

Assessment Rate: \$.03 per square foot
PLUS

- **Benefit Assessment Formula Factor 2.3:** The total parcel lot square footage. It was recognized that the proposed activities such as maintenance, graffiti removal, security, marketing, etc. would benefit all property owners to the same degree. Thus, Benefit Assessment Formula Factor 2.3 was created as the base assessment formula that is applied equally to all property owners within the PBID. This assessment reflects a flat fee of \$.05 per parcel square foot and is assessed to all property owners. It reflects the minimum benefit that is shared equally by all property owners.

Assessment Rate: \$.05 per square foot

ZONE 2	Total Assessment Amount	=	(Ground Floor Building Sq Ft X \$0.15) + (Upper Floor Building Sq Ft X \$0.03) + (Parcel Lot Sq Ft X \$0.05)
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An example for a Zone 2 business on a 5000 sq. ft. lot that has a 3000 sq. ft. three-story building (each story having equal square footage), would be as follows:

Parcel Lot Factor		Ground Floor Factor		Upper Floor Factor		Total Assessment Amount
(5000 X \$0.05)	+	(1000 X \$0.15)	+	(2000 X \$0.05)	=	Amount
=		=		=		=
\$250		\$150		\$100		\$500

Each zone varies on the level of benefits received. Therefore the amount for the assessment factors vary accordingly in each zone to match the level of received benefit.

BENEFIT ASSESSMENT ZONE 3: This zone was created in recognition that public parcels are not retail commercial in nature. These public parcels will receive minimum benefits from the proposed PBID services and programs and will be assessed accordingly. Thus, Zone 3 is applied as the equal assessment rate for parcel square footage as to all property owners for the minimum benefit derived from inclusion within an operating business improvement district.

Assessment Rate: \$.05 per square foot

For zone 3, the formula is as follows:

$$\text{ZONE 3 Total Assessment Amount} = (\text{Parcel Lot Sq Ft} \times \$0.05)$$

An example for a Zone 3 business on a 5000 sq. ft. lot, would be as follows:

Parcel Lot	Total
Factor	Assessment
(5000 X \$0.05)	= Amount
=	=
\$250	\$250

**South Los Angeles Industrial Tract Business Improvement District
2012 Annual Report
2012 Fiscal Year Activities Budget**

Anticipated Assessment Revenue and Program Expenditures

Revenue Sources

2012 Special Assessment	\$ 449,671.00	
2011 Carryover	\$ 220,000.00	
2012 Total Estimated Budget		\$ 669,671.00

Program Expenditures

Landscape/Streetscape Maintenance	\$ 109,588.00	
Maintenance/Sanitation	\$ 163,054.00	
Security	\$ 83,856.00	
Cultural/Community Events	\$ 9,317.00	
Marketing/Image Enhancement	\$ 13,976.00	
Management/Administration	\$ 46,587.00	
Contingency	\$ 23,293.00	
2012 Total Estimated Expenditures		\$ 449,671.00

2012 Excess Revenue to be used for BID Renewal and reduce assessments in the renewed BID.		\$220,000.00
2012 Total Estimated Expenditures		\$ 669,671.00