

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF  
CITY CLERK  
NEIGHBORHOOD AND BUSINESS  
IMPROVEMENT DISTRICT DIVISION

ROOM 224, 200 N. SPRING STREET  
LOS ANGELES, CALIFORNIA 90012  
(213) 978-1099  
FAX: (213) 978-1107  
TDD/TTY (213) 978-1132

MIRANDA PASTER  
ACTING DIVISION HEAD

January 2, 2014

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

Council District 14

REGARDING: THE DOWNTOWN CENTER (PROPERTY-BASED) BUSINESS  
IMPROVEMENT DISTRICT'S 2014 FISCAL YEAR ANNUAL PLANNING  
REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Downtown Center Business Improvement District's ("District") 2014 fiscal year (CF 12-0422). 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 Downtown Center Business Improvement District's Annual Planning Report for the 2014 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The Downtown Center Business Improvement District was renewed on June 19, 2012 by and through the City Council's adoption of Ordinance No. 182171, 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 PLANNING 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 adjusted its 2014 budget by decreasing the Special Projects category by an amount exceeding 10%. No Special Projects have been identified by the Board for 2014. The funds allocated for this portion of the budget, if not used for a Special Project in 2014, will be rolled for 2015. The rollover of these funds has not changed the description of the budget categories approved in the Management District Plan and the City Clerk does not recognize any adverse impacts to the special benefits received by property owners due to this action. The District Board has made no changes to the benefit zones for 2014.

The attached Annual Planning Report, which was approved by the District's Board on November 6, 2013, 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 Planning 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

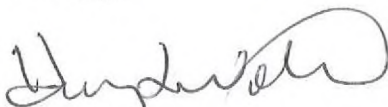
There is no impact to the General Fund associated with this action.

#### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Downtown Center Business Improvement District's 2014 fiscal year complies with the requirements of the State Law.
2. ADOPT the attached Annual Planning Report for the Downtown Center Business Improvement District's 2014 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott  
Interim City Clerk

HLW:MP:RMH:rks

Attachment: Downtown Center Business Improvement District's 2014 Fiscal Year Annual Planning Report



Attachment

1

November 6, 2013

Rick Scott  
Administrative Services  
Office of the City Clerk  
City Hall, Room 224  
200 N. Spring Street  
Los Angeles, CA 90012

**RE: Downtown Center Business Improvement District (DCBID)  
2014 Annual Planning Report**

Dear Mr. Scott:

I hereby confirm that the attached 2014 Annual Planning Report of the Downtown Center Business Improvement District was approved by its Board of Directors at a regularly scheduled meeting on November 6, 2013.

Sincerely,

Kathy Faulk  
Chairwoman of the Board



November 6, 2013

Rick Scott  
Administrative Services  
Office of the City Clerk  
City Hall, Room 224  
200 N. Spring Street  
Los Angeles, CA 90012

**RE: Downtown Center Business Improvement District (DCBID)  
2014 Annual Planning Report**

Dear Rick:

As required by the Property and Business Improvement District Law of 1994, California Street & Highway Code Section 36650, the Downtown Center Business Improvement District Board has caused this Planning Report to be prepared.

The report covers proposed activities from January 2014 to December 2014.

Please feel free to contact me if you have any questions. Thank you for your continuous support and cooperation.

Sincerely,

Carol E. Schatz  
President & CEO

Enclosure

RECEIVED  
NOV 14 2013  
ADMIN. SVCS.  
SPECIAL ASSESS.



**DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
2014 Annual Planning Report Summary**

**Location:** The Downtown Center Business Improvement District (DCBID) consists of an area of approximately 65 blocks and is detailed on the attached map.

**Services:** The DCBID provides a wide range of services, including 24 hour security by our DCBID Safety officers, informational services by our Downtown Ambassadors, Maintenance and Beautification programs, Marketing of Downtown Los Angeles, Economic Development of residential and commercial real estate, homeless outreach services, and production of special events.

**Method of Financing:** Financing is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a Special Benefit assessment district as defined in the California Streets and Highway Code.

**Budget:** The total district budget for the 2014 year of operations is approximately \$5.95 million and contains an estimated 2013 year-end carryover cash balance of approximately \$1.5 million. This includes a minimum cash reserve required by the Board of \$500 thousand, and a resulting excess net reserve of approximately \$1 million. DCBID projects expenses and capital expenditures to exceed revenues in 2014 by approximately \$150 thousand, thus reducing the total cash balance to approximately \$1.3 Million on December 31, 2014.

The budget is delegated to various programs: Safe & Clean - \$3.6 million (47%), Economic Development & Marketing - \$1.5 million (19%), Special Projects-less than \$.1 million (less than 1%), Administration - \$1 million (13%), and Contingency/Reserves - \$1.5 million (20%). See Appendix A for Additional detail.

**Cost:** Annual assessments are based upon an allocation of program costs by benefit zone with a calculation of assessable footage and remains the same as listed in the Management District plan. Property assessment variables used are: Gross building square footage, gross square footage of parking and square footage of lot (when no building exists).

Zone 1 \$0.08535906 per square foot  
Zone 2 \$0.10680212 per square foot

**Duration:** The DCBID ended its third five year term on December 31, 2012. The DCBID is now beginning the second year of its fourth approved five year term, which began on January 1, 2013.

**DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT  
2014 Annual Planning Report Summary**

The Downtown Center Business Improvement District (DCBID) has been a driving force in the renaissance of Downtown Los Angeles. Since its inception in 1998, the DCBID has proved successful in creating a positive image for Downtown Los Angeles by providing new and continued improvements and activities to Downtown, which includes safety services, maintenance and beautification programs, marketing, and economic development. The steady influx of commercial and residential development is a true testament of the success and positive influence of the Downtown Center Business Improvement District.

**Downtown Center Business Improvement District 2014 BID Assessment Rate:**

There are no proposed changes to any benefit zones.

This method of financing the special services is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a “benefit assessment district” as defined in the California Streets and Highway Code.

The assessments for the Downtown Center Business Improvement District are based on the variables noted below and have been endorsed by the property owners and is the most fair and equitable apportionment of assessments to participating parcels.

In order to match assessment rates to benefits, two benefit zones have been created within the DCBID. Zone Two, maintenance overlay zone, will receive greater benefit in the form of increased services and will pay a higher assessment rate. Zone One properties, because of less pedestrian activity, require fewer maintenance services in order to maintain a consistent level of cleanliness throughout the District and therefore will receive less benefit and will pay a lower assessment rate.

Lot Assessment Rate

Zone 1 \$0.08535906 per square foot

Zone 2 \$0.10680212 per square foot



## 2014 DCBID IMPROVEMENTS AND ACTIVITY PLAN

### Safety Program

Safety services are contracted through Universal Protection Service. Patrol services are deployed on bicycles, foot and vehicles 24 hours per day, every day of the week.

DCBID Safety makes training its first priority. All training manuals have been revised and updated. All safety officers are receiving 15-30 minutes training sessions before their shifts on a variety of topics. Officers are routinely trained on bicycle and driving operations, traffic control, identifying and controlling narcotic substances and paraphernalia, CPR/First Aid and report writing.

The ongoing goals for the Safety Team in 2014 are to continue to establish the concepts of safety, cleanliness, and teamwork throughout Downtown. Public events are being held and partnerships are being created with organizations such as the Downtown Security Managers Association, LAHSA, City of Los Angeles Parks & Rec, Grand Performances, various rescue missions and more.

All safety service calls are coordinated through the Computer Aided Dispatch (CAD) system. The CAD system performs an accurate tracking and accounting of each call and allows the mapping of all calls so that emerging trends can be identified and has proven a valuable tool.

### Safety Program Strategies

To better serve the district, we are providing advanced training and technical support for Safety & Maintenance, and we are adjusting the safety deployment schedules to address special needs in the district identified by the CAD system, Safety Patrol staff observations, and LAPD statistics. We have also increased staffing during the late evening and early morning hours, to better fulfill our safety mission to accommodate a growing downtown.

A "BID Academy" has been implemented into our training programs. This program provides extensive classroom training, as well as advanced field and physical training for new employees. Over 30 safety professionals will receive this training annually. Subjects covered include report writing, criminal law, cultural diversity, first aid application, drug abuse recognition, homeless outreach skills and more.

BID ACTION will focus on increasing teamwork and partnerships with service providers in the area and find new and innovative avenues to better assist in outreach and placement effort. The effort will focus on scheduling meetings with our service providers on a regular basis to exchange ideas, information and resources in better assisting our personnel. We also look forward to updating our BID ACTION resource guide and partnering with agencies for ACTION staff training.

### **Maintenance/Beautification Program**

Maintenance services continue to be contracted to Chrysalis, a neighborhood non-profit organization that offers employment opportunities to the homeless and economically disadvantaged. Maintenance services including sweeper crews are in place from 6:00 am to 10:00 pm, 7 days a week.

### **Maintenance/Beautification Program Strategies**

We will continue to provide pressure-washing and tree-trimming services on an as needed and contracted basis.

We also continue to identify graffiti, lighting problems, potholes, sidewalk cracks, and other safety & maintenance issues in the district and report these problems to the City for repair.

DCBID also partners with LAPD, MTA and other City agencies to address maintenance issues in the District.

### **Economic Development & Strategies**

The Economic Development department's main focus is to recruit tenants to lease existing office & retail space, promote housing development/leasing sales, expand our one-stop-shop for Downtown information and research and to work with all Downtown organizations to encourage deal making. We will be focusing specifically on recruiting retail tenants to 7<sup>th</sup> Street between Figueroa and Hill Streets. We also provide Saturday Housing Bus Tours and creative/office/retail bus tours one Friday per month. We will continue to produce the popular annual events: Dog Day Afternoon at the Cathedral (for downtown dogs and their owners); the Halloween Party at FIDM park (for downtown children and their parents); the Fall Residential Real Estate bus tour (for real estate professionals); and are introducing a new event in 2014, Opportunity Knocks, a full day presentation program and tour highlighting real estate investment, development and business opportunities in Downtown.

### **Marketing & Communications**

Marketing and Communications is focused on creating awareness and driving traffic to Downtown businesses and events by promoting Downtown Los Angeles through media outreach, advertising campaigns, marketing collateral, newsletters, special events, public relations, social media, a website and our Downtown Guide program. Targeted advertising is used to recruit and retain office tenants, inform visitors, promote hotels, restaurants, attractions and retailers and to increase sales at DCBID businesses. Our advertising outlets include the Downtown News, Downtown News Visitors' Guide, Where Magazine, various radio stations, LATimes.com, DTLARising.com, and more.



## **Marketing Strategies**

The Marketing and Communications department will continue to promote Downtown's exciting offerings for residents, employees, and visitors. We will run holiday campaigns and ongoing campaigns, with the goal of attracting new visitors and increasing the participation of current residents and employees. Campaigns will be promoted via our email newsletters; print, radio, and digital advertising; social networks; and website.

The department will create goodwill in the community through community events including the Public Safety Appreciation BBQ, Halloween for Downtown LA Kids, and Dog Day Afternoon.

We will refine the Downtown Guides program, which has successfully created a welcoming environment. We will continue to deploy our team, outfitted with iPads, around our BID to provide information and directions to visitors. The Guides will continue to offer a collateral distribution service for businesses and Welcome Bags for new employees and residents.

The look and content of our website will be updated. With over 1 million views annually, this is our most important and versatile communications tool. We will add compelling photography, reduce the amount of repeated text, and simplify the navigation.

Our proactive and targeted pitches and press releases to local, regional, and national travel, lifestyle and business outlets will include stories showcasing how DCBID businesses are on or ahead of trends.

We will increase our outreach to and representation of DCBID businesses by proactively communicating our free marketing programs and services via the Downtown Guides.

We will continue our outreach to residents and residential property owners, and businesses in the district with meetings and networking programs.

## **Special Projects**

No special projects have been identified for 2014.

**APPENDIX A – TOTAL ESTIMATED COST FOR THE DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT**

2014 Assessments		5,951,415
2013 Estimated Carryover		1,509,710
2014 Contributions From Other Sources		<u>13,100</u>
Total Estimated Budget		<u><b>7,474,225</b></u>

**Estimated Expenditures**

Clean and Safe

District Safety Officers – Contract	1,557,000	
District Maintenance – Contract	880,400	
DCBID Supervision Salaries & Benefits	213,350	
Equipment, Uniform and field expenses	308,850	
Service Center Facility and Office Expenses	462,865	
BID Action Homeless Outreach	<u>130,200</u>	<u>3,552,665</u>

Econ Development/Marketing

DCBID Econ Dev/Mktg Salaries & Benefits	732,350	
Economic Development Programs (including Housing Bus Tours, Fall Tour, special projects, Retail Study)	117,850	
On Street Ambassador Program (Downtown Guides)	191,960	
Event Sponsorship and Promotional Events	19,000	
Marketing Programs (including Publications, Maps, Printed Material, etc)	104,800	
Advertising-print, internet, radio, seasonal, website	193,000	
Downtown Demographic Study	-0-	
Other Communication & Development Costs	<u>96,620</u>	<u>1,455,580</u>

Special Projects

Planning for signature event in downtown	<u>0</u>	<u>0</u>
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Management

DCBID Administrative Salaries & Benefits	653,350	
Office Space Rental	144,000	
Legal, Accounting, Consulting, City Fees	85,400	
Supplies, Printing and Postage	17,040	
Other Administrative Expenses	<u>105,440</u>	<u>1,005,230</u>

Contingency

Established Floor (Reserve Funds)	500,000	
Rollover - 2013	<u>960,750</u>	<u>1,460,750</u>

**Total Estimated Expenditures**

**7,474,225**





- ZONE 1 B.I.D. PROPERTIES (PROPERTY BASED)
- ZONE 2 B.I.D. PROPERTIES (PROPERTY BASED)
- B.I.D. BOUNDARY

**DOWNTOWN CENTER  
BUSINESS IMPROVEMENT DISTRICT  
2013 - 2017**

CITY CLERK  
NOT TO SCALE



Ordinance 182171  
Council File 12-0422

Map and its contents are provided by THOMAS BROS MAPS