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CITY CLERK

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EXECUTIVE OFFICER

# City of Los Angeles

CALIFORNIA



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January 11, 2017  
Honorable Members of the City Council  
City Hall, Room 395  
200 North Spring Street  
Los Angeles, California 90012

Council Districts 9, 14

## REGARDING:

### THE DOWNTOWN CENTER (PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S 2017 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") 2017 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 the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, 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 2017 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The Downtown Center Business Improvement District was established 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 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 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 an contributions to be made from sources other than assessments levied.

The attached Annual Planning Report, which was approved by the District's Board at their meeting on October 5, 2016, 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 2017 fiscal year complies with the requirements of the State Law
2. FIND the the increase in the 2017 budget concurs with the intentions of the Downtown Center 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 Downtown Center Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes  
Executive Officer

Attachment:

Downtown Center Business Improvement District's 2017 Fiscal Year Annual Planning Report

December 28, 2016

Holly L. Wolcott, City Clerk  
Office of the City Clerk  
200 North Spring Street, Room 224  
Los Angeles, CA. 90012

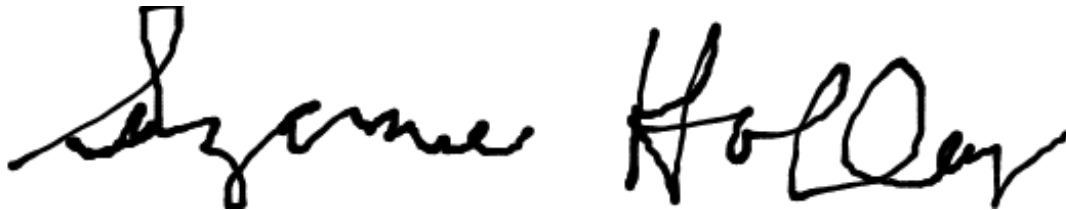
Subject: Downtown Center PBID 2017 Annual Planning Report

Dear Ms. Wolcott:

As required by the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, the Board of Directors of the Downtown Center Business Improvement District has caused this Downtown Center Business Improvement District Annual Planning Report to be prepared at its meeting on October 5, 2016.

This report covers proposed activities of the Downtown Center BID from January 1, 2017 through December 31, 2017.

Sincerely,

A handwritten signature in black ink that reads "Suzanne Holley". The signature is written in a cursive, flowing style.

Suzanne Holley  
Senior Vice President and Chief Operating Officer  
Downtown Center BID Management Corporation

Downtown Center  
Business Improvement District

2017 Annual Planning Report

### **District Name**

This report is for the Downtown Center Business Improvement District (District). The District is operated by the Downtown Center Business Improvement District Corporation, a California non-profit corporation.

### **Fiscal Year of Report**

The report applies to the 2017 Fiscal Year. The District Board of Directors approved the 2017 Annual Planning Report at the October 5, 2016 Board of Director's meeting.

### **Boundaries**

There are no changes to the District boundaries for 2017.

### **Benefit Zones**

There are no changes to the District's benefit zone(s) for 2017.

## **2017 IMPROVEMENTS, ACTIVITIES AND SERVICES**

### **Clean and Safe: \$3,735,780.00 (57.54%)**

Safety services are contracted through Allied Universal. Patrol services are deployed in vehicles, on bicycles, on foot and T3 Electrical Patrol vehicles 24 hours a day, every day of the week.

Safety training is DCBID's first priority. All training continues to be revised and updated as needed. All safety officers are to receive 15-30 minutes training sessions before their shifts on a variety of topics including, but not limited to, bicycle and driving operations, traffic control, customer service, tactical communications, CPR/First Aid and report writing.

We have begun implementing specialized training that addresses specific District needs. Over 30 safety professionals will receive this training annually. Subjects covered include report writing, management of aggressive behavior, cultural diversity, first aid application, first aid mental health, homeless outreach skills and more.

The ongoing goals for the Safety Team in 2017 are to continue to establish the concepts of safety, cleanliness, and teamwork throughout the District. Safety staff continues to assist with public events that are being held within the District. These events range from marathons to the Pershing Square summer concert series.

All safety service calls are coordinated through a Computer Aided Dispatch (CAD) system. The CAD system allows for the mapping of calls so that emerging trends can be identified which provides a valuable tool in allocating resources.

To better serve the District, advanced training and technical support are being provided for safety and maintenance personnel. We are enhancing the effectiveness of our security resources by optimizing the use of a tracking system installed in 2014 in conjunction with Safety Patrol observations and LAPD statistics. Trends are monitored and patrols adjusted to ensure that safety officers are deployed to maximize the effectiveness of staff coverage.

BID ACTION will focus on improving homeless outreach efforts. Under the existing contract with PATH (People Assisting The Homeless), PATH has assigned two PATH Navigators who are partnering with existing BID ACTION outreach workers to provide an expanded range of services. These services include but are not limited to assistance with obtaining legal documentation (birth records, social security cards or identification) to housing navigation and more.

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

We will continue to provide pressure-washing sidewalks, gum removal and tree-trimming services on a routine and contracted basis.

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

The DCBID owns and maintains 36 “Big Belly Solar” waste receptacles. The 2016 purchase of 35 traditional waste receptacles added to the 200 receptacles located throughout the district.

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

### **Economic Development/Marketing: \$1,518,550.00 (23.39%)**

The Economic Development department is focused on four key sectors for 2017: Office and Industry, Retail and Restaurants, Residential Development and Living, and Arts and Culture. Our objective in all of these sectors is to attract and recruit new residents, businesses, organizations, and investment, and support those already located or doing business downtown. To those ends, we are implementing an initiative entitled “Innovate DTLA” in coordination with our marketing department and focused on our strengths as a place of innovation and creativity. In addition to this overarching campaign, we are implementing the programs in their respective sectors:

Office and Industry: Our main program in this sector is “Innovate DTLA,” the goals of which are to: 1) promote our District and DTLA as a place of innovation and creativity, 2) support the District and DTLA’s existing and emerging innovation ecosystem, and 3) attract new innovative organizations and individuals to our District and DTLA. This program will include production of a report, a series of workshops and a conference. We are also continuing our “Get Urban,” office space promotion and tenant recruitment program featuring monthly tours of office commercial properties, office spaces and leading companies.

Retail and Restaurants: Our retail program, “DTLA: The Future of Urban Retail,” includes distribution of a promotional report, along with recruitment events, workshops and tours designed to attract new retail and hospitality businesses to the District and support and promote those already doing business in our District and downtown.

Residential Development and Living: Our residential initiative promotes downtown living to two main target groups – downtown workers and visitors. The initiative will include promotional content and events, such as mixers, highlighting the appeal, advantages, amenities and community of DTLA.

Arts and Culture: Our program in this sector is part of our Innovate DTLA initiative, highlighting downtown as a place of world class culture and creativity, and will include a report and events on Arts & Culture as an economic driver for downtown development and a defining element of the downtown lifestyle.

The Economic Development department will continue to be the #1 source of market information for all things downtown by creating new and original research and reports quantifying the development and growth of downtown across market and industry segments, and tracking development projects and metrics.

We will engage new District businesses and commercial tenants with a “Welcome to DTLA” package and presentation, and engage the residential population through the DCBID-created DRMA (Downtown Resident Managers) Roundtable meetings, in quarterly gatherings to share best practices and provide networking and marketing opportunities.

Marketing and Communications is focused on creating awareness and driving traffic to District and downtown businesses and events 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, various radio stations, DTLARising.com and more.

The Marketing and Communications Department will continue to focus its efforts on promoting Downtown Los Angeles to residents, workers, visitors, and investors. This will be achieved through increased engagement with a growing residential population, a robust new

office tenant outreach program, increased awareness of and engagement with DowntownLA.com and social media to attract visitors, and a multi-faceted marketing plan for the Innovate DTLA initiative to attract new tenants and investors.

Increased engagement with District residents will focus on smaller, more frequent outreach, including onsite building events with presentations about the DCBID and the services we provide. We will also host our 2nd Annual Summer ReMix business showcase, which brings together residents and local merchants for samples, product demos, and more. Our Holiday ReMix will invite residents to a social gathering in December to meet and mingle with their neighbors and receive a presentation on the DCBID's 2017 accomplishments.

Our new office tenant welcome program will launch in 2017. The program is designed to welcome new tenants to the District with outreach and assistance before they move, welcome bags for employees, and a lunch n' learn with a presentation about the BID and the services we provide.

We will grow our social media engagement and audience in 2017 with the assistance of a part-time Social Media Community Manager. This will ensure that we continue to be a regional resource for promoting Downtown LA events, businesses, and culture. This added resource will allow us to focus on building content and driving traffic to DowntownLA.com to maintain our position as the #1 online resource for the area.

Marketing and Communications will also plan, execute, and conduct post-analysis on our Summer and Holiday marketing campaigns. The campaigns will promote downtown as a destination for arts and culture and seasonal events to a broader audience. Promotional elements for the campaigns will include print, digital, social media and radio advertising. Media partners include Los Angeles, Downtown News, and KCRW. In addition, we will expand our Downtown Guides program from two to three guides to better serve visitors in the District.

Strategic Public Relations will continue to be a focus for the Marketing and Communications department. We will focus our PR efforts on promoting a positive image of downtown through proactive media outreach. In addition, we will utilize PR to promote Downtown Center BID events, research reports, and economic development initiatives.

As part of our community outreach, we will continue to host annual events that support local businesses and promote attendance by Downtown LA residents and workers. These events include our 11th Annual Dog Day Afternoon, 18th Annual Public Safety Appreciation BBQ, and 10th Annual Halloween Party for Downtown LA Kids. Our quarterly resident mixers will also bring District residents together to mingle and learn about Downtown Center BID services.

The Marketing and Communications department, alongside the Economic Development team, will also lead the execution of the Innovate DTLA marketing campaign in 2017. The campaign, which will be fully developed in 2016, is designed to attract tenants to DTLA in



three specific areas: Residential, Office, and Retail.

**Management/City Fees/Delinquent Assessments: \$1,182,650.00 (18.22%)**

The improvements and activities are managed by a professional staff that requires centralized management support. Management staff oversees the District's services which are delivered seven days a week. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Included in this item are the cost to conduct a yearly financial review, City fees to collect and process the assessments, a reserve for uncollectible assessments and depreciation.

**Special Projects: \$55,000.00 (00.85%)**

The Special Projects budget is reserved for opportunities and additional projects that present themselves during the life of the District. The 2017 budget includes costs associated with the renewal.

**Total Estimate of Cost for 2017**

A breakdown of the total estimated 2017 budget is attached to this report as **Appendix A**.

**Method and Basis of Levying the Assessment**

The Method and Basis for levying the 2017 assessment remains the same as listed in the Management District Plan. Annual assessments are based upon an allocation of program costs and a calculation of assessable square footage for two (2) Benefit Zones. The Board voted a 5% CPI increase for 2017.

Downtown Center 2017 assessment Rates

CPI Increase (5% max): 5%

Asmt Year: 2017

Zone assessable sqft rate

1 - Outside Maintenance Overlay \$0.0896

2 - Inside Maintenance Overlay \$0.1121

**(There is a 5% CPI increase for 2017)**

**Surplus Revenues: \$98,114.81**

Lower than anticipated spending, primarily due to safety not fully staffed and economic development programming deferred to 2017.

**Anticipated Deficit Revenues**

There are no deficit revenues that will be carried over to 2017.

**Contribution from Sources other than assessments: \$7,320.00**

Interest and dividends on excess cash in bank.

**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Center BID- FY 2017**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Total</b>	
<b>2017 Assessments</b>	\$2,836,967.24	\$3,549,577.95	<b>\$6,386,545.19</b>	
<b>Estimated Carryover from 2016</b>	\$43,583.58	\$54,531.23	<b>\$98,114.81</b>	
<b>Other Income</b>	\$3,251.62	\$4,068.38	<b>\$7,320.00</b>	
<b>Total Estimated Revenues</b>	<b>\$2,883,802.44</b>	<b>\$3,608,177.56</b>	<b>\$6,491,980.00</b>	
<b>2017 Estimated Expenditures</b>				<b>Pct.</b>
<b>Clean and Safe</b>	\$1,659,470.83	\$2,076,309.17	<b>\$3,735,780.00</b>	<b>57.54%</b>
<b>Economic Development/Marketing</b>	\$674,555.10	\$843,994.90	<b>\$1,518,550.00</b>	<b>23.39%</b>
<b>Management/City Fees/Delinquent Assessments</b>	\$525,344.96	\$657,305.04	<b>\$1,182,650.00</b>	<b>18.22%</b>
<b>Special Projects</b>	\$24,431.55	\$30,568.45	<b>\$55,000.00</b>	<b>00.85%</b>
<b>Total Estimated Expenditures</b>	<b>\$2,883,802.44</b>	<b>\$3,608,177.56</b>	<b>\$6,491,980.00</b>	<b>100%</b>