

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Neighborhood and Business
Improvement District Division
200 N. Spring Street, Room 224
Los Angeles, CA 90012
(213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

February 9, 2016

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

Council District 13

REGARDING: THE HOLLYWOOD MEDIA DISTRICT (PROPERTY-BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2016 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Hollywood Media District Business Improvement District's ("District") 2016 fiscal year (CF 12-0963). 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 Media District Business Improvement District's Annual Planning Report for the 2016 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Hollywood Media District Business Improvement District was established on July 30, 2014 by and through the City Council's adoption of Ordinance No. 183155, 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's total budget has increased due to a rollover of unspent funds from previous years. A major portion of the rollover is earmarked to complete an unfinished project previously begun with the remainder to be spread across the District's 2016 budget. The increased funding 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 attached Annual Planning Report, which was approved by the District's Board at their meeting on October 22, 2015, 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 Hollywood Media District Business Improvement District's 2016 fiscal year complies with the requirements of the State Law.
2. FIND that the increase in the 2016 budget concurs with the intentions of the Hollywood Media District 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 Hollywood Media District Business Improvement District's 2016 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

HLW:MCP:RMH:rks

Attachment: Hollywood Media District Business Improvement District's 2016 Fiscal Year Annual Planning Report



Attachment 1

December 28, 2015

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

Subject: Hollywood Media District PBID 2016 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 Hollywood Media District Business Improvement District has caused this Hollywood Media District Business Improvement District Annual Planning Report to be prepared at its meeting of November 19, 2015.

This report covers proposed activities of the Hollywood Media District BID from January 1, 2016 through December 31, 2016.

Sincerely,

Michael Malick,
Chair
Hollywood Media District Business Improvement District



Hollywood Media District

Business Improvement District

2016 Annual Planning Report

2016 Annual Planning Report

District Name

This report is for the Hollywood Media District Business Improvement District (District). It is operated by Hollywood Media District Property Owners Association, Inc., a private non-profit organization.

Fiscal Year of Report

This report applies to the 2016 Fiscal year. The District Board of Directors approved the 2016 Annual Planning Report at the October 22, 2015 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2016.

Benefit Zones

The entire District consists of only one benefit zone with "premium" streetscape service areas for parcels with street frontages along La Brea Avenue, Santa Monica Boulevard and/or Highland Avenue and "standard" service areas for parcels with street frontages along all other streets in the District. For 2016 there are no changes to the benefit zones.

2016 Improvements, Activities and Services

Streetscape Services: \$250,000.00 (20.13%)

Uniformed clean teams will provide enhanced maintenance services, including sidewalk and gutter sweeping and litter removal, bus stop cleaning, sidewalk washing, graffiti removal and "Rapid Response Team" for clean up of unusual maintenance problems, ranging from illegal dumping to graffiti tagging.

Security Services: \$730,619.00 (58.83%)

Uniformed safety patrols will provide a variety of public safety services by assisting visitors and employees, support police crime prevention efforts to reduce the incidence of crime and reduce nuisance activities, and productively address the challenges associated with street populations. Deployment of safety patrols will include on-foot, and bicycle and auto patrols. The proposed service frequencies for public safety deployment will be 2 to 6 officers per shift and there being three shifts for a 24/7, seven-days per week, twenty-four hours per day.

Improvements & Marketing: \$81,624.00 (6.57%)

Community improvement activities will aim to improve the overall business image of the District with the goal of attracting and retaining businesses, jobs and investment. Initiatives must be designed to provide collective benefits to businesses and property owners. While annual work programs and budgets will be developed in collaboration with targeted stakeholders and approved by the Owner's Association, programs will be selected from a variety of options. \$74,000 has been carried over from BID I and earmarked for Theatre Row Medallions with MTA Grant.

Management/Administration: \$179,660.00 (14.47%)

Administration to manage District programs and business activities will consist of an Executive Director and an Operations Manager, both as employees of the Owner's Association. This includes 2% recovery fee from the City based upon the 2016 Special Assessment (\$21,107).

Total estimate of Cost for 2016: A breakdown of the total estimated 2016 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2016 assessments remains the same as listed in the Management District Plan and is based on an allocation of program costs and a calculation of assessable footage. Three property assessment variables, parcel square footage, building square footage and linear front footage with a premium rate for frontage on La Brea, Santa Monica and Highland and a standard rate on all other street frontage are used in the calculation. The "premium" streetscape service area frontages require higher levels of response and service than the other "standard" area frontages in order to maintain a high-quality level of cleanliness and appearance along these high activity transit and pedestrian corridors.

<u>Assessment variable</u>	<u>2016 Rate (no CPI increase)</u>
Assessable Land Area footage	0.06715
Assessable Bldg Area footage	0.06715
Premium Frontage footage	5.50
Standard Frontage footage	2.75

The District's Management District Plan allows for a maximum annual assessment increase of 3%. The Board voted for no increase for 2016.

The District's 2016 Total Special Assessment is \$1,056,236.00

Surplus Revenues

At the end of 2015, the District will have an estimated \$148,000.00 of surplus revenue that will be rolled over into the BID III 2016 budget. This includes:

- 1) \$74,000 that remained in a BID I account and earmarked for fulfillment of a 2003 MTA Call For Projects Grant. This bank account was closed and the money transferred into the current BID III banking account.
- 2) \$27,000 that remained in BID II and was rolled over into BID III for Operational Expenses.
- 3) \$47,000 BID III surplus funds in 2015 rolled over into 2016 Operational Expenses. This was due to more efficient and better management of contract costs.

The District Board of Directors authorized the closing of BID I and BID II banking accounts and the rollovers into the current BID III account at the (Sept. 24 and Oct. 22), 2015 Board of Director's meetings.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2016.

Contributions from Sources other than assessments: \$38,545.00

1 Anticipates receiving from LADWP (\$5,000) community grant program and others grants from Council Offices (\$1,885).

2) \$31,660 the BID anticipates receiving from the City of LA as General Benefit. As per the Assessment Engineer Report for Renewal, the general benefits (i.e. benefits to the general public and surrounding parcels outside the District) of the proposed improvements, activities and services represent 3% of the total benefits generated and, in turn, 3% of the costs of the BID funded improvements, activities and services provided.

Appendix A

Hollywood Media District Business Improvement District 2016 Annual Report 2016 Fiscal Year Activities Budget

Anticipated Assessment Revenue and Program Expenditures

2016 Revenue Sources

2016 Special Assessment	\$1,055,358.00	
2015 Carryover/Consolidation (BID, BID II, BID III)	\$148,000.00	
2016 Estimated Contributions/Other Sources	\$38,545.00	
2016 Total Estimated Revenue		\$1,241,903.00

2016 Budget Expenditures

Streetscape Services	\$250,000.00	20.13%
Security Services	\$730,619.00	58.83%
Improvements and Marketing	\$81,624.00	6.57%
Management / Administration	\$179,660.00	14.47%
2016 Total Estimated Expenditures	\$1,241,903.00	100.00%

2016 Revenue Budget Footnotes

1. 2016 Special Assessment - Board voted not to increase assessments
2. Closed BID I Acct \$74,000 Carryover to BID III Earmarked for MTA Grant Theatre Row Medallions in Improvements/Marketing
Closed BID II Acct \$27,000 Rolled Over to BID III for Operational Expenses
Carryover \$47,000 as a result of contract efficiencies to be used for Operational Expenses
3. 2016 Estimated Contributions/Other Sources DWP Grant and General Benefit Non Assessment Allocation