

HOLLY L. WOLCOTT  
CITY CLERK

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SHANNON D. HOPPES  
EXECUTIVE OFFICER

# City of Los Angeles

CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF THE  
CITY CLERK

Neighborhood and  
Business  
Improvement District  
Division  
200 N. Spring Street,  
Room 395  
Los Angeles, CA. 90012  
(213) 978-1099  
FAX: (213) 978-1130

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PATRICE LATTIMORE  
DIVISION MANAGER

[clerk.lacity.org](http://clerk.lacity.org)

April 10, 2019

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

Council Districts 2

REGARDING:

THE STUDIO CITY (PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S  
2019 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Studio City Business Improvement District's ("District") 2019 fiscal year (CF 12-1543). 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 Studio City Business Improvement District's Annual Planning Report for the 2019 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The Studio City Business Improvement District was established on August 6, 2014 by and through the City Council's adoption of Ordinance No. 183168 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 March 11, 2019, 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 Studio City Business Improvement District's 2019 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2019 budget concurs with the intentions of the Studio 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 Studio City Business Improvement District's 2019 fiscal year, pursuant to the State Law.

Sincerely,



Petty F. Santos  
Executive Officer  
Attachment:

Studio City Business Improvement District's 2019 Fiscal Year Annual Planning Report

April 1, 2019

Holly L. Wolcott, City Clerk  
Office of the City Clerk  
200 North Spring Street, Room 395  
Los Angeles, CA. 90012

Subject: Studio City PBID 2019 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 Studio City Business Improvement District has caused this Studio City Business Improvement District Annual Planning Report to be prepared at its meeting on March 11, 2019.

This report covers proposed activities of the Studio City BID from January 1, 2019 through December 31, 2019.

Sincerely,

*Vicki Nussbaum*

Vicki Nussbaum  
Executive Director  
Studio City Improvement Association

Studio City  
Business Improvement District

2019 Annual Planning Report

### **District Name**

This report is for the Studio City Business Improvement District (District). The District is operated by Studio City Improvement Association, Inc., a private non-profit organization.

### **Fiscal Year of Report**

The report applies to the 2019 Fiscal Year. The District Board of Directors approved the 2019 Annual Planning Report at the March 11, 2019 Board of Director's meeting.

### **Boundaries**

There are no changes to the District boundaries for 2019.

### **Benefit Zones**

There are no changes to the District's benefit zone(s) for 2019.

### **2019 IMPROVEMENTS, ACTIVITIES AND SERVICES**

#### **Landscaping, Sanitation and Beautification: \$264,337.63 (38.36%)**

Zone 1 will receive Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal, tree trimming and landscaping services. Zone 2 will receive Sanitation personnel, trash disposal, sidewalk cleaning, graffiti removal and tree trimming services.

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This year we will continue to spend \$7200 a year of tree well watering which we do monthly. We are going to continue to pick up trash three times a week but change to a weekend pick up in order to prevent trash cans from overflowing and this will cost us \$45,000 annually. We will continue to have our five medians and three garden spaces landscaped each month at a cost of about \$17,000. We will continue to trim the trees - palm trees twice a year (March and October) and all other trees (on the sidewalks and on the medians) once a year (October) at a total cost of almost \$50,000. We will continue to pay to have our tree wells weeded monthly at a cost of \$9000. We were spending about \$75,000 a year on Day porters but are increasing this expense to \$94,000 in order to add two more days of day porter coverage. We spent \$23,750 on sidewalk pressure washing annually in 2018 - we washed each segment of sidewalk every four months. In 2019, we have doubled this expense to \$42K in order to pressure wash each segment of sidewalk every other month as foot traffic has increased and we, therefore, need to do more to keep the sidewalks clean. This additional pressure washing will begin April 1st. This is total cost for landscape, sanitation and beautification of \$264K.

**Marketing: \$55,000.00 (7.98%)**

Zone 1 and 2 will receive website presence, other marketing promotions and the newsletter. Only Zone 1 will receive holiday decorations. A marketing program will be implemented to promote the image of Studio City, attract and increase pedestrian and vehicular traffic, and promote the use of the Studio City Public Parking Structure and may include advertising, website, decorations, parking incentives, periodic shuttle services, or other promotions.

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In 2019 we are shifting some of our marketing dollars into monthly events in order to promote Studio City Business District and bring more foot traffic to our businesses. We are hiring an event company to help us plan event each month from July - December at a cost of \$24,000 in total for these events. In addition we will continue to advertise the SCBD monthly at a cost of \$6000. We will also spend \$10,000 on social media and website improvements to promote the SCBD. We will promote the holidays (during the fourth quarter) with our annual program holiday decoration - at a total cost of \$15,000. This is a total cost of \$55,000 for marketing

**Streetscape, Capital, Parking and Safety Improvements: \$249,795.00 (36.25%)**

Includes projects such as streetscape projects (i.e., purchase of trash receptacles or benches), one-time long lasting capital improvement projects (i.e., median construction or alley repaving), parking programs (i.e., parking promotions or periodic shuttle services), and safety improvements or enhancements (i.e., crosswalk improvements, safety personnel, speed feedback signs). Zone 1 will receive capital improvements, streetscape, address parking or safety issues, possible periodic shuttle services and safety enhancements. Zone 2 services will include streetscape projects and address parking or safety issues.

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We are expanding our safety program which is currently a car patrol three times a day to also include a 7 day a week, 8 hour a day bike patrol. The total cost of the safety program will be \$88,000. The bike patrol will start by May 1st. We are going to invest in enhanced landscaping on our five medians and three garden spaces at a cost of \$32,000. We expect this project will begin by May 1st. We will continue to help the SCBD by paying for holiday parking (in December) at a cost of \$5000 in our Studio City Public Parking garage. Finally we are launching a streetscape enhancement program to repair alley potholes and sidewalks at a cost of \$125,000. We are working with Public Works and CD2 on launching this program by June 1st.

**Administration: \$106,921.00 (15.52%)**

Implementation of the programs outlined in the Management District Plan for the special benefit of the individual assessed parcels. This effort may also include pursuing opportunities such as applying for grants.

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We have reduced our administrative expenses in 2019. We have an Executive Director as our only employee. This represents about \$71K with payroll fees and payroll taxes. We pay facilities expenses (rent, telephone, internet, office supplies) is about \$20K. We have professional fees of about \$10,000 per year and finally we pay about \$4500 in insurance costs.

**Uncollected Assessments/Contingency: \$12,956.00 (1.88%)**

Funds in the Uncollected Assessment Reserve/ Contingency category may be used for City/County collection fees, uncollected assessments, consulting fees, Business Improvement District (BID) renewal fees and additional projects the Owner's Association deems appropriate. This category will ensure that there are sufficient funds to provide PBID services.

**Total Estimate of Cost for 2019**

A breakdown of the total estimated 2019 budget is attached to this report as **Appendix A.**

**Method and Basis of Levying the Assessment**

Individual assessable parcels shall be assessed by linear feet of parcel street frontage and square feet of parcel lot size, according to each parcel's proportionate special benefit derived from the services provided to that parcel in that benefit zone. The management plan allows for a maximum annual CPI increase of 4%. The Board voted for no (0%) CPI increase for 2019.

The 2019 assessment rates are as follows:

Zone 1

Parcel Lot sq. ft. = \$0.035

Ventura Blvd. Parcel Frontage ln. ft. = \$19.25

All Other Parcel Frontage ln. ft. = \$5.77

Zone 2

Parcel Lot sq. ft. = \$0.018

Parcel Frontage ln. ft. = \$1.92

**(There is No CPI increase for 2019)**

**Surplus Revenues: \$203,659.02**

Our rollover is due to some major projects being delayed in 2018. We had a rollover of

almost \$100,000 in Streetscape, Capital, Parking and Safety Improvements because the pole banner project which was budgeted and approved (all 100 pole banners are reserved with LA City) did not get printed in 2018. Given the delay, the Board voted to cancel this program. The remaining rollover was split between Marketing and Landscape, Sanitation and Beautification. The Marketing rollover was budgeted for a gateway sign which was in the planning process but not fully approved. The Board voted to not pursue this project given the delays. The rollover in Landscape, Sanitation and Beautification is a 1Q reserve in order to pay for bills committed to in the 1Q 2019 during the period when our assessments have not yet been received. These bills include landscaping, day porters and trash pick up.

We will be using the rollover in the following way:

\$125K towards repairing sidewalks and alleys

\$30K towards enhancing our existing medians and garden spaces

\$24K towards marketing Studio City through branding and events

\$20K towards adding two additional days of day porter services

\$5K towards Saturday trash pick up to alleviate overflowing cans on weekends

### **Anticipated Deficit Revenues**

There are no deficit revenues that will be carried over to 2019.

### **Contribution from Sources other than assessments: \$34,951.01**

General Benefit contribution from City



**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Studio City BID- FY 2019**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Total</b>	
<b>2019 Assessments</b>	\$422,654.98	\$27,744.62	<b>\$450,399.60</b>	
<b>Estimated Carryover from 2018</b>	\$191,113.62	\$12,545.40	<b>\$203,659.02</b>	
<b>Other Income</b>	\$32,798.03	\$2,152.98	<b>\$34,951.01</b>	
<b>Total Estimated Revenues</b>	<b>\$646,566.63</b>	<b>\$42,443.00</b>	<b>\$689,009.63</b>	
<b>2019 Estimated Expenditures</b>				<b>Pct.</b>
<b>Landscaping, Sanitation and Beautification</b>	\$248,223.63	\$16,114.00	<b>\$264,337.63</b>	<b>38.36%</b>
<b>Marketing</b>	\$51,590.00	\$3,410.00	<b>\$55,000.00</b>	<b>7.98%</b>
<b>Streetscape, Capital, Parking and Safety Improvements</b>	\$234,308.00	\$15,487.00	<b>\$249,795.00</b>	<b>36.25%</b>
<b>Administration</b>	\$100,292.00	\$6,629.00	<b>\$106,921.00</b>	<b>15.52%</b>
<b>Uncollected Assessments/Contingency</b>	\$12,153.00	\$803.00	<b>\$12,956.00</b>	<b>1.88%</b>
<b>Total Estimated Expenditures</b>	<b>\$646,566.63</b>	<b>\$42,443.00</b>	<b>\$689,009.63</b>	<b>100%</b>

\*\* Non-regular budget item, not calculated as part of budget percentage.