

HOLLY L. WOLCOTT
CITY CLERK

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 224
Los Angeles, CA. 90012
(213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

March 8, 2017
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 14

REGARDING:

THE HISTORIC DOWNTOWN LOS ANGELES (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 Historic Downtown Los Angeles Business Improvement District's ("District") 2017 fiscal year (CF 13-0655). 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 Historic Downtown Los Angeles 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 Historic Downtown Los Angeles Business Improvement District was established on July 24, 2013 by and through the City Council's adoption of Ordinance No. 182638 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 November 30, 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 Historic Downtown Los Angeles Business Improvement District's 2017 fiscal year complies with the requirements of the State Law
2. ADOPT the attached Annual Planning Report for the Historic Downtown Los Angeles Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Historic Downtown Los Angeles Business Improvement District's 2017 Fiscal Year Annual Planning Report

March 8, 2017

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

Subject: Historic Downtown Los Angeles 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 Historic Downtown Los Angeles Business Improvement District has caused this Historic Downtown Los Angeles Business Improvement District Annual Planning Report to be prepared at its meeting on November 30, 2016.

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

Sincerely,

Blair Besten

Blair Beston
Executive Director
Historic Downtown LA BID Prop Owners Assn

Historic Downtown Los Angeles Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Historic Downtown Los Angeles Business Improvement District (District). The District is operated by Historic Core Business Improvement District Property Owners Association, Inc., 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 November 30, 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, Safe and Beautification: \$1,256,838.00 (72.68%)

Safe Team Program

The Safety Program will provide security services for the individual assessed parcels located within the District in the form of patrolling bicycle personnel, nighttime vehicle and foot patrol, and an outreach coordinator. The purpose of the Safe Team Program is to deter and report illegal activities taking place on the streets. The presence of the Safe Team Program is intended to respond to illegal activities in front of individual assessed parcels. The Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safe Team Program will only provide its services to individual assessed properties within the District boundaries. The special benefit to assessed parcels from these services is an increased likelihood of improved tenant and resident occupancy because of an increase in commercial and pedestrian activity, an increase in customers, and an increase in amenities that follow from having a cleaner and safer area.

Clean and Beautiful Program

This service includes basic cleaning services, such as trash pickup and removal from the district, power washing, and graffiti removal. The clean team will only provide service to assessed parcels within District boundaries. The special benefit to assessed parcels from these

services is an increased likelihood of improved lease rates and tenant occupancy that follows from having a cleaner and safer area. In order to consistently deal with cleaning issues, a multi-dimensional approach has been developed consisting of the following elements.

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles as needed. District trucks are often called to dispose of illegal food vendors' inventory. They are also dispatched to collect large bulky items illegally dumped in the District that the City fails to collect. Trash collection supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Graffiti Removal: District personnel remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours. Graffiti removal supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Landscape: Landscape improvement where possible and street tree trimming are important programs to attract customers to the District. A well landscaped District supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Communcation/Development: \$166,862.00 (9.65%)

In order to communicate the changes that are taking place in the Historic Downtown Los Angeles Business Improvement District and to enhance the positive perception of the District parcels a professionally developed, communication and economic development program has been created. The special benefit to District assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers, and an increase in residential-serving businesses that follow from having a cleaner and safer area. Publicly owned parcels typically do not request special benefit from the Communication/Development programs.

Some of the programs and projects include:

- Newsletters: quarterly newsletters are both distributed via email and also posted on the website. These feature photos and specific events and news from the historic downtown area.
- Marketing Materials: brochures and printed materials advertising the neighborhood, the HDBID, and also informative flyers with area services.
- Website: creation and maintenance of website with lists of area businesses, residential buildings, news, and events--also specifics regarding HDBID.
- Property owner and merchant outreach programs: networking via targeted emails and

meetings.

-Property owner survey: list of area owners, parcels, and maps of the district to define building use.

-Community liaison activities/special events: coordinated networking for businesses, property owners, residents.

Administration/Corporate Operations: \$195,136.00 (11.28%)

The improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the District's services which are delivered seven days a week. 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 costs to conduct a yearly financial review. Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers, and an increase in residential serving businesses.

City Fees/Slow Pay: \$110,427.49 (6.39%)

This item includes City fees to collect and process the assessments, a reserve for uncollectible assessments, and depreciation.

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 District's 2017 assessment remains the same as described in the Management District Plan and is based on one (1) zone of benefit, 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 will be used in the calculation. Condos are assessed at a flat rate of unit square footage. The Board voted for a 5% CPI increase for 2017.

Parcel type / 2017 assessment rate

Non-gov Parcels
Frontage \$24.7022
Lot \$0.1373
Bldg \$0.0500

Publicly Owned Parcels
Frontage \$22.2833
Lot \$0.1237
Bldg \$0.0451

Residential Condominium
Unit Area only \$0.2603

(There is a 5.0% CPI increase for 2017)

Surplus Revenues: \$0.00

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

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$14,198.00

General benefit billing to the City of LA

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Historic Downtown Los Angeles BID- FY 2017

2017 Assessments	\$1,715,065.49	
Estimated Carryover from 2016	\$0.00	
Other Income	\$14,198.00	
Total Estimated Revenues	\$1,729,263.49	
2017 Estimated Expenditures		Pct.
Clean, Safe and Beautification	\$1,256,838.00	72.68%
Communcation/Development	\$166,862.00	9.65%
Administration/Corporate Operations	\$195,136.00	11.28%
City Fees/Slow Pay	\$110,427.49	6.39%
Total Estimated Expenditures	\$1,729,263.49	100%

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