

CITY OF LOS ANGELES

JUNE LAGMAY
CITY CLERK

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CALIFORNIA



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August 7, 2013

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

Council District 14

**REGARDING: THE HISTORIC DOWNTOWN LOS ANGELES (PROPERTY-BASED)
BUSINESS IMPROVEMENT DISTRICT'S 2013 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") 2013 fiscal year (CF 10-1083). 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 Historic Downtown Los Angeles Business Improvement District's Annual Planning Report for the 2013 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 renewed on August 13, 2008 by and through the City Council's adoption of Ordinance No. 180156, which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The District was then modified and expanded on November 22, 2011 by and through the City Council's adoption of Ordinance No. 181953, which added 143 parcels to the District. The City Council established and modified the District pursuant to State Law. There have been no new parcels added to the District since the modification in 2011.

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 has made no significant changes to 2013 budget from the 2012 budget categories. The descriptions of the budget categories have not changed from the approved Management District Plan.

The attached Annual Planning Report, which was approved by the District's Board on December 20, 2012, 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

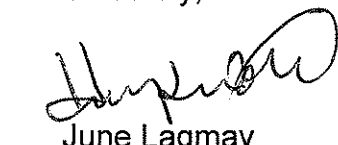
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Historic Downtown Los Angeles Business Improvement District's 2013 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 2013 fiscal year, pursuant to the State Law.

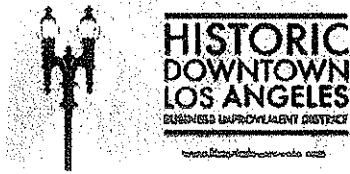
Sincerely,



June Lagmay
City Clerk

JL:HLW:MCP:RMH:rks

Attachment: Historic Downtown Los Angeles Business Improvement District's 2013 Fiscal Year Annual Planning Report



**HISTORIC DOWNTOWN L.A.
BUSINESS IMPROVEMENT DISTRICT
"A Community & Business Partnership"**

Attachment 2

January 20, 2013

Rick Scott
Office of the City Clerk
City Hall, Room 224
200 North Spring Street
Los Angeles, CA 90012

Re: Historic Downtown Los Angeles Improvement District (HDBID)

2013 Annual Planning Report

Dear Rick,

As required by the Property and Business Improvement District Law of 1993, California Street and Highway code Section 36650, Historic Downtown Los Angeles Business Improvement District Board has approved this planning report as prepared. This report covers proposed activities from January 2013 to December 2013 and was approved by the Board of Directors on December 20, 2012.

Thank so much for your assistance and please let me know if you have any questions or concerns.

Kind regards,

Blair Besten
Executive Director
Historic Downtown Los Angeles Business Improvement District



2013 Annual Planning Report
HISTORIC DOWNTOWN LOS ANGELES BUSINESS IMPROVEMENT DISTRICT

Fiscal Year of Report: Applicable to the 2013 Fiscal year only.

Boundaries:

The boundaries of Historic Downtown Los Angeles Business Improvement District (HDBID) will remain the same for the 2013 fiscal year as in previous fiscal years, with the additional expansion of four (4) properties: PE Lofts, Barlett Building, SB Main building, and SB Spring building. The boundaries include:

North: 4th Street from Broadway to Main (plus adjoining alleys)

South: 7th Street from Broadway to Main (plus adjoining alleys)

East: Main Street to the Eastern alley

West: Broadway to Western alley

Also Broadway from 7th to 9th

(including Tower Theater and Eastern side of Hill Street from 9th to Olympic.)

A more detailed description of the boundaries is listed in the Management District Plan.

Benefit Zones:

The benefit zones for the Historic Downtown Business Improvement District will remain the same for the 2013 fiscal year as in previous fiscal years, including the additional expansion of four (4) properties aforementioned. There is only one benefit zone.

Improvement and Activities for 2013:

The following are the improvements and activities planned for HDBID in order by category as listed in the Management District Plan:

1) Sidewalk Operations and Beautifications:

Security: Presently, HDBID contracts with Universal Protection Services for security and dispatch services. Patrol services are in place from 6:00am (expanded from 7:00am) to 12:00pm, Sunday, Monday and Tuesday and 6:00am to 3:00am Wednesday through Saturday and major holidays and event days. Safety personnel are deployed on bicycles, foot, segway, and truck, and maintain watches in heavily trafficked areas due to the increasing day and nightlife in the Historic area.

Reports are made which map trends in the Computer Aided Dispatch (CAD) system to effectively deploy Safety and Cleaning resources. Daily maps are also used to determine call and crime patterns and adjust deployment accordingly. HDBID has a partnership with City law enforcement to address "quality of life" issues and other crimes in the area.

The cost of providing security remains approximately \$491,790 or 33% of the budget.

Sidewalk Services: The services are contracted directly to Chrysalis, a neighborhood, non-profit that offers employment opportunities to the chronically homeless or economically disadvantaged. Services are in place from 6:00am until 9:00pm, 7 days per week.

Sweeper crews are focused in the early morning hours along with a Tennant M20 sweeper/scrubber which supplements power washing. The mid-morning crew services the district through the early evening hours to accommodate the heavy pedestrian and merchant activities. Additionally, supplemental forty (40+) hours per month of power washing is utilized, with each sidewalk area receiving service at least once in any six (6) week period. The maintenance team removes graffiti, paints light posts, moves/replaces trash cans as needed, and expects to collect over 100,000 bags each year. The personnel will focus special attention to hot zones and areas of concern such as encampments, graffiti, dog waste and trash as reported by stakeholders and internal reporting.

The cost of providing this service for 2013 is estimated at \$445,250 or 28% of the budget.

2) District Identity: The primary focus of marketing the district includes participation in community events, website updates, a newsletter, branding and decorations, and outreach to bring business and enterprise to the neighborhood.

The monthly Art Walk has been sponsored and services provided for by the HDBID. 2013 will include a continuation of the provision of Art Walk services and guidance in management of operations.

Over 90 decorations are placed in the district during the holiday season in years past. The HDBID is working on a lighting project for 2013.

The economic development committee also works with its budget to emphasize business development and leasing, and also plans an extensive outreach program to bring special tax and financing programs to new and old businesses. The HDBID has partnered with the new Historic Downtown Merchants' Association, which extended its boundaries in 2012 to include all HDBID boundaries. In this partnership, regular meetings are encouraged as outreach between historic district merchants in order to raise awareness of area quality of life issues, interfacing with LAPD, and working with each other for cross promotion and group discounts on area wide programs (signage, etc.)

The cost of providing district identity for 2013 is estimated at \$147,970 or 10% of the 2013 budget.

- 3) Administration and Corporate Operations:** HDBID employs a full-time executive director, a full time outreach and development associate, a contracted bookkeeper, and contracted accountant.

HDBID maintains an office within the district that is open Monday through Friday, 9:00am to 6:00pm. Regular operations and committee meetings are hosted at the facility, as are other outreach and community meetings as needed. A dedicated phone number as well as a 24 hour live-operator hotline is maintained.

Additionally, the BID management team works with the City of Los Angeles in handling all reporting, financial and administrative requirements. They also coordinate all board activities, meetings, and reporting to and on behalf of the board.

The cost of providing administration for 2013 is estimated at \$215,970 or 14.6% of the 2013 budget.

- 4) Contingency, fees, and reserves:** The contingency for 2013 will be \$174, 810 or 10.9% of the budget and is used to cover uncollected assessments and unexpected expenditures. Any additional funds carried over from 2013 are added to this category.

Total Estimate of Cost for 2013: A breakdown of the total estimated 2013 budget is attached to this report as Appendix A.

Method and Basis of Assessment: The Method and Basis for levying the 2013 assessment for Historic Downtown Los Angeles Business Improvement District remains the same as listed in the Management District Plan, which is as follows:

Privately Owned Parcels

Building Square Footage @ \$0.0454 per square foot

Lot Square Footage @ \$0.142 per square foot

Street Frontage @ \$22.7138 per linear foot

Publically Owned Parcels

Building Square Footage @ \$0.0409 per square foot

Lot Square Footage @ \$0.1278 per square foot

Street Frontage @ \$20.4424 per linear foot

Residential Condominiums

Square Footage @ \$0.2499 per square foot

Amount of Surplus/Deficit from previous Fiscal Year: Based on projected expenditures for December and the balance of accounts as of November 2012 when this report was being drafted.

There is no deficit from 2012 to be carried over. \$117,187 will be carried over as surplus. The surplus is contingent on a year-end reconciliation of unpaid invoices being submitted within our approved budgets. Some assessment fees are also still outstanding as of December 2012.

Pursuant to the Council approved Management District Plan and the terms of the administration contract with the City of Los Angeles, the surplus will not increase any line item more than 10% of the total and will be rolled over into the same category for 2013.

Amount of Contributions from other sources: The district anticipates receiving a small amount of interest income and a small grant from DWP for a holiday decorations and marketing of the district during the end of 2013. The approval of the grant is pending and the district expects notification of the award in August. If approved, the grant will be \$5000.

Total Estimate of Costs for Historic Downtown LA BID 2013

| | 2013 | 2012 |
|-------------------------------|---------------------|---------------------|
| Assessments | \$ 1,475,790 | \$ 1,384,194 |
| PY Carry Over (Projected) | \$ 115,987 | \$ - |
| Contributions | \$ 1,200 | \$ 5,350 |
| Total Funds Available: | \$ 1,592,977 | \$ 1,389,544 |

Sidewalk Operations & Beautification

| Sidewalk Services | Month | | | |
|--|-----------|---------------------|-----------|------------------|
| | Average | Annual | | |
| Labor including supervision & grant hours | \$ 22,131 | \$ 265,570 | \$ | 249,510 |
| Equipment leases-trash, watering & M20 | \$ 4,000 | \$ 48,000 | \$ | 48,000 |
| Equipment Maintenance | \$ 485 | \$ 5,820 | \$ | 5,760 |
| Pressure Wash Rig | \$ 3,100 | \$ 37,200 | \$ | 31,200 |
| Fuel Expense | \$ 1,467 | \$ 17,600 | \$ | 21,000 |
| Trash disposal & transfer station | \$ 3,842 | \$ 46,100 | \$ | 47,700 |
| Supplies, uniforms, radios | \$ 2,080 | \$ 24,960 | \$ | 24,400 |
| | | \$ 445,250 | \$ | 427,570 |
| Security Expenses | | | | |
| Staffing - UPS direct bill | \$ 32,324 | \$ 387,890 | \$ | 387,340 |
| Security Office | \$ 1,410 | \$ 16,920 | \$ | 18,600 |
| Equipment, Maintenance & Supplies | \$ 1,875 | \$ 22,500 | \$ | 28,870 |
| Segway & Truck Expense | \$ 1,730 | \$ 20,760 | \$ | 12,600 |
| Security Contingency Reserve | \$ 3,643 | \$ 43,720 | \$ | - |
| | | \$ 491,790 | \$ | 447,410 |
| District Identity and Marketing | | | | |
| Web site, newsletters, outreach | \$ 417 | \$ 5,000 | \$ | 1,200 |
| Economic development | \$ 2,508 | \$ 30,100 | \$ | 50,570 |
| CCA membership | | \$ 5,000 | \$ | 5,000 |
| Marketing & executive staff | \$ 4,055 | \$ 48,660 | \$ | 6,720 |
| Artwalk & creative community support | \$ 3,393 | \$ 40,710 | \$ | 54,490 |
| Other sponsorships | | \$ - | \$ | 3,000 |
| Holiday decorations | | \$ 8,000 | \$ | 11,400 |
| Trash Cans & signage | | \$ - | \$ | 1,200 |
| Tree trimming | | \$ 10,500 | \$ | 16,370 |
| | | \$ 147,970 | \$ | 149,950 |
| Administration & Corporate Operations | | | | |
| Salaries & Staff | \$ 14,136 | \$ 169,630 | \$ | 147,190 |
| Other Operating Administrative Costs | \$ 3,862 | \$ 46,340 | \$ | 59,050 |
| | | \$ 215,970 | \$ | 206,240 |
| Contingency, City Fees, Reserves | | | | |
| Carryover & Contributions | | \$ 174,810 | \$ | 153,025 |
| | | \$ 117,187 | \$ | 5,350 |
| Grand Total | | \$ 1,592,977 | \$ | 1,389,545 |