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February 18, 2015

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

Council District 5

REGARDING: THE MELROSE (PROPERTY-BASED) BUSINESS IMPROVEMENT
DISTRICT'S 2015 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Melrose Business Improvement District's ("District") 2015 fiscal year (CF 13-0705). 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 Melrose Business Improvement District's Annual Planning Report for the 2015 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Melrose Business Improvement District was established on July 31, 2014 by and through the City Council's adoption of Ordinance No. 182669 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 large rollover of unspent funds from 2014. 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 January 9, 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 Melrose Business Improvement District's 2015 fiscal year complies with the requirements of the State Law.
2. FIND that the increase in the 2015 budget concurs with the intentions of the Melrose 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 Melrose Business Improvement District's 2015 fiscal year, pursuant to the State Law.

Honorable Members of the City Council
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Sincerely,



Holly L. Wolcott
City Clerk

HLW:GRA:MCP:RMH:ev

Attachment: Melrose Business Improvement District's 2015 Fiscal Year Annual
Planning Report



February 10, 2015

**Melrose BID
Board of Directors:**

Deny Weintraub
President
Holly Wolcott
City Clerk
City of Los Angeles
200 N. Spring Street
Room #224
Los Angeles, CA 90012

Julian Chicha
Treasurer

Isack Fadlon
Board Member

Daniel Farasat
Board Member

Fred Rosenthal
Board Member

Donald R. Duckworth
Executive Director

Re: Melrose PBID 2015 Annual Planning Report Transmittal

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 Melrose Business Improvement District has caused this Annual Planning Report to be prepared, and formally approved it at their meeting of January 9, 2015.

This report covers proposed activities of the Melrose BID from January 1 through December 31, 2015.

As we may be of any additional assistance, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Donald R. Duckworth".

Donald R. Duckworth
Executive Director

C: MBIA Board of Directors
Miranda Paster, Office of the City Clerk
Eugene Van Cise, Office of the City Clerk

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Melrose Business Improvement District 2015 Annual Planning Report

- I. **District Name:** This report is for the Melrose Business Improvement District (hereinafter “District”), which is administered by the Melrose Business Improvement Association, a 501c6 non-profit corporation.
- II. **Fiscal Year of Report:** This report applies to the 2015 Fiscal Year. It was formally approved by the Melrose Business Improvement Association Board of Directors at their January 9, 2015 meeting.
- III. **Boundaries of the BID:** There are no changes to the District boundaries for 2015.
- IV. **Benefit Zones:** The District has two (2) benefit zones and there will be no changes to them in 2015.
- V. **Improvements, Activities, and Services for 2015:**
 - a. **Ambassador Services Program: \$126,000 (18.5%)**

The purpose of the Ambassador Services Program is to provide: a readily identifiable, uniformed presence creating a comfortable and welcoming business environment including homeless services coordination and, parking or parking management services. These services will benefit each individually assessed parcel by responding to needs of those parcels. In 2015, these activities may include, but are not necessarily limited to, the following: the provision of Melrose Avenue branded parking or parking management services, contracted homeless services coordination through PATH, and uniformed ambassador services patrols.
 - b. **Landscape, Sanitation, & Beautification Program: \$230,000 (33.8%)**

The purpose of the Landscape, Sanitation, and Beautification Services Program is to maintain the sidewalks and landscaped public areas adjacent to each assessed parcel at a level of cleanliness and attractiveness higher than would exist with only baseline City services. In 2015, these activities may include, but are not necessarily limited to, the following: street sweeping; sidewalk pressure washing; graffiti removal; sticker removal; street litter pick-up; planting of new or replacement trees; and, irrigation and operation of landscaping, trees, and other improvements that may be installed by the District.
 - c. **Marketing & Promotions Program: \$150,000 (22.0%)**

The purpose of the Marketing and Promotions Program is to promote the

business activities and opportunities occurring on assessed parcels in the District. Marketing, promotions, and public relations initiatives will disseminate information and awareness about Melrose Avenue's identity, brand, and business opportunities to convey a positive image to consumers, visitors, and investors. In 2015, these activities may include, but are not limited to, the following: street banners; holiday decorations; a website; a newsletter; special printing, graphics or advertising; public relations activities; special events or activities; placement of promotional materials in various media; creation and operation of "shop local" incentive programs; etc.

d. **New Business Attraction Program: \$15,957 (2.3%)**

The purpose of the New Business Attraction Program is to attract businesses to assessed parcels in the District. New business attraction efforts will provide growth in the number of businesses, increase the size of existing business, and present new opportunities for Melrose property and business owners. In 2015, these efforts may focus on specific new businesses / tenants being recruited to the District or general future expansion that significantly affects the District, and may be undertaken by District employees or contractors.

e. **Policy Development, Management, & Admin.: \$80,023 (11.8%)**

The purpose of the Policy Development, Management, and Administration Program is to create a well managed District that optimizes the use of the assessment funds through effective vendor selection and contract management; excellent communications with stakeholders; effective advocacy on behalf of parcel owner interests; effective board and committee coordination; and, sound fiscal management. In 2015, the District will be managed / administered by a contracted, professional executive director who may utilize administrative and technical support as needed.

f. **Office, Insurance, & Other: \$57,000 (8.4%)**

The purpose of the Office, Insurance, Accounting, and Other budget item is to fund the various administrative costs associated with providing the District's services to assessed parcels. These costs implement all other District improvements, activities, and services. In 2015, this budget category may include, but not be limited to, the following: office supply, material, insurance, accounting, bookkeeping, service, rental, telephone, meeting expense, database, computer, furnishing, equipment, and other necessary expenses.

g. **Uncollected Assessment Reserve: \$21,336 (3.1%)**

The purpose of the Uncollected Assessment Reserve is to provide an accounting cushion for any revenue shortfall that might be created in any particular year for assessments that are not paid timely through the County

of Los Angeles. This is a temporary reserve that has been established to offset such temporary revenue shortfalls.

h. **Total Estimated Cost for 2015: \$680,316 (100.0%)**

A breakdown of the total estimated 2015 budget is provided in Appendix A hereto.

VI. **Method and Basis of Levying the Assessment:** The method and basis for levying the 2015 assessment remains the same as described in the adopted Management District Plan. Annual assessments are based upon an allocation of program costs and are a combination of parcel size, building size, and street frontage for two (2) benefit zones. The assessment rates for 2015 are shown below.

VII. **Melrose BID 2015 Assessment Rates:**

a. Zone 1:

Lot Area Rate \$0.1437 per lot benefit unit

Building Size Rate \$0.1853 per building benefit unit

Frontage Rate \$8.6876 per frontage benefit unit

b. Zone 2:

Lot Area Rate \$0.0088 per lot benefit unit

Building Size Rate \$0.0259 per building benefit unit

Frontage Rate \$5.9100 per frontage benefit unit

c. The District's Management District Plan allows for a maximum annual assessment CPI increase of 3%. There is no CPI increase for 2015.

d. The District's 2015 total assessment is \$505,780.

VIII. **Surplus Revenues:** At the end of 2014, the District will have an estimated \$143,510 in surplus revenues that will be carried over to the 2015 budget. The Melrose Business Improvement Association approved this rollover at their January 9, 2015 meeting.

IX. **No Anticipated Deficit Revenues or Expenditures:** There are no anticipated deficit revenues or expenditures that will be carried over to 2015.

X. **Contributions From Sources Other than Assessment:** Contributions from the City of Los Angeles Business Improvement District Trust Fund (City Clerk's Office) are anticipated to pay for \$31,026 in "General Benefit" costs for 2015.

APPENDIX A. MELROSE BUSINESS IMPROVEMENT DISTRICT ANNUAL PLANNING REPORT 2015

Revenues - 2015			
	<u>Zone 1</u>	<u>Zone 2</u>	<u>Total</u>
2015 Assessments	\$485,887	\$19,893	\$505,780
Estimated Carryover From 2015	\$137,637	\$5,873	\$143,510
Other Income	\$29,756	\$1,270	\$31,026
Total Estimated Revenues	<u>\$653,280</u>	<u>\$27,036</u>	<u>\$680,316</u>

Estimated Expenditures Budget - 2015				
	<u>Zone 1</u>	<u>Zone 2</u>	<u>Total</u>	<u>%</u>
Ambassador / Security Services	\$120,000	\$6,000	\$126,000	18.5%
Landscaping, Sanitation, Beautification	\$215,000	\$15,000	\$230,000	33.8%
Marketing & Promotions	\$150,000	\$0	\$150,000	22.0%
New Business Attraction	\$15,957	\$0	\$15,957	2.3%
Policy Development, Managements, Admin	\$78,023	\$2,000	\$80,023	11.8%
Office, Ins, Accounting, Other	\$55,000	\$2,000	\$57,000	8.4%
Uncollected Assessment Reserve	\$19,300	\$2,036	\$21,336	3.1%
Total	<u>\$653,280</u>	<u>\$27,036</u>	<u>\$680,316</u>	<u>100.0%</u>