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November 30, 2016
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 5

REGARDING:

THE MELROSE (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 Melrose Business Improvement District's ("District") 2017 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 2017 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, 2013 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 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 any 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 11, 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 Melrose Business Improvement District's 2017 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2017 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 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Melrose Business Improvement District's 2017 Fiscal Year Annual Planning Report

November 30, 2016

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

Subject: Melrose 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 Melrose Business Improvement District has caused this Melrose Business Improvement District Annual Planning Report to be prepared at its meeting on November 11, 2016.

This report covers proposed activities of the Melrose BID from January 1, 2017 through December 31, 2017.

Sincerely,

Donald R. Duckworth

Donald Duckworth
Executive Director
Melrose Business Improvement Association

Melrose
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Melrose Business Improvement District (District). The District is operated by the Melrose Business Improvement Association., 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 11, 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

Ambassador / Security Services: \$83,500.00 (11.69%)

Ambassadors / security officers may operate via foot patrols, bicycle, or vehicle, as deemed appropriate by the Owner's Association. These personnel provide directions or assistance; serve as a liaison to the City's police, City Attorney, and other services; coordinate the provision of homeless services; warn and advise trespassers; and, respond to visitor inquiries. Ambassadors will be deployed at such times and in such a manner as the District deems most effective and efficient to achieve their purpose.

Landscaping, Sanitation and Beautification: \$311,210.00 (43.56%)

These activities may include, but are not necessarily limited to, the following: street sweeping; sidewalk sweeping; public alley 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, public art, signage, lighting, and other improvements that may be installed by the District, the City, or other entities.

Pursuant to the adopted Management District Plan, the 2017 budget for Landscaping, Sanitation, and Beautification includes funds being reserved as part of a \$150,000 matching funds requirement for a \$4 Million MTA Grant that has been awarded for first mile / last mile pedestrian oriented improvements within the Melrose BID District.

Marketing and Promotions: \$130,000.00 (18.20%)

Marketing and Promotions Services might include, but are not limited to, the following: street banners; holiday decorations; a website; a property owner 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. The District may use any available effective media for these initiatives.

New Business Attraction: \$5,000.00 (00.70%)

These services may be provided by either staff working for the District or by contractor (s) to the District, or a combination of both. The services may include, but are not necessarily limited to, the following: preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District’s best interested as approved by the Owner’s Association.

Policy Development, Management & Administration: \$130,000.00 (18.20%)

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 interests, effective board and committee coordination, and sound fiscal management.

Office, Insurance, Accounting & Other: \$35,000.00 (04.90%)

District office supply, material, insurance, accounting, bookkeeping service, rental, telephone, meeting expense, database, computer, furnishing, equipment, and other necessary expenses are included in this budget category. These items serve to implement all other District improvements, activities, and services.

Uncollected Assessment Reserve: \$19,663.98 (02.75%)

The purpose of the Uncollected Assessment Reserve is to provide an accounting cushion for the revenue shortfall that might be created in any particular year for assessments that are not paid timely through the City or County of Los Angeles. This is a temporary reserve that has been established to offset such temporary revenue shortfalls. Use of these funds is incurred only when associated with the provision of improvements, activities, and services that specially and individually benefit each assessed parcel in the District in a particular and distinct manner.

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 for levying the 2017 assessment remains the same as listed in the Management District Plan. Annual assessments are based upon an allocation of program costs and a calculation of assessable footage for two (2) Benefit Zones. Assessments are determined by lot square footage, building square footage and linear frontage. The assessment rates for 2017 are as follows:

Zone 1

Lot: \$0.1437 per square foot

Building: \$0.1853 per square foot

Frontage: \$8.6876 per linear foot

Zone 2

Lot: \$0.0088 per square foot

Building: \$ 0.0259 per square foot

Frontage: \$5.9100 per linear foot

(There is No CPI increase for 2017)

Surplus Revenues: \$200,000.00

The surplus resulted from a lag in arrival of invoices for services provided in 2016, on-going growth of BID services since the initiation of operations, and unexpended special projects.

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$31,026.00

City "General Benefit" contribution.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Melrose BID- FY 2017

	Zone 1	Zone 2	Total	
2017 Assessments	\$463,487.00	\$19,860.98	\$483,347.98	
Estimated Carryover from 2016	\$191,780.00	\$8,220.00	\$200,000.00	
Other Income	\$29,806.00	\$1,220.00	\$31,026.00	
Total Estimated Revenues	\$685,073.00	\$29,300.98	\$714,373.98	
2017 Estimated Expenditures				Pct.
Ambassador / Security Services	\$80,000.00	\$3,500.00	\$83,500.00	11.69%
Landscaping, Sanitation and Beautification	\$294,390.00	\$16,820.00	\$311,210.00	43.56%
Marketing and Promotions	\$130,000.00	\$0.00	\$130,000.00	18.20%
New Business Attraction	\$5,000.00	\$0.00	\$5,000.00	00.70%
Policy Development, Management & Administration	\$125,000.00	\$5,000.00	\$130,000.00	18.20%
Office, Insurance, Accounting & Other	\$33,000.00	\$2,000.00	\$35,000.00	04.90%
Uncollected Assessment Reserve	\$17,683.00	\$1,980.98	\$19,663.98	02.75%
Total Estimated Expenditures	\$685,073.00	\$29,300.98	\$714,373.98	100%