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CITY CLERK

City of Los Angeles  
CALIFORNIA

OFFICE OF THE  
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December 23, 2015

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

Council District 14

REGARDING: THE ARTS DISTRICT LOS ANGELES (PROPERTY-BASED)  
BUSINESS IMPROVEMENT DISTRICT'S 2016 FISCAL YEAR  
ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Arts District Los Angeles Business Improvement District's ("District") 2016 fiscal year (CF 13-1525). 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 Arts District Los Angeles Business Improvement District's Annual Planning Report for the 2016 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

### BACKGROUND

The Arts District Los Angeles Business Improvement District was established on February 26, 2014 by and through the City Council's adoption of Ordinance No. 182910, 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 2016 budget has increased due to a rollover of unspent funds from the 2015 assessment. This surplus was created from a cost savings in Safety expenses, a cost savings in Administration and unanticipated revenue from a mega development—One Santa Fe. The cost savings in Administration was created because ADLA Board members decided not to utilize the full amount allocated for ADLA staff. The cost savings in Safety expenses is the result of a two-month period when the BID experienced critical staffing challenges. 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 November 13, 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 Arts District Los Angeles Business Improvement District's 2016 fiscal year complies with the requirements of the State Law.
2. FIND that the increase in the 2016 budget concurs with the intentions of the Arts District Los Angeles Business Improvement District's Management District Plan

Honorable Members of the City Council  
Page 3

and does not adversely impact the benefits received by assessed property owners.

3. ADOPT the attached Annual Planning Report for the Arts District Los Angeles Business Improvement District's 2016 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott  
City Clerk

HLW:GRA:MCP:RMH:rks

Attachment: Arts District Los Angeles Business Improvement District's 2016 Fiscal Year Annual Planning Report



Attachment 2

NBID

NOV 24 2015

November 16, 2015

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

Subject: Arts District Los Angeles PBID 2016 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 Arts District Los Angeles Business Improvement District has caused this Arts District Los Angeles Business Improvement District Annual Planning Report to be prepared at its meeting of November 13, 2015.

This report covers proposed activities of the Arts District Los Angeles BID from January 1, 2016 through December 31, 2016.

Sincerely,

A handwritten signature in cursive script that reads 'Miguel Vargas'.

Miguel Vargas  
Executive Director  
Arts District Los Angeles Business Improvement District

# Arts District Los Angeles

## Business Improvement District

# 2016 Annual Planning Report

# 2016 Annual Planning Report

## **District Name**

This report is for the Arts District Los Angeles Business Improvement District (District). The District is operated by Arts District Los Angeles, Inc., a private non-profit organization.

## **Fiscal Year of Report**

This report applies to the 2016 Fiscal year. The District Board of Directors approved the 2016 Annual Planning Report at the November 13, 2015 Board of Director's meeting.

## **Boundaries**

There are no changes to the District's boundaries for 2016.

## **Benefit Zones**

The entire District consists of one benefit zone. For 2016 there are no changes to the District's benefit zone.

## **2016 Improvements, Activities and Services**

The following are the improvements and activities planned for the Arts District Los Angeles Business Improvement District (BID) in order by category as listed in the Management District Plan:

### **Clean and Safe: \$981,268.63 (74%)**

The cost of providing clean and safe services is estimated at \$981,268.63.

Street Maintenance – Street maintenance services are provide by Chrysalis Enterprises and will continue in 2016. Clean Team members works 7 days per week from 7 a.m. to 4 p.m. The team is outfitted in blue and black uniforms with the Arts District Los Angeles BID logo prominently displayed. The Clean Team empties trashcans, picks up litter, removes graffiti, pressure washes sidewalks and performs light landscaping in the district.

Safety Team – Public safety and hospitality services are provided by Streetplus Company, LLC and will continue in 2016. Safety Team patrols are in place 24 hours a day and 7 days a week. The team patrols on foot and also uses bicycles, segways and a vehicle to patrol. The team is outfitted with blue and black uniforms with the Arts District Los Angeles BID logo prominently displayed.

### **Management/Administration: \$251,947.35 (19%)**

BID Executive Director, Miguel Vargas, manages the activities and efforts of the Arts District Business Improvement District (ADLA). The Executive Director oversees District services, which are delivered 24 hours a day, seven days a week.

Additionally, the Executive Director actively works on behalf of the District property owners to insure that City and County services support the District. ADLA will seek to host 1 – 2 college students per semester in order to assist with administrative services.

**Contingency/City Fees: \$92,822.71 (7%)**

The cost for contingency and City fees in 2016 is \$92,822. City fees are \$26,521 and contingency reserved for uncollectible assessments is \$66,302

**Total estimate of Cost for 2016:** A breakdown of the total estimated 2016 budget is attached to this report as **Appendix A**.

**Method and Basis of Levying the Assessment**

The Method and basis for levying the 2016 assessment remains the same as listed in the Management District Plan, which is a calculation of assessable footage based one zone of benefit only and an allocation of program costs as described in the Management District Plan. Two (2) property assessment variables, parcel square footage and building square footage are used in the calculation. The Management District Plan allows for a maximum annual assessment increase of 5%. The Board voted for a 3% increase for 2016

**Arts District Los Angeles 2016 Assessment rates:**

2016 Parcel Square \$0.0684  
Foot Assessment Rate

2016 Building Square \$0.0902  
Foot Assessment Rate

**The District's 2016 Total Assessment is \$1,160,417.43.**

**Surplus Revenues**

At the end of 2015, the District will have an estimated \$151,000 of surplus revenue that will be rolled over into 2016 budget. This surplus was created from a cost savings in Safety expenses, a cost savings in Administration and unanticipated revenue from a mega development—One Santa Fe. The cost savings in Administration was created because ADLA Board members decided not to utilize the full amount allocated for ADLA staff. The cost savings in Safety expenses is the result of a two-month period when the BID experienced critical staffing challenges. The District Board of Directors authorized the rollover at the November 13, 2015 Board of Director's meeting.

**Anticipated Deficit Revenues**

There are no deficit revenues that will be carried over to 2016.

**Contributions from Sources other than assessments:** \$14,621.26

The Arts District Los Angeles BID expects to collect \$14,621.26 from the City of Los Angeles for general benefit costs.

Appendix A

Arts District Los Angeles Business Improvement District  
2016 Annual Report  
2016 Fiscal Year Activities Budget

Anticipated Assessment Revenue and Program Expenditures

**2016 Revenue Sources**

2016 Special Assessment	\$1,160,417.43	
2015 Carryover	\$151,000.00	
2016 Estimated Contributions/Other Sources	\$14,621.26	
<b>2016 Total Estimate Revenue</b>		<b>\$1,326,038.69</b>

**2016 Budget Expenditures**

Clean & Safe	\$981,268.63	74.00%
Management / Administration	\$251,947.35	19.00%
Contingency / City Fees	\$92,822.71	7.00%
<b>2016 Total Estimated Expenditures</b>	<b>\$ 1,326,038.69</b>	<b>100.00%</b>

