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CITY CLERK

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ERIC GARÇETTI  
MAYOR

March 25, 2015

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

Council District 13

REGARDING: THE SUNSET AND VINE (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 Sunset and Vine Business Improvement District's ("District") 2015 fiscal year (CF 14-0583). 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 Sunset and Vine 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 Sunset and Vine Business Improvement District was established on September 14, 2011 by and through the City Council's adoption of Ordinance No. 181880, 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 November 11, 2014, 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

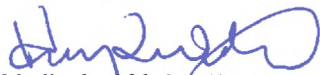
There is no impact to the General Fund associated with this action.

#### RECOMMENDATIONS

THAT THE CITY COUNCIL:

1. FIND that the attached Annual Planning Report for the Sunset and Vine 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 Sunset and Vine 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 Sunset and Vine Business Improvement District's 2015 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott  
City Clerk

HLW:GRA:MCP:RMH:rks

Attachment: Sunset and Vine Business Improvement District's 2015 Fiscal Year Annual Planning Report



Central Hollywood  
Coalition  
Board of Directors

★★★

Carol Massie  
President  
*McDonald's Restaurants*

Kitty Gordillo  
Treasurer  
*Hollywood YMCA*

Elizabeth McDonald  
Secretary  
*The Los Angeles  
Film School*

Fabio Conti  
*The Fabiolus Café*

Charles Eberly  
*The Eberly Company*

Brian Folb  
*Paramount Contractors*

Chase Gordon  
*Avison Young*

Elva Hernandez  
*Hudson Pacific  
Properties*

Melissa Logan  
*Amoeba Music*

Michael Pogorzelski  
*AMPAS*

Fred Rosenthal  
*Ametron*

Arthur Stroyman  
*Kilroy Realty  
Corporation*

★★★

Sarah Besley  
*Executive Director*

November 14, 2014

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

RE: Sunset & Vine PBID 2015 Annual Planning Report

Dear Ms. Wolcott,

In accordance with the 1994 Property and Business Improvement District Law, California Streets and Highways Code Section 36650, the Board of Directors of the Central Hollywood Coalition submits this Annual Planning Report for the Sunset & Vine BID for your consideration.

This report, approved by the Board on November 11, 2014, covers the proposed activities of the Sunset & Vine BID from January 1, 2015 through December 31, 2015.

Sincerely,

Sarah Besley  
Executive Director  
Sunset & Vine BID

Cc: CHC Board of Directors

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## 2015 Planning Report Sunset & Vine Business Improvement District

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The following report is prepared, in accordance with the requirements of Section 36650 of the Streets & Highways Code and serves as the Work Plan for the coming year for the Sunset & Vine Business Improvement District, which is managed by the Central Hollywood Coalition, a private non-profit organization.

### I. Boundaries and Zones

There have been no changes to the boundaries or the special benefit zones in the SVBID, as laid out in the Management Plan and Engineer’s Report, adopted by the Los Angeles City Council on September 14, 2011.

### II. Detailed budget

The following budget allocations were approved by the board of directors for the Central Hollywood Coalition at their November 11, 2014 meeting.

Program	Management Plan		2015 Budget	
<i>Maintenance, Streetscape &amp; Beautification</i>	431,588	28%	465,743	28%
<i>Safety &amp; Security Services</i>	818,154	52%	800,000	52%
<i>Marketing &amp; Consulting</i>	40,796	3%	40,000	3%
<i>District Management, Policy &amp; Administration</i>	189,971	12%	198,000	12%
<i>Contingency, City Fees, Reserve</i>	81,737	5%	120,722	5%
	<b>1,562,246</b>	<b>100%</b>	<b>1,624,465</b>	<b>100%</b>

Please refer to Appendix A for a detailed analysis of revenue and expenditures.

#### A. Summary 2015 Operating Budget Gross Assessment Billings amount to \$1,506,928.

The CHC Board of Directors approved a 1% CPI adjustment on May 13, 2014

(1) The revenue budget is further adjusted by the following factors:

- (a) An anticipated cash roll-over from 2014 is estimated at \$114,637;
- (b) Modest interest revenue of \$400 from the bank;
- (c) Interest revenue received from the county and city of \$2,500;
- (d) \$1,624,465 available for the operating budget for 2015

#### B. Maintenance, Streetscape and Beautification – \$465,743 or 29% of the budget

- 1. Maintenance - \$380,000

The maintenance program primarily involves oversight of the District's maintenance vendor, Cleanstreet. The services and priorities of the maintenance contract are guided by the Management District Plan, the Streetscape Committee and the Board. The contract, which is shared with the neighboring Hollywood Entertainment District BID, was competitively bid in January of last year. A new contract was negotiated with Clean Street in April, 2014 and services commenced in May.

The following services are incorporated within the scope of the agreement:

- Daily street and gutter sweeping in all zones 7 days a week
- Sidewalk pressure washing: Zone 1 - one time per month; Zone 2 - one time every six weeks; Zone 3 - one time every other month
- Trash removal twice daily from approximately 40 receptacles in the BID
- Waste removal from three 3-cubic yard dumpsters, emptied three days per week
- Graffiti removal within 72 hours of a report
- Sidewalk and gutter sweeping by one daily day porter working one 8-hour shift
- Limited star polishing on one block of Walk of Fame that falls within SVBID (on Vine from Selma to Sunset)
- Oversight of all maintenance duties by one full-time supervisor

2. Beautification - \$85,743

This budget item is earmarked for capital improvements, landscape projects and matching fund requirements for beautification grants. This year the board plans to use a portion of these funds to replant approximately 50 Jacaranda trees along Vine Streets that were vandalized last Spring. In addition, the Streetscape and Planning Committee is in the preliminary stages of planning a Mobility Summit in the first quarter of the year, which may potentially lead to a variety of streetscape projects.

C. Safety & Security Services – \$800,000 or 49% of the budget

Members of the Sunset & Vine Security Committee meet in conjunction with the Hollywood Entertainment District on a monthly basis to discuss a full range of public safety issues, such as illegal vending, homelessness and loitering, public urination, drinking in public, vandalism and graffiti, and quality of life issues.

In addition to addressing specific incidents and trends, the committee oversees the following programs: (1) security patrols; (2) one public safety camera; (3) incident tracking software; and (4) homeless outreach.

1. Security patrol: Security services are provided to the district by Andrews International Security.

After an extensive RFP process in 2012, Andrews International was awarded a five year contract to continue servicing the BID. The new contract provides the following level of service:

- Average patrol of 224 hours per week, by officers and sergeants, Monday through Saturday. An additional 40 hours per week are attributed to management staff.
- On Sunday, two officers patrol the district.

- The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters and related office space are housed at the LAPD sub-station at Hollywood & Highland, which is donated by the owners of the complex. As a result of the management contract that the CHC has negotiated with the Hollywood Property Owners Alliance, (HPOA) all security supervision and administrative costs are currently shared 66% HED and 34% SVBID.

2. **Public Safety Camera:** A portion of the security budget is earmarked for the maintenance of one video surveillance camera, donated to the Los Angeles Police Department for their exclusive use. Currently, the Sunset & Vine video surveillance camera is located at the intersection of Cahuenga & Sunset. A \$400/month maintenance agreement will be levied to keep the camera functioning.
3. **Incident Tracking Software:** The BID contracts with Accendo FM to maintain mapping software that tracks security (arrest) and graffiti incidents.
4. **Homeless Outreach Services:** A portion of the security budget may be allocated, at the discretion of the Security Committee, with Board approval, to organizations involved with outreach and service to homeless individuals in the District.

D. Marketing and Consulting - \$40,000 or 2% of the budget

This budget item will support activities associated with marketing and promoting the overall district.

Program specifics include the following:

- The production and distribution of a quarterly newsletter to all stakeholders;
- The graphic design and printing of special promotional materials;
- The creation of press kits and the distribution of electronic news releases;
- The production of the fourth annual "Sunset & Dine" in the Fall of 2015, which will involve promotional materials, venue logistics, insurance and related event production expenses;
- The hosting, maintenance and enhancement of the Sunset & Vine BID's website [www.onlyinhollywood.org](http://www.onlyinhollywood.org);
- Social media outreach through Only in Hollywood's various platforms on Facebook, Twitter, Tumblr, Instagram, and various other sites.

If available, marketing funds also may be used towards partnering with other community events, activities or collateral that aim to promote the Sunset & Vine BID as a whole. Examples include sponsorship fees for area festivals, logo plaques for trash receptacles, pole banners and promotion of streetscape projects.

E. District Management, Policy & Administration - \$198,000 or 12% of the budget

This area of the budget is primarily earmarked for a professional services agreement between the Central Hollywood Coalition and the Hollywood Property Owners Alliance. CHC will pay HPOA \$13,083 a month in 2015 to provide the following services: (a) meeting coordination (monthly board meetings, committees and annual property owner meetings); (b) stakeholder relations; (c) communications and marketing; (d) website

maintenance and updates; (e) media relations; (f) supervision of security and maintenance vendors; (g) community relationship building (e.g., LAPD, city staff, council office); (h) homeless coalition issues; (i) database management; and (j) BID contract compliance requirements (e.g., quarterly reports, annual reports).

Additionally, a portion of the budget is earmarked for technical consulting with Willdan Financial Services to provide quarterly updates to SVBID parcel database, and to present annual changes to assessment roll. Additional expenses are anticipated for liability insurance; tax preparation; and legal consultation.

F. Contingency, City Fees & Reserve - \$120,722 or 7% of the budget

1. Contingency - \$16,000

The contingency budget is earmarked to either accommodate a higher than budgeted delinquency rate, or to supplement services during the year at the discretion of the board. (See Management District Plan page 20: *Contingency- "A non-earmarked reserve category has been designated to meet special needs arising each year related to security, maintenance, streetscape, special projects or marketing needs designed to benefit the individual parcels within the District. The special needs will be determined by the Owners Association, but, for example, might involve the placement of a new surveillance camera, the scheduling of additional pressure washing, or the one-time purchase of trash receptacles or planters."*)

2. City fees - \$28,722

The City recovery cost fees are earmarked just below two percent of the annual assessment revenue budget, as stipulated in the contract between the Central Hollywood Coalition and the City of Los Angeles.

3. Delinquency - \$76,000

The delinquency allowance is based on payment history. (See Management District Plan page 20: *"Reserve for non-payment- Because the assessments are collected as part of each parcel's property taxes, each year, taxes may not be paid by a small percentage of parcels creating a revenue shortfall for that fiscal year. A reserve fund has been established to offset these temporary revenue shortfalls. Eventually these delinquent assessments will accrue to the District, either at the time of property transfer (when all outstanding fees, taxes and assessments are collected) or upon the county of Los Angeles initiating a tax auction to recover delinquent taxes and assessments. If the funds are collected during the life-span of the District, they are included in operating capital. If they accrue after the District expires, they accrue to a Special Projects Account."*)

**III. Revenues carried from the previous year**

The operating budget is predicated upon a carry-over of \$114,637 from 2014, as shown on Appendix A.

**IV. Assessment Rates**

The method and basis for levying the 2015 assessment remains the same as listed in the Management District Plan. Annual assessments are based upon an allocation of program costs and three (3) zones of benefit with differing rates depending on the type and frequency of special benefit services provided.

Assessments are composed of a calculation of assessable street front footage (approximately 50%), building area (approximately 25%) and land area (approximately 25%). The assessment rates for the 2015 tax year area are as follows:

Variable	Zone 1	Zone 2	Zone 3
Front Footage	21.86	14.02	11.29
Lot Area	.08	.07	.04
Building Size	.06	.06	.04

**V. Surplus Revenues**

At the end of 2014, the District anticipates having approximately \$114,637 of surplus revenue that will be rolled over into the 2015 budget. The CHC Board of Directors were informed of the approximate rollover amount on November 11, 2014.

**VI. Anticipated Deficit Revenues**

No deficit revenue is anticipated to carry over to 2015.





Appendix A (simplified)

Sunset & Vine Business Improvement District  
2015 Annual Report  
2015 Fiscal Year Activities Budget

Anticipated Assessment Revenue and Program Expenditures

2015 Revenue Sources

2015 Special Assessment	\$1,506,928.00	
2014 Carryover	\$114,637.00	
2015 Estimated Contributions/Other Sources	\$2,900.00	
<b>2015 Total Estimated Revenue</b>		<b>\$1,624,465.00</b>

2015 Budget Expenditures

Safety and Security Services	\$800,000.00	49.25%
Maintenance, Streetscape and Beautification	\$465,743.00	28.67%
Marketing and Consulting	\$40,000.00	2.46%
District Management, Policy and Administration	\$198,000.00	12.19%
Contingency/City Fees/Reserve	\$120,722.00	7.43%
<b>2015 Total Estimated Expenditures</b>	<b>\$ 1,624,465.00</b>	<b>100.00%</b>

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