

# CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI  
MAYOR

OFFICE OF  
NEIGHBORHOOD AND BUSINESS  
IMPROVEMENT DISTRICT DIVISION  
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MIRANDA PASTER  
ACTING DIVISION HEAD

May 5, 2014

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 2014 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") 2014 fiscal year (CF 11-1177). 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 2014 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 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 changes to the boundaries or benefit zones for 2014. The District Board has made no significant changes to its 2014 budget from the 2013 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 at their November 12, 2013 meeting, 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 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 2014 fiscal year complies with the requirements of the State Law.
2. ADOPT the attached Annual Planning Report for the Sunset and Vine Business Improvement District's 2014 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott  
Interim City Clerk

HLW:MCP:RMH:rks

Attachment: Sunset and Vine Business Improvement District's 2014 Fiscal Year Annual Planning Report

Central Hollywood  
Coalition  
Board of Directors

\*\*\*

Carol Massie  
President  
McDonald's Restaurants

Duke Gallagher  
Treasurer  
The Production Group

Elizabeth McDonald  
Secretary  
The Los Angeles  
Film School

Fabio Conti  
The Fabiolus Cafe

Charles Eberly  
The Eberly Company

Brian Folb  
Paramount Contractors

Kitty Gordillo  
Hollywood YMCA

Melissa Logan  
Amoeba Music

Harout Markarian  
Western Diocese of the  
Armenian Church

Michael Pogorzelski  
AMPAS

Fred Rosenthal  
Ametron

Katie Seymour  
Sunset + Vine

Michael Smith  
Broadreach Capital  
Partners

Arthur Stroyman  
Kilroy Realty  
Corporation

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Sarah Besley  
Executive Director

sunset



BUSINESS  
IMPROVEMENT  
DISTRICT

Attachment 3

December 2, 2013

Rick Scott  
Special Assessment Section  
Office of the City Clerk  
200 N Spring St., Room 224  
Los Angeles, CA 90012

Subject: Annual Planning Report for Sunset & Vine BID

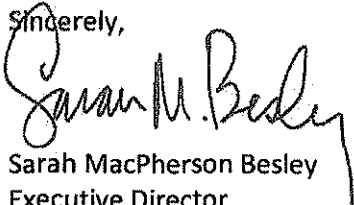
Dear Rick,

Enclosed please find the 2014 Planning Report for the Sunset & Vine Business Improvement District. This report satisfies the requirements of the contract between the Central Hollywood Coalition and the City of Los Angeles.

The Board of Directors for the Central Hollywood Coalition approved the detailed program budget for the 2014 operational year for the SVBID at their recent board meeting on November 12, 2013. Apart from incorporating a one percent CPI inflator to the assessment budget, approved on May 14, 2013, there are no significant changes to the programs and services provided to the assessment paying stakeholders within the boundaries of the BID.

Thank you for all the assistance you and the staff within the Special Assessments Unit have provided to the Central Hollywood Coalition in the past year. Please let us know if there is any additional information to fulfill this request.

Sincerely,

  
Sarah MacPherson Besley  
Executive Director  
Sunset & Vine BID

## 2014 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.

### 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 12, 2013 meeting.

Program	2014 Budget		Management Plan	
<i>Maintenance, Streetscape &amp; Beautification</i>	491,977	31%	398,378	28%
<i>Safety &amp; Security Services</i>	801,000	50%	756,683	52%
<i>Marketing &amp; Consulting</i>	15,000	1%	37,710	3%
<i>District Management, Policy &amp; Administration</i>	179,500	11%	175,548	12%
<i>Contingency, City Fees, Reserve for Non-Pay</i>	119,696	7%	75,531	5%
	<b>1,607,173</b>	<b>100%</b>	<b>1,443,850</b>	<b>100%</b>

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

#### A. Summary 2014 Operating Budget Gross Assessment Billings = \$1,495,668

The CHC Board of Directors approved a 1% CPI adjustment at their May, 14 2013 meeting.

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

- (a) the anticipated cash roll-over from 2013 is estimated at \$108,405
- (b) modest interest revenue of \$600 from the bank
- (c) interest revenue received from the county and city of \$2,500
- (d) \$1,607,173 available for the operating budget for 2014

#### B. Maintenance and Beautification – \$491,977 or 31% of the budget

- 1. Maintenance - \$391,955

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, is currently being bid out in a Request for Proposal. A new contract will be negotiated in December, 2013.

The exact scope of the agreement will be determined in the coming weeks, after the competitive bid process is complete. However, based on past service, it is estimated that the following services will be provided:

- Daily street and gutter sweeping in all zones
- 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
- Periodic furniture washing and touch-up painting on street furniture and light poles
- 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 - \$100,022

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 plant and maintain approximately 55 trees within the district and start preliminary plans for installing a median along Vine Street.

C. Safety & Security Services – \$801,000 or 50% 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 200 hours per week, which accommodates four officers a day (two foot beats), Monday through Saturday.
  - 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.

Currently, the CHC's Security Committee is looking at potentially upgrading the camera system in conjunction with the Hollywood Entertainment District, to provide the LAPD with an up to date surveillance system.

3. Incident Tracking Software: The BID contracts with Accendo FM to maintain mapping software that tracks security (arrest) and graffiti incidents.

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 - \$15,000 or 1% 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 third annual "Sunset & Dine" in the spring of 2014, 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.sunsetandvinebid.org](http://www.sunsetandvinebid.org);
- Social media outreach through Hollywood HQ'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 and promotion of streetscape projects.

E. District Management, Policy & Administration - \$179,500 or 11% 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 \$12,500 a month in 2013 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 for Non-Pay - \$119,696 or 7% of the budget

1. Contingency - \$15,000

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.

2. City fees - \$29,913

The city 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 - \$74,783

The delinquency allowance is based on payment history.

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

The operating budget is predicated upon a carry-over of \$108,405 from 2013, as shown on Appendix A.

**IV. Assessment Rates**

The assessment rates for the 2013/14 tax year are the following:

Variable	Zone 1	Zone 2	Zone 3
Front Footage	21.6388	13.8823	11.1818
Lot Area	0.0818	0.0704	0.0402
Building Size	0.0641	0.0607	0.0351

Appendix A  
2014 Revenues Expenditures by Zone

2014 ESTIMATED REVENUE	Zone 1	Zone 2	Zone 3	Total
2014 Assessment Revenue	1,003,542	163,471	328,654	1,495,668
Interest Income from Bank	403	66	132	600
Interest Income from County & City	1,677	273	549	2,500
Roll-over from 2013	72,736	11,848	23,820	108,405
	<b>1,078,358</b>	<b>175,658</b>	<b>353,156</b>	<b>1,607,173</b>

2014 ESTIMATED EXPENSES (Detail)	Zone 1	Zone 2	Zone 3	Total
<i>Maintenance, Streetscape &amp; Beautification</i>				
Maintenance	234,490	45,443	112,021	391,955
Beautification	59,839	11,597	28,586	100,022
				<b>491,977</b>
<i>Safety &amp; Security Services</i>				
Security	571,974	83,953	145,073	801,000
				<b>801,000</b>
<i>Marketing &amp; Consulting</i>				
Marketing	10,286	1,949	2,765	15,000
				<b>15,000</b>
<i>District Management, Policy &amp; Administration</i>				
Management Contract	106,217	17,220	34,064	157,500
Office Expense	674	109	216	1,000
Consultants	674	109	216	1,000
Accounting	4,384	711	1,406	6,500
Legal	674	109	216	1,000
Insurance	8,430	1,367	2,703	12,500
				<b>179,500</b>
<i>Contingency, City Fees, Reserve for Non-Pay</i>				
Taxes & Fees	20,173	3,270	6,470	29,913
Contingency	10,116	1,640	3,244	15,000
Delinquency	50,433	8,176	16,174	74,783
	<b>1,078,365</b>	<b>175,654</b>	<b>353,155</b>	<b>119,696</b>
				<b>1,607,173</b>