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March 19, 2018

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

Council Districts 9

REGARDING:

THE SOUTH LOS ANGELES INDUSTRIAL TRACT (PROPERTY BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2018 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's ("District") 2018 fiscal year (CF 14-1072). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, an Annual Planning Report for the District must be submitted for approval by the City Council. The South Los Angeles Industrial Tract Business Improvement District's Annual Planning Report for the 2018 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The South Los Angeles Industrial Tract Business Improvement District was established on August 5, 2015 by and through the City Council's adoption of Ordinance No. 183787 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 an 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 December 5, 2017, 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

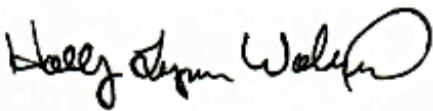
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's 2018 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2018 budget concurs with the intentions of the South Los Angeles Industrial Tract 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 South Los Angeles Industrial Tract Business Improvement District's 2018 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

South Los Angeles Industrial Tract Business Improvement District's 2018 Fiscal Year
Annual Planning Report

March 17, 2018

Holly L. Wolcott, City Clerk
Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, CA. 90012


Subject: South Los Angeles Industrial Tract PBID 2018 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 South Los Angeles Industrial Tract Business Improvement District has caused this South Los Angeles Industrial Tract Business Improvement District Annual Planning Report to be prepared at its meeting on December 5, 2017.

This report covers proposed activities of the South Los Angeles Industrial Tract BID from January 1, 2018 through December 31, 2018.

Sincerely,

A handwritten signature in cursive script that reads "Susan Levi".

Susan Levi
Executive Director
SLAIT Property Owners Assoc.

South Los Angeles Industrial Tract Business Improvement District

2018 Annual Planning Report

District Name

This report is for the South Los Angeles Industrial Tract Business Improvement District (District). The District is operated by the South Los Angeles Industrial Tract Property Owners Association, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2018 Fiscal Year. The District Board of Directors approved the 2018 Annual Planning Report at the December 5, 2017 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2018.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2018.

2018 IMPROVEMENTS, ACTIVITIES AND SERVICES

Security: \$1,447,396.93 (84.77%)

The South Los Angeles Industrial Tract BID security program mission is to support the property owners and tenants in overall crime prevention and reduction efforts, while offering a customer service orientation to tenants.

The security team provides services on a 24-hour basis through a combination of bicycle and vehicular patrol, to deter property theft, illegal dumping, illegal street vending, and street code violations. The patrol also deters aggressive panhandling and handles quality of life problems including: drinking in public, indecent exposure, trespassing, prostitution and scavenging.

Security personnel have access to the District's system of forty video cameras. Recordings are made and stored of criminal incidents from all cameras to use in prosecuting criminal behavior when security personnel are aware of an incident.

Streetscape Services: \$140,000.00 (8.20%)

Streetscape Services includes regular programmed and response oriented sidewalk sweeping and pressure washing, graffiti abatement, removal of trash and discarded bulky items, and

other related streetscape related issues that may arise.

Administration/Operations: \$120,000.00 (7.03%)

Included in the Administration/Operations program element are the costs for an Executive Director, office expenses, newsletters, legal fees, accounting/bookkeeping fees, Directors & Officers and General Liability insurance, City/County of Los Angeles collection fees and delinquent assessments.

Total Estimate of Cost for 2018

A breakdown of the total estimated 2018 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The method and basis of levying the 2018 assessment remains the same as listed in the Management District Plan. The Management District Plan allows for maximum annual assessment increase of 3%. The Board voted no CPI increase for 2018.

2018 assessment rate:

Lot square footage \$0.0900

(There is No CPI increase for 2018)

Surplus Revenues: \$900,000.00

The BID has been investigating the replacement of gated entries into the many streets within the Tract. Additionally, to assist in deterring crime, the BID is investigating state-of-the-art License Plate Recognition (LPR) technology. The BID has been working with Metro Video Systems, the vendor who installed the 40-camera, state of the art surveillance system, to find the most current and cost effective methods for these systems. A proposal was presented in early 2017 that did not meet the needs of the BID and was cost prohibitive for the systems offered. It is imperative that the gated entry system be as vandal proof as possible while still providing easy ingress and egress for trucks and vehicular traffic. Metro was asked to investigate further and present alternatives. During that time, it was discovered that the ONSSI system was no longer compatible with the LPR technology presented and alternate options were necessary. A proposal was submitted in late 2017 that addressed the gated entry system and had some LPR technology, but not the software necessary to retrieve, store and search license plate numbers. Again, the vendor was asked to investigate and present a comprehensive proposal that meets the BID's needs. A significant amount of funds were invested in the 40-camera surveillance system and upgrades are necessary as the software is quickly becoming obsolete. It is imperative that these additions to the system are compatible and meet current and future requirements. As technology is constantly changing, this has

proven to be a challenge. It is anticipated that the BID will move forward with these two systems by mid-year at an approximate cost of \$500,000 - \$700,000.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2018.

Contribution from Sources other than assessments: \$15,858.00

General Benefit contribution from the City of Los Angeles.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE South Los Angeles Industrial Tract BID- FY 2018

2018 Assessments	\$791,538.93	
Estimated Carryover from 2017	\$900,000.00	
Other Income	\$15,858.00	
Total Estimated Revenues	\$1,707,396.93	
2018 Estimated Expenditures		Pct.
Security	\$1,447,396.93	84.77%
Streetscape Services	\$140,000.00	8.20%
Administration/Operations	\$120,000.00	7.03%
Total Estimated Expenditures	\$1,707,396.93	100%

** Non-regular budget item, not calculated as part of budget percentage.