

CITY OF LOS ANGELES

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF
CITY CLERK
NEIGHBORHOOD AND BUSINESS
IMPROVEMENT DISTRICT DIVISION

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MIRANDA PASTER
ACTING DIVISION HEAD

August 4, 2014

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

Council District 9

REGARDING: THE SOUTH LOS ANGELES INDUSTRIAL TRACT (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 South Los Angeles Industrial Tract Business Improvement District's ("District") 2014 fiscal year (CF 10-0236). The Advisory Board of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the City's Landscaping, Security, Programming and Maintenance Property Business Improvement District Ordinance [Division 6, Chapter 9, Los Angeles Administrative Code ("LSPM PBID Ordinance")], an Annual Planning Report for the District must be submitted for consideration by the City Council. The South Los Angeles Industrial Tract 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 South Los Angeles Industrial Tract Business Improvement District was established on December 8, 2010 by and through the City Council's adoption of Ordinance No. 181476, 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 the LSPM PBID Ordinance.

ANNUAL REPORT REQUIREMENTS

The LSPM PBID Ordinance states that the South Los Angeles Industrial Tract Business Improvement District's Advisory Board shall cause to be prepared, for City Council approval, an Annual Planning Report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the improvements and activities described in the report. The 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 zone for 2014. The District Board has made no significant changes to 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 December 10, 2013 meeting, complies with the requirements of the LSPM PBID Ordinance and reports that programs will continue, as outlined in the Management District Plan adopted by the South Los Angeles Industrial Tract Business Improvement District property owners. The City Council may approve the Annual Planning Report as filed by the District's Advisory Board or may modify any particulars contained in the Annual Planning Report and approve it as modified.

FISCAL IMPACT

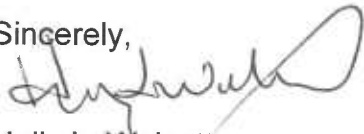
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's 2014 fiscal year complies with the requirements of the LSPM PBID Ordinance.
2. ADOPT the attached Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's 2014 fiscal year, pursuant to the LSPM PBID Ordinance.

Sincerely,



Holly L. Wolcott
Interim City Clerk

HLW:MP:RMH:rks

Attachment: South Los Angeles Industrial Tract Business Improvement District's 2014 Fiscal Year Annual Planning Report

NBID
JUL 23 2014

SLAIT

SOUTH LOS ANGELES INDUSTRIAL TRACT

The South Los Angeles Industrial Tract Business Improvement District

2014 Annual Planning Report

Submitted By:
South Los Angeles Industrial Tract Advisory Board
13300 Victory Boulevard, #320
Van Nuys, CA 91401

Prepared By:
Susan Levi & Associates, Inc.
13300 Victory Boulevard, #319
Van Nuys, CA 91401
818 780-9100 phone
818 780-9104 fax

The South Los Angeles Industrial Tract Advisory Board

ADVISORY BOARD MEMBERS

President
Duke Dulgarian

Vice President
Steve Stone

SLAIT
SOUTH LOS ANGELES INDUSTRIAL TRACT



December 10, 2013

Ms. June Lagmay
City Clerk, City of Los Angeles
200 North Spring Street, Suite 395
Los Angeles, CA 90012

SUBJECT: The South Los Angeles Industrial Tract 2014 Annual Planning Report

Dear Ms. Lagmay:

As required by the City Of Los Angeles Landscaping, Security, Programming and Maintenance Property Business Improvement District Ordinance, Section 6.617, the Advisory Board of The South Los Angeles Industrial Tract Business Improvement District has caused this Planning Report to be prepared. This report was approved on December 10, 2013.

This report covers proposed activities from January 2014 through December 2014.

On behalf of the South Los Angeles Industrial Tract BID, I would like to express our gratitude to you and your staff at the Special Assessments Section for your continuous support and cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Duke Dulgarian", with a large, stylized flourish at the end.

Duke Dulgarian
President

I. SUMMARY

Boundary: Approximately 22 blocks, an area bounded roughly by Slauson Avenue on the North, Florence on the South, Central Avenue on the East and Avalon Avenue on the West. **There are no changes in the existing boundaries of the BID.**

Benefit Zone: The entire District has only one benefit zone and there is no change.

Budget: The total District assessment budget levied for the 2014 year of operation is approximately seven hundred eighty five thousand, four hundred and thirty six dollars (\$785,436).

Note: Any accrued interest or delinquent payments may be expended in the preceding activity categories.

Improvements, Activities, Services:

Public Safety Patrols to support crime prevention, reduce the incidence of nuisance crimes, productively address the challenges associated with street populations and generally make district streets more hospitable.

Maintenance Teams to continue sweep sidewalks, remove graffiti, trash, and bulky items.

Program Administration to manage district programs.

Source or Method of Financing: A levy of special assessments upon real property specifically benefiting from the improvements and activities.

Cost: Annual assessments are based upon an allocation of program costs and a calculation of assessable square footage. One property assessment variable, property square footage, will be used in the calculation. The assessments for 2014 will not exceed:

Per Property Square Foot \$0.09 in 2014

Duration: The BID has a 5-year life beginning January 1, 2011 and ending December 31, 2015.

Governance: The BID is operated by an Owners' Association.

Deficit/Surplus: The BID does not have any deficit revenue in 2013. It is anticipated that there will be approximately four hundred thousand dollars (\$400,000.00) rolled over into 2014 in surplus revenue. The BID has been conserving revenue to allow for an upgrade of the security camera system. The system had become quite antiquated when the BID had received it from the CRA/LA. Proposals are being sought in 2014 to upgrade or replace this very valuable crime prevention tool.

II. IMPROVEMENT AND ACTIVITY PLAN

A. BID Boundaries

The South Los Angeles Industrial Tract BID currently serves approximately 22 blocks that includes mostly industrial and manufacturing property in an area roughly bounded by:

- Slauson Avenue on the north
- Florence Avenue on the south
- Central Avenue on the east
- Avalon Avenue on the west

Within these boundaries, the BID currently provides public safety, maintenance and administration services. All properties are assessed for service costs through one standard assessment formula based upon land square footage.

B. Work Program

1. Security and Safety.

The South Los Angeles Industrial Tract BID security program mission is to support the police department, 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 will monitor the District's system of sixty video cameras. Recordings will be made and stored of criminal incidents from all cameras to use in prosecuting criminal behavior when security personnel are aware of an incident.

2. Maintenance

A minimal budget is provided for maintenance services throughout the District two days per week. The BID has contracted with the Los Angeles Conservation Corps to provide weekly sidewalk sweeping, trash and bulky item removal. The BID has also partnered with the Coalition for Responsible Community Development to provide graffiti removal at no charge to the BID. These services will be provided only within the District boundaries.

3. Administration

This budget reflects the use of a contractor to administer and manage the South Los Angeles Industrial Tract Business Improvement District program activities in accordance with the Management District Plan. The BID has contracted with Susan Levi & Associates, Inc. to provide management services.

4. Special Projects/Contingency

Fees are budgeted in order to fund the expenses charged by the City and County for collection and distribution of BID revenue.

A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties.

2014 OPERATING BUDGET

The total improvement and activity plan estimated budget for 2014 is projected at \$1,185,436 plus any delinquent funds collected from 2013 assessments. This includes 2014 assessments levied in the amount of seven hundred eighty five thousand four hundred and thirty six dollars (\$785,436) and approximately four hundred thousand dollars (\$400,000) in 2013 rollover funds; funding the following components:

	2014
Security and Safety	\$925,000.00
Maintenance	\$ 75,000.00
Operating Costs	\$ 80,000.00
Special Projects/Contingency	\$105,436.00
Total	\$1,185,436.00

Note 1: Any accrued interest or delinquent payments may be expended in the preceding categories.

Note 2: Costs for renewal may be spent from BID reserve/contingency if funds are available in the last two years of the operating budget.

Revenues for specific programs may be reallocated from year-to-year among District activities within a (10%) range. Larger changes based upon District needs and budgets must be approved by the Los Angeles City Council.

As previously discussed, the BID has been reserving funds to upgrade and/or replace the existing security camera system that it inherited by the CRA/LA. As parts are becoming obsolete it is necessary to consider a complete overhaul to bring it to its full functionality. Therefore, the bulk of the surplus revenue has been allocated into the Security and Safety budget as well and Special Projects/Contingency.

Carry Forward of Existing BID Surplus: In addition to the assessments for 2014, the SLAIT BID hopes to recover any delinquent assessments incurred in 2013 and will be used in the above-mentioned programs. If any surplus funds remain at the end of the term for this BID, it will be carried forward to the next year. **There is no amount of deficit revenues to be carried over from the previous fiscal year.**

Contributions to be made from sources other than assessments for 2014: The BID is applying for a DWP Holiday Décor grant in the amount of five thousand dollars (\$5,000).

Continuation of Budget & Assessments

As per City Ordinance 173167: "Assessments for the maintenance of improvements constructed by the District, if any, shall continue to be levied on each parcel of land within the District for a period of time equal to the useful life of the improvement, as determined by the City Clerk, regardless of whether the District is disestablished or the

term of the original levy has expired.” This budget does not fund any construction of improvements by the District. The video camera security system was constructed by the CRA and not with District funds. The BID assumed ownership of the cameras in 2012.

III. ASSESSMENT METHODOLOGY

The methodology for the South Los Angeles Industrial Tract BID is to use property/land square footage as the only assessment variable. This reflects the fact that services delivered to property in the District will have the greatest benefit to properties in relation to their land area.

Calculation of Assessments

Properties are assessed for all land area as defined on the County Assessor’s most current parcel maps.

Based upon the methodology described above, the assessment rate for property square footage for the South Los Angeles Industrial Tract BID 2014 is as follows:

Property Square Footage per square foot \$0.09 for 2014

Calculation Formula:

$$\begin{aligned} \text{Cost Per Square Foot} &= \text{Total BID Budget} / \text{Total BID Property Square Foot} \\ &= \$785,436.66 / 8,727,074 \text{ Sq Ft} \\ &= \mathbf{\$0.09} \end{aligned}$$

In future years, assessments may change, up or down, if footage information changes and/or BID budgets change pursuant to the CPI adjustment. Assessments will, in any event, not exceed the maximum limits defined below.

Maximum Annual Assessments

As described in the BID’s management plan, assessments are subject to changes in the Los Angeles Consumer Price Index (CPI), for all urban consumers with annual increases not to exceed 3% per year. Increases are determined by the BID owners association and can vary between 0 and 3% in any given year. Increases may not exceed the actual CPI increase in any given year. The SLAIT BID Board of Directors voted to not impose an increase for 2014.

South Los Angeles Industrial Tract Business Improvement District
2014 Annual Report
2014 Fiscal Year Activities Budget

Anticipated Assessment Revenue and Program Expenditures

Revenue Sources

2014 Special Assessment	\$ 785,436.00	
2013 Carryover	\$ 400,000.00	
2014 Total Estimated Budget	<u><u>\$ 1,185,436.00</u></u>	

Program Expenditures

Security and Safety	\$ 925,000.00	78.03%
Maintenance	\$ 75,000.00	6.33%
Operating Costs	\$ 80,000.00	6.75%
Special Projects/Contingency	\$ 105,436.00	8.89%
2014 Total Estimated Expenditures	<u><u>\$ 1,185,436.00</u></u>	100.00%