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CITY CLERK

City of Los Angeles
CALIFORNIA

OFFICE OF THE
CITY CLERK

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February 25, 2015

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

Council District 14

REGARDING: THE DOWNTOWN CENTER (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 Downtown Center Business Improvement District's ("District") 2015 fiscal year (CF 12-0422). 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 Downtown Center 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 Downtown Center Business Improvement District was renewed on June 19, 2012 by and through the City Council's adoption of Ordinance No. 182171, 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 5, 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 Downtown Center 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 Downtown Center 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 Downtown Center Business Improvement District's 2015 fiscal year, pursuant to the State Law.

Honorable Members of the City Council
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Sincerely,



Holly L. Wolcott
City Clerk

HLW:GRA:MCP:RMH:rks

Attachment: Downtown Center Business Improvement District's 2015 Fiscal Year
Annual Planning Report

NBID
FEB 17 2015



Attachment 1

November 5, 2014

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

Subject: Downtown Center PBID 2015 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 Downtown Center Business Improvement District has caused this Downtown Center Business Improvement District Annual Planning Report to be prepared at its meeting of November 5, 2014.

This report covers proposed activities of the Downtown Center BID from January 1, 2015 through December 31, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peklar Pilavjian".

Peklar Pilavjian
Chairman of the Board
Downtown Center Business Improvement District



November 5, 2014

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

Subject: Downtown Center PBID 2015 Annual Planning Report

Dear Ms. Wolcott:

As required by the Property and Business Improvement District Law of 1994, California Street & Highway Code Section 36650, the Downtown Center Business Improvement District Board has caused this Planning Report to be prepared.

The report covers proposed activities from January 2015 to December 2015.

Please feel free to contact me if you have any questions. Thank you for your continuous support and cooperation.

Sincerely,


Carol E. Schatz
President & CEO

Enclosure

**DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT
2015 Annual Planning Report Summary**

Location: The Downtown Center Business Improvement District (DCBID) consists of an area of approximately 65 blocks and is detailed on the attached map.

Services: The DCBID provides a wide range of services, including 24 hour security by our DCBID Safety officers, informational services by our Downtown Ambassadors, Maintenance and beautification programs, Marketing of Downtown Los Angeles, Economic Development of residential and commercial real estate, homeless outreach services, and production of special events.

Method of Financing: Financing is based upon the levy of assessments on real property that benefits from proposed improvements and activities. This represents a Special Benefit assessment district as defined in the California Streets and Highway Code.

Budget: The total district budget for the 2015 year of operations is approximately \$6.3 million and contains an estimated 2014 year-end carryover cash balance of approximately \$2 million. This includes a minimum cash reserve required by the Board of \$500 thousand, and a resulting excess net reserve of approximately \$1.5 million. DCBID projects expenses and capital expenditures to exceed revenues in 2014 by approximately \$450 thousand, thus reducing the total cash balance to approximately \$1.55 million on December 31, 2015.

The budget is delegated to various programs: Safe & Clean - \$3.6 million (47%), Economic Development & Marketing - \$1.6 million (21%), Special Projects – zero (0%), Administration - \$1 million (13%), and Contingency/Reserves - \$1.5 million (19%). See Appendix A for Additional detail.

Cost: Annual assessments are based upon an allocation of program costs by benefit zone with a calculation of assessable footage and remains the same as listed in the Management District plan. Property assessment variables used are: Gross building square footage, gross square footage of parking and square footage of lot (when no building exists).

Zone 1 \$0.08535906 per square foot
Zone 2 \$0.10680212 per square foot

Duration: The DCBID ended its third five year term on December 31, 2012. The DCBID is now beginning the third year of its fourth approved five year term, which began on January 1, 2013.

Maintenance/Beautification Program

Maintenance services continue to be contracted with Chrysalis, a neighborhood non-profit organization that offers employment opportunities to the homeless and economically disadvantaged. Maintenance services including sweeper crews are in place from 5:00 am to 10:00 pm, 7 days a week.

Maintenance/Beautification Program Strategies

We will continue to provide pressure-washing sidewalks, gum removal and tree-trimming services on an as needed and contracted basis.

We also continue to identify graffiti, lighting problems, potholes, sidewalk cracks, and other safety and maintenance issues in the district and report these problems to the City for repair.

We will be installing 18 additional Solar Belly Trashcans based on the results of the 2014 initial installation of 18 cans.

DCBID also partners with LAPD, Metro and other City agencies to address maintenance issues in the District.

Economic Development & Strategies

The Economic Development department's main focus in 2015 is to promote office tenant recruitment in all commercial properties. It will be achieved by implementing a "Get Urban – Do It Downtown" recruitment program of monthly bus tours and bi-annual road shows, marketing materials, producing a Fall Office Tour focusing on office recruitment and continuing to recruit local, regional and national retail businesses.

The Economic Development department will continue to be the #1 source of information for all things Downtown by creating new and original research quantifying the value of the Renaissance and tracking development projects and metrics.

We will develop a presentation introducing Downtown LA to new businesses and tenants, and will engage the residential population through the DCBID created DRMA (Downtown Resident Managers Association) in quarterly gatherings to share best practices and provide networking and marketing opportunities.

Marketing & Communications

Marketing and Communications is focused on creating awareness and driving traffic to Downtown businesses and events by promoting Downtown Los Angeles through media outreach, advertising campaigns, marketing collateral, newsletters, special events, public relations, social media, a website and our Downtown Guide program. Targeted advertising is used to recruit and retain office tenants, inform visitors, promote hotels,

APPENDIX A – TOTAL ESTIMATED COST FOR THE DOWNTOWN CENTER BUSINESS IMPROVEMENT DISTRICT

2015 Assessments	5,873,643	
Less: Allowance for doubtful accounts	<u>(46,449)</u>	5,827,194
2014 Estimated Carryover		1,940,971
2015 Contributions From Other Sources		<u>13,100</u>
Total Estimated Budget		<u>7,781,265</u>

Estimated Expenditures

Clean and Safe

District Safety Officers – Contract	1,583,500	
District Maintenance – Contract	941,400	
DCBID Supervision Salaries & Benefits	220,350	
Equipment, Uniform and field expenses	277,550	
Service Center Facility and Office Expenses	374,090	
BID Action Homeless Outreach	<u>230,150</u>	<u>3,627,040</u>

Econ Development/Marketing

DCBID Econ Dev/Mktg Salaries & Benefits	733,100	
Economic Development Programs (including Housing Bus Tours, Fall Tour, special projects, Retail Study)	171,900	
On Street Ambassador Program (Downtown Guides)	191,960	
Event Sponsorship and Promotional Events	32,000	
Marketing Programs (including Publications, Maps, Printed Material, etc)	111,400	
Advertising-print, internet, radio, seasonal, website	197,000	
Downtown Demographic Study	85,000	
Other Communication & Development Costs	<u>96,100</u>	<u>1,618,460</u>

Special Projects

Planning for signature event in downtown	<u>0</u>	<u>0</u>
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Management

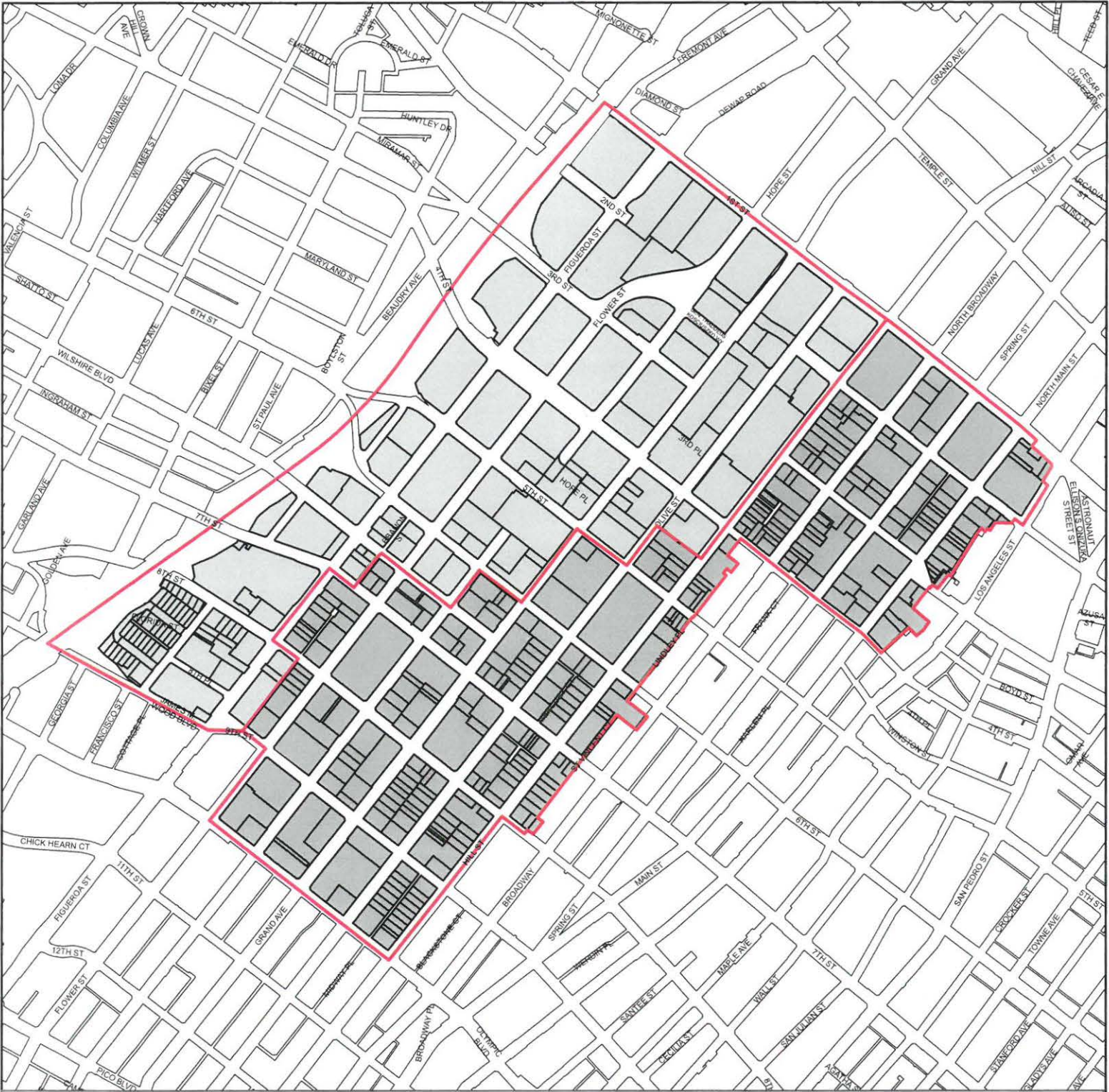
DCBID Administrative Salaries & Benefits	717,400	
Office Space Rental	127,700	
Legal, Accounting, Consulting, City Fees	75,000	
Supplies, Printing and Postage	19,440	
Other Administrative Expenses	<u>93,940</u>	<u>1,033,480</u>

Contingency

Established Floor (Reserve Funds)	500,000	
Rollover - 2014	<u>1,002,285</u>	<u>1,502,285</u>

Total Estimated Expenditures

7,781,265



- ZONE 1 B.I.D. PROPERTIES (PROPERTY BASED)
- ZONE 2 B.I.D. PROPERTIES (PROPERTY BASED)
- B.I.D. BOUNDARY

**DOWNTOWN CENTER
BUSINESS IMPROVEMENT DISTRICT
2013 - 2017**

CITY CLERK
NOT TO SCALE



Ordinance 182171
Council File 12-0422

Maplet with permission granted by THOMAS BRUCE MAPS