

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Neighborhood and
Business
Improvement District
Division
200 N. Spring Street,
Room 224
Los Angeles, CA. 90012
(213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

October 27, 2016
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 11

REGARDING:

THE PACIFIC PALISADES BUSINESS IMPROVEMENT DISTRICT (PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S 2017 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Pacific Palisades Business Improvement District Business Improvement District's ("District") 2017 fiscal year (CF 15-0460). 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 Pacific Palisades Business Improvement District Business Improvement District's Annual Planning Report for the 2017 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Pacific Palisades Business Improvement District Business Improvement District was established on June 24, 2015 by and through the City Council's adoption of Ordinance No. 183740 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 contributions to be made from sources other than assessments levied.

The District's total budget has increased due to a rollover of unspent funds from the previous BID year as described in the Annual Planning Report. 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 October 31, 2016, 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 Pacific Palisades Business Improvement District Business Improvement District's 2017 fiscal year complies with the requirements of the State Law
2. FIND the the increase in the 2017 budget concurs with the intentions of the Pacific Palisades Business Improvement District 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 Pacific Palisades Business Improvement District Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Pacific Palisades Business Improvement District Business Improvement District's 2017 Fiscal Year Annual Planning Report

November 5, 2016

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

Subject: Pacific Palisades Business Improvement District PBID 2017 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 Pacific Palisades Business Improvement District Business Improvement District has caused this Pacific Palisades Business Improvement District Business Improvement District Annual Planning Report to be prepared at its meeting on October 5, 2016.

This report covers proposed activities of the Pacific Palisades Business Improvement District BID from January 1, 2017 through December 31, 2017.

Sincerely,

Laurie Sale

Laurie Sale
BID Director

Pacific Palisades Business
Improvement District
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Pacific Palisades Business Improvement District (District). The District is operated by the Pacific Palisades Business Improvement District Incorporated, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2017 Fiscal Year. The District Board of Directors approved the 2017 Annual Planning Report at the October 5, 2016 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2017.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2017.

2017 IMPROVEMENTS, ACTIVITIES AND SERVICES

CLEAN and BEAUTIFUL: \$133,000.00 (64.72%)

In order to consistently deal with cleaning issues, a Clean and Beautiful Program is provided. A multi-dimensional approach has been developed consisting of the following elements. The clean team will only provide service to assessed properties within District boundaries. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers. Private sector contributions of \$25,000 used to fund BID establishment will be reimbursed during years one and two only and are included in the Clean and Beautiful program budget. In years three through five, these funds will be used to expand the clean and beautiful budget. The special benefit to the mix of retail, education, parking, office and public parcels that make up the assessed parcels from reimbursing the establishment funds is the establishment of the District and the Districts ability to provide clean and beautiful programs which lead to an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers.

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel will pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles as needed. District trucks are often called to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

Graffiti Removal: District personnel remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.

Landscape Maintenance/Tree Lighting: Landscape maintenance and street tree trimming are important programs that work to attract increased customers to the District. Landscape maintenance includes maintaining tree wells and weed abatement. A tree lighting program on existing street trees in the public right-of-way also increases the uniqueness of the District and increases the overall lighting within the District which works to attract more customers to the District. A well lit and well landscaped district supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

COMMUNICATION/MARKETING: \$29,000.00 (14.11%)

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The special benefit to District individual assessed parcels from these services is a likelihood of increased commercial activity which directly relates to increases in lease rates and enhanced commerce. For example, a Pacific Palisades BID website will specially benefit individual assessed parcels by providing resources, such as a searchable business directory, to property and business owners. Private sector contributions used to fund BID establishment will be reimbursed during years one and two only. In years three through five these funds will be used to expand the communication and marketing budget. The special benefit to assessed parcels from reimbursing the establishment funds is the establishment of the District and the District's ability to provide communication and marketing programs which lead to an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers. Some of the communication/image programs being considered are:

- Quarterly Newsletter
- Pacific Palisades BID Website
- Social Media
- Customer Recruitment
- Pedestrian Use Improvement

MANAGEMENT/SLOW PAY/CITY FEES: \$43,509.58 (21.17%)

The improvements and activities are managed by a part time staff that requires centralized administrative support. Management staff oversees the District's services. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Future costs to renew the District, conduct a yearly financial review as well as City fees, uncollectible assessments and depreciation are included in this

budget item. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is an effective and efficient delivery of District services because of management staff oversight, an increased transparency of District programs and financial transactions which will be available to parcel owners in the newsletter and on the web site, an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, and an increase in customers in part due to the work of the management staff as stated above.

Total Estimate of Cost for 2017

A breakdown of the total estimated 2017 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2017 assessment remains the same as listed in the Management District Plan. The District's assessment formula is based upon an allocation of program costs and a calculation of assessable street front footage, building square footage and lot square footage. The Board voted no CPI increase for 2017

Pacific Palisades 2017 assessment rates
CPI Increase (up to 3% Max). For 2017: 0%
Asmt Year: 2017
Non LAUSD/LA DWP Parcels
Front Footage \$3.899
Building Sqft \$0.063
Lot Sqft \$0.039

LAUSD/LA DWP Parcels
Front Footage \$3.268
Building Sqft \$0.054
Lot Sqft \$0.033

(There is No CPI increase for 2017)

Surplus Revenues: \$65,000.00

We did not spend all of our 2016 budget, because as a new BID, we were not able to get many of the services started on time. Additionally, we have had a hard time doing our work, because of the major construction and renovation in a large part of the district. In 2017, we plan to work on tree trimming, additional power washing and perhaps another Chrysalis employee. We will be using more money for bookkeeping, social media assistance, and will raise the executive director's salary. We have found out that the amount of work needed for

these tasks, was more than we had originally planned on, and will make those financial changes in 2017.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2017.

Contribution from Sources other than assessments: \$1,000.00

Possibly a donation from one of the board members for special projects

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Pacific Palisades Business Improvement District BID- FY 2017

2017 Assessments	\$140,509.58	
Estimated Carryover from 2016	\$65,000.00	
Other Income	\$0.00	
Total Estimated Revenues	\$205,509.58	
2017 Estimated Expenditures		Pct.
CLEAN and BEAUTIFUL	\$133,000.00	64.72%
COMMUNICATION/MARKETING	\$29,000.00	14.11%
MANAGEMENT/SLOW PAY/CITY FEES	\$43,509.58	21.17%
Total Estimated Expenditures	\$205,509.58	100%