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CITY CLERK

SHANNON D. HOPPE
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City of Los Angeles

CALIFORNIA



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November 20, 2017
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 (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 Pacific Palisades Business Improvement District's ("District") 2018 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 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 Pacific Palisades 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 Pacific Palisades 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 any 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 November 1, 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 Pacific Palisades 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 Pacific Palisades 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's 2018 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes

Executive Officer

Attachment:

Pacific Palisades Business Improvement District's 2018 Fiscal Year Annual Planning Report

November 17, 2017

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

Subject: Pacific Palisades 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 Pacific Palisades Business Improvement District has caused this Pacific Palisades Business Improvement District Annual Planning Report to be prepared at its meeting on November 1, 2017.

This report covers proposed activities of the Pacific Palisades BID from January 1, 2018 through December 31, 2018.

Sincerely,

A handwritten signature in cursive script that reads "Laurie Sale".

Laurie Sale
BID Director
Pacific Palisades Business Improvement District In

Pacific Palisades
Business Improvement District

2018 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 2018 Fiscal Year. The District Board of Directors approved the 2018 Annual Planning Report at the November 1, 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

CLEAN and BEAUTIFUL: \$108,800.00 (60.26%)

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:

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters and pressure wash the sidewalks within the District.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles as needed and 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 includes maintaining tree wells, street tree trimming, weed abatement and a tree lighting program on existing street trees.

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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 were reimbursed during years one and two only and were included in the Clean and Beautiful program budget for 2016 & 2017. The Clean and Beautiful fund provide special benefit to the mix of retail, education, parking, office and public parcels that make up the assessed parcels 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. We have rented a storage container, that has been placed on permitted city property, so that the Clean Team has a place to store it's cleaning and maintenance equipment.

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. The clean team personnel have been and will continue to 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: Clean Team truck personnel collect trash from sidewalk trash receptacles as needed, but at least 2 times a week. Clean Team trucks are often called on 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: The Clean Team 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. All of the trees within our district were professionally trimmed in 2017, and will continue to be trimmed as needed. Landscape maintenance, by our clean team, includes maintaining tree wells and weed abatement. A more comprehensive tree lighting program, set to start in 2018, 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.

Other Projects: We are currently investigating having diagonal pedestrian crosswalks installed in two areas of the district to improve pedestrian and vehicle traffic

COMMUNICATION/MARKETING: \$24,557.74 (13.60%)

Communication and Marketing programs being considered are:

- Quarterly Newsletter
- Pacific Palisades BID Website
- Social Media

- Customer Recruitment
- Pedestrian Use Improvement

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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 has specially benefited individual assessed parcels by providing resources, such as a calendar of BID projects, our quarterly newsletters, and updates about local community BID sponsored activities. We are looking into private sector contributions, as a possible way to help fund extra BID projects through our website. Previously loaned establishment funds have been reimbursed during years one and two only. 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 used are:

- Quarterly Newsletter
- Pacific Palisades BID Website
- Social Media
- Local News Coverage
- Hosting Community Events
- BID Branding Projects
- Pedestrian Use Improvement

MANAGEMENT/SLOW PAY/CITY FEES: \$47,190.00 (26.14%)

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 through management staff oversight and an increased transparency of District programs and financial transactions.

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The improvements and activities are managed by part-time outside contracted staff members that require 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. We incurred some unanticipated legal and accounting work in 2017, due to finishing up some formation procedures and other legal matters. We don't anticipate these same expenditures in our 2018 budget.

Our unsuccessful attempts to collect assessments from LAUSD, have greatly impacted our budget. We hope in the future to have support in trying to collect additional funds from them. In 2017, LAUSD assessment was approximately \$13,916, and we received only \$5516 as payment, representing only 40% of the assessment.

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 for levying the 2018 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 Management District Plan allows for maximum annual assessment increase of 3%. The Board voted a 2% CPI increase for 2018

Pacific Palisades 2018 assessment rates:

Non LAUSD/LA DWP Parcels

Front Footage \$3.9765

Building Sqft \$0.0645

Lot Sqft \$0.0399

LAUSD/LA DWP Parcels

Front Footage \$3.3331

Building Sqft \$0.0547

Lot Sqft \$0.0333

(There is a 2.0% CPI increase for 2018)

Surplus Revenues: \$35,676.45

We thought we would do lighting, but didn't have enough money to do it and still operate the BID for the beginning 2018 so we're carrying it over to next year.

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$1,490.00

General Benefit

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Pacific Palisades BID- FY 2018

2018 Assessments	\$143,381.29	
Estimated Carryover from 2017	\$35,676.45	
Other Income	\$1,490.00	
Total Estimated Revenues	\$180,547.74	
2018 Estimated Expenditures		Pct.
CLEAN and BEAUTIFUL	\$108,800.00	60.26%
COMMUNICATION/MARKETING	\$24,557.74	13.60%
MANAGEMENT/SLOW PAY/CITY FEES	\$47,190.00	26.14%
Total Estimated Expenditures	\$180,547.74	100%

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