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CITY CLERK

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CALIFORNIA



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January 19, 2017
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 14

REGARDING:

THE SOUTH PARK II (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 South Park II Business Improvement District's ("District") 2017 fiscal year (CF 15-0578). 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 Park II 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 South Park II Business Improvement District was established on July 29, 2015 by and through the City Council's adoption of Ordinance No. 183770 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 10, 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 South Park II 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 South Park II 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 Park II Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

South Park II Business Improvement District's 2017 Fiscal Year Annual Planning Report

January 13, 2017

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

Subject: South Park II 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 South Park II Business Improvement District has caused this South Park II Business Improvement District Annual Planning Report to be prepared at its meeting on November 10, 2016.

This report covers proposed activities of the South Park II BID from January 1, 2017 through December 31, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Lall", is positioned to the left of a vertical line.

Jessica Lall
Executive Director
South Park Stakeholders Group, Inc.

South Park II
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the South Park II Business Improvement District (District). The District is operated by the South Park Stakeholders Group, Inc, 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 November 10, 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 & Safe: \$307,711.97 (61.70%)

Clean services encompass all sidewalk, curb and other right-of-way services for each assessed parcel in the District. Examples of these services include, but are not limited to:

- Services include: sweeping, litter removal, enhanced emptying of trash cans, pressure washing/steam cleaning, graffiti/flyer/sticker/gum removal, landscaping, tree trimming and weeding, and other related activities;
- Cost of equipment necessary to provide services;
- Property owner notification of conditions on private property that are unsafe or unfavorable to creating and preserving a clean and safe environment in the District (e.g. broken window/gate, vandalism, accumulated debris/garbage, etc.); and
- Notification to the City or other entities as appropriate (e.g. utilities) of any damage to public infrastructure or utilities.

Safe encompasses all patrol/ambassadorial services for each assessed parcel in the District. Examples of these services include, but are not limited to:

- Ambassadors (specially trained personnel able to provide directions, transit information,

business information, event information, social service referrals, etc.) on foot, bike, or other vehicles (e.g. Segways, trucks, etc.), providing emergency assistance, crowd control and distribution of special bulletins (e.g. merchant contacts, street closures, emergency alerts);

- Safe programs will continue to assist in creating a safe and secure environment for each assessed parcel. This activity is designed to increase vehicular and pedestrian traffic, increase commerce and customer activity, attract and retain new business and patrons, and may increase commercial rents and commercial occupancies for the assessed parcels within the BID boundaries;
- In the case of assessed publicly owned parcels, Safe programs and services provide safer and enhanced facility entrances and perimeters for their employees, students, visitors, vendors and users of these public facilities;
- In the case of assessed mixed-use parcels, BID funded Safe programs and services are designed to improve the security of entrances and perimeters for tenants, visitors and owners, which, in turn, may increase occupancies and rental income; and
- The cost of equipment necessary to provide these services.

To assist the Owners' Association in budgeting and the deployment of resources, an incident-tracking software/database was put in place in 2016, and will continue in 2017, to track calls for clean and safe services. This data aids to ensure that negative public safety trends are identified quickly and can be addressed effectively with the right deployment of resources.

The goal of both clean and safe programs is the same: to ensure all identified assessed parcels are clean, safe and beautiful, thereby creating a safe and attractive District.

Marketing & District Identity: \$45,879.27 (09.20%)

Marketing & District Identity includes activities such as, but not limited to:

- Continued production and distribution of a monthly "South Park Post" newsletters to all property owners in the District;
- Continued production and distribution of quarterly Neighborhood Guides to all property owners in the District. These Guides promote all new and existing businesses in the District as well as cultivating neighborhood identity;
- Continued production and distribution of District infographics will be circulated to keep stakeholders familiarized with the services afforded to them;
- Promotional efforts of the District as a great place to live, work or visit through the District's website and/or social media platforms;

- To the extent that funds are available, additional efforts may include District-wide marketing strategy, holiday lighting, street banners, wayfinding activities, art installation or development of special events (e.g. festival) or other community identity and branding efforts that promote the District, its residents, businesses, services and amenities;
- The marketing and district identity program will only be provided to, and for the direct and special benefit of, each individually assessed parcel within the District.

In the case of publicly owned parcels that are assessed for these programs, BID funded marketing and district identity creates better informed public employees, students, visitors, vendors and users of these public facilities. Further, in the case of mixed-use parcels, BID funded marketing and district identity creates better informed tenants, visitors and owners, which, in turn, enhance livability and may increase residential occupancies and rental income.

Administration & Management : \$145,108.75 (29.10%)

Examples of this category include: Personnel costs, city fees, formation costs, legal, accounting, insurance, office space, office supplies and equipment.

Administration & Management includes activities such as, but not limited to:

- Staff and administrative costs
- Vendor relations
- Operations
- Insurance
- Financial reporting
- Legal and accounting

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities that are intended to promote business within the BID boundaries through increased commerce and the attraction and retention of new business. The BID Administration and Management program exists only for the purposes of the BID and directly relates to the implementation of clean, safe, marketing and district identity programs, which specially benefit each individually assessed parcel within the BID boundaries.

Contingency/City Fees/Reserve: The contingency for 2017 totaling \$9,594.00 is included in the Administration and Management category total.

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 of levying the 2017 assessment remains the same as listed in the Management District Plan. The Board voted for no CPI increase for 2017.

South Park II 2017 assessment rates

Frontage \$10.00

Lot \$0.040

Bldg \$0.025

(There is No CPI increase for 2017)

Surplus Revenues: \$30,000.00

At the end of 2016, the District will have an estimated \$30,000.00 of surplus revenue that will be carried over into 2017 budget.

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$5,703.00

2017 General Benefit funds were included per the Management District Plan.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE South Park II BID- FY 2017

2017 Assessments	\$462,996.99	
Estimated Carryover from 2016	\$30,000.00	
Other Income	\$5,703.00	
Total Estimated Revenues	\$498,699.99	
2017 Estimated Expenditures		Pct.
Clean & Safe	\$307,711.97	61.70%
Marketing & District Identity	\$45,879.27	09.20%
Administration & Management	\$145,108.75	29.10%
Total Estimated Expenditures	\$498,699.99	100%

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