

City of Los Angeles
CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF
CITY CLERK
Neighborhood and Business
Improvement District Division

ROOM 224, 200 N. SPRING STREET
LOS ANGELES, CALIFORNIA 90012
(213) 978-1100
FAX: (213) 978-1107

MIRANDA PASTER
ACTING DIVISION HEAD

December 20, 2013

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

Council District 1

REGARDING: THE GREATER CHINATOWN (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 Greater Chinatown Business Improvement District's ("District") 2014 fiscal year (CF 12-0489). 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.

BACKGROUND

The Greater Chinatown Business Improvement District was established on September 8, 2010 by and through the City Council's adoption of Ordinance No. 181,313 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 PLANNING REPORT REQUIREMENTS

The LSPM PBID Ordinance states that the Greater Chinatown Business Improvement District's Advisory Board 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 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 attached Annual Planning Report, which was approved by the District's Board at their meeting on December 5, 2013, 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 Greater Chinatown 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

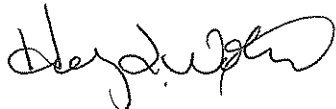
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Greater Chinatown 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 Greater Chinatown Business Improvement District's 2014 fiscal year, pursuant to the LSPM PBID Ordinance.

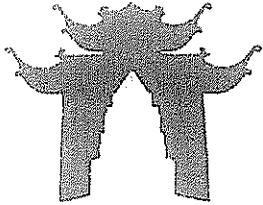
Sincerely,



Holly L. Wolcott
Interim City Clerk

HLW:MCP:RMH:ev

Attachment: Greater Chinatown Business Improvement District's 2014 Fiscal Year Annual Planning Report



CHINATOWN
BUSINESS IMPROVEMENT DISTRICT

KIM ALAN BENJAMIN
President
LacRoc Partners

December 13, 2013

WILSON TANG
Vice President
Cathay Bank

June Lagmay
City Clerk
Office of the City Clerk
200 North Spring Street
Room 360
Los Angeles, CA 90012

GEORGE YU
Vice President/
Executive Director
Marco Investments Corp

DAVID LOUIE
Secretary
506-508 Bernard St.

AL SOO-HOO
Treasurer
West Plaza Property Owner

RE: 2014 Annual Planning Report for The City Business Improvement District

LILLIAN BURKENHEIM
LBS Consulting

Dear Ms. Lagmay,

PAUL CHU, M.D.
Cl North Hill Group LLC

On December 5, 2013, the Los Angeles Chinatown Business Council, a California Non-Profit organization met with our Advisory Board to review the proposed 2014 budget and activities. Through agreement number C-118431, the Los Angeles Chinatown Business Council contracted with the City of Los Angeles to manage services provided by the Chinatown Business Improvement District.

JASON FUJIMOTO
May & Associates, LLC

ANNE-MARIE JONES
California Endowment

LARRY JUNG
LA Chinatown Corporation

During the meeting of December 5, 2013, the Los Angeles Chinatown Business Council presented the attached 2014 Annual Planning Report to our Advisory Board. The report was unanimously approved at that meeting.

CHRISTINA KAN
Pacific Alliance Medical Center

DE YOUNG KIM
Dynasty Center

On behalf of the Advisory Board, I would like to present this Advisory Board approved 2014 Annual Planning Report for the Chinatown Business Improvement District to the Office of the City Clerk and to the Los Angeles City Council for their review and approval.

DAVID LEE
General Lee's Man Jee Lou

SHERWOOD LEE
933 Chung King Road

MARSHALL LEW
First Chinese Baptist Church

Sincerely,

RON LOUIE
RG Lonic Company

LOS ANGELES CHINATOWN BUSINESS COUNCIL

PETER NG
Chinatown Service Center

TONY QUON
Quon Bros. Grand Star Inc.

George Yu
Executive Director

WAYLAND TAM
East Wind Foundation for Youth

2014 Annual Planning Report Renewed and Expanded Greater Chinatown Business Improvement District

District Name: This report is for the Renewed and Expanded Greater Chinatown Business Improvement District

Fiscal Year of Report: This report applies to the 2014 Fiscal year only.

Boundaries: The boundaries of the Renewed and Expanded Greater Chinatown Business Improvement District will remain the same for 2014 fiscal year as in previous fiscal years and as listed in the Management District Plan, which are: Figueroa Terrace/College Street on the West, Hill Street on the North, Elmyra Street/North Spring Street on the East, and Cesar E. Chavez Avenue/Alameda Street on the South. A more detailed description of the boundaries is listed in the Management District Plan.

Benefit Zones: The benefit zones for the Renewed and Expanded Greater Chinatown Business Improvement District will remain the same for 2014 fiscal year as in previous fiscal years. There are three benefit zones. The boundaries of those benefit zones are as follows:

Benefit Zone 1 Boundaries: all parcels within the following benefit zone boundaries: North Broadway is the historical center of Chinatown, based upon the growth of Central Plaza at the northern end of North Broadway. Broadway is the key street coming out of Downtown and linking Chinatown between Downtown and the Golden State Freeway and Lincoln Heights.

Benefit Zone 2 Boundaries: parcels which front along New High Street, North Spring Street, Hill Street, Alpine Street, the north side of College Street and along Ord Street.

Benefit Zone 3 Boundaries: parcels west of the 110 freeway, along Yale Street, and along the east side of Alameda Street/North Main.

Improvements and Activities for 2014: The following are the improvements and activities planned for the Renewed and Expanded Greater Chinatown Business Improvement District in order by category and listed in the Management District Plan:

- 1) **Sidewalk Operations and Beautification** consists of Security and Maintenance.
 - a. **Security:** The security supplied in 2013 by Preferred Response Security Services will continue in 2014. There will be 40 hours of private security patrol 24 hours daily. Two security guards will patrol the district during the day on bike from 6:00 am to 10:30 p.m. The overnight shift is a mobile officer from 10:30 p.m. to 6:00 a.m. Patrols cover all three benefit zones but the frequencies of patrols per zone are based on the individual budget allotment per benefit zone, which is influenced by the amount of foot traffic that each zone receives. Generally, the frequency of patrols will be highest

in Benefit Zone 1 because it is the zone that receives the most foot traffic and therefore requires more security than Zones 2 or 3. Furthermore, Zone 2 receives more foot traffic than Zone 3. As a result, Zone 2 will receive a slightly higher level of security-related services than Zone 3, which will receive the least amount of security services due to its limited foot traffic. The difference between these levels of security services is reflected in the differing assessment charges related to each Zone, as specific in the Management District Plan.

The cost of providing security for 2014 is estimated at \$377,889.56 or 26% of the total budget. This provides a benefit zone budget breakdown of \$98,251.29 for Benefit Zone 1, \$211,618.16 for Benefit Zone 2, and \$68,020.12 for Benefit Zone 3.

- b. **Maintenance:** The maintenance supplied by Los Angeles Conservation Corp in 2013 will continue in 2014. The sidewalks will be swept each morning before dawn in each benefit zone and they will be pressure-washed twice a month in each benefit zone. The LACC Clean and Green crew and BID contractors continue to provide services for the following:

Regular Sidewalk Sweeping: 7 days per week for Zone 1 and 2, Zone 3 to be swept 6 days per week.

Steam Cleaning: 2-4 times per year for Zone 1, 2-3 times per year for Zone 2, and twice per year, if feasible, for Zone 3.

Beautification, Landscaping: as funding permits for Zone 1, 2, and 3.

Enhanced Trash Emptying: Daily for Zone 1 and 2, Zone 3 will be emptied 6 days per week.

Removal of Bulky Items, Graffiti Removal within 24 hours: as needed for Zone 1, 2, and 3.

Enhanced Tree Planting and Maintenance: as needed for Zone 1 and 2, Zone 3 as funded and scheduled.

Parking Assistance: as needed for Zone 1, not applicable for Zone 2 and 3.

The cost of providing maintenance for 2014 is estimated at \$424,289.21 or 29% of the total budget. This provides a benefit zone budget breakdown of \$110,315.19 for Benefit Zone 1, \$237,601.96 for Benefit Zone 2, and \$76,372.06 for Benefit Zone 3.

- 2) **District Identity:** The district identity supplied in 2013 will continue in 2014. Up keep of the website will continue and development of new website functions is being explored. Advertisement of the District in radio and magazine ads is planned to continue, but no agreement for 2014 have been executed. Additionally, the District will publish an updated pocket version Visitor's Map for 2014 which will be distributed by February 2014.

The anticipated Program Revenue to be collected for 2014 event sponsors and vendor fees are estimated at \$40,467.00 or 2.8%. This amount will off-set production expenses incurred for Chinatown events.

The cost of providing marketing for 2014 is estimated at \$293,662.49 or 21% of the total budget. This provides a benefit zone budget breakdown of \$91,362.62 for Benefit Zone 1 and \$202,299.87 for Benefit Zone 2 only. Benefit Zone 1 building square footage is assessed at a higher rate to fund the additional special benefit services these individual parcels will receive due to their location in the core of the BID.

Additionally, the District will be seeking a grant of \$5,000 for the 2013 DWP Holiday Light Program which will be used to market the Districts holiday activities. The 2013 DWP Holiday grant of \$5,000.00 will be added to this category as DWP Holiday Lighting Grant. The approval of the grant is pending and the District expects notification of the award in May.

The total cost for District Identity with the inclusion of the Holiday decorations for 2014 is estimated at \$298,662.49. This provides a benefit zone budget breakdown of \$92,962.62 for Benefit Zone 1 and \$205,699.87 for Benefit Zone 2.

- 3) **Administration and Corporate Operations:** The District will continue to work in 2014 with the contracted Los Angeles Chinatown Business Council (LACBC) for administration of the District services. The LACBC provides an office and a dedicated phone number for the District. It also holds contracts for Security, Maintenance, and Marketing services with various companies and ensures that all work is completed. Additionally, LACBC works with the City of Los Angeles and handles all financial and administrative requirements expected of the Renewed and Expanded Greater Chinatown Business Improvement District as stipulated in its agreement C-118431 with the City.

The cost of administration for the Renewed and Expanded Greater Chinatown Business Improvement District in 2014 is estimated at \$232,077.42 or approximately 16% of the total Budget. As outlined in the Management District Plan and Engineers Report, this cost is broken down by the total budget percentages allotted to each Zone. This provides a 2014 benefit zone budget of \$69,623.23 for Benefit Zone 1, \$141,567.23 for Benefit Zone 2, and \$20,886.97 for Benefit Zone 3 for the administration of the Renewed and Expanded Greater Chinatown Business Improvement District.

- 4) **Contingency/City Fees/Reserve:** Contingency funds for 2014 will be 8% of the budget and is used to cover uncollected assessments and unexpected expenditures. The 8% contingency for 2014 will be \$117,639.80.

Total Estimate of Cost for 2014: A breakdown of the total estimated 2014 budget is attached to this report as Appendix A.

Method and Basis of Assessment: The Method and Basis for levying the 2014 assessment for the Renewed and Expanded Greater Chinatown Business Improvement District remains the same as listed in the Management District plan, which is as follows:

Benefit Zone 1	Benefit Zone 2	Benefit Zone 3
<ul style="list-style-type: none"> • Building Square Footage @ \$0.22 per square foot • Lot Square Footage @ \$0.15 per square foot • Linear Frontage @ \$17.30 per linear foot • Linear Frontage 2 @ \$8.65 per linear foot 	<ul style="list-style-type: none"> • Building Square Footage @ \$0.18 per square foot • Lot Square Footage @ \$0.12 per square foot • Linear Frontage @ \$13.84 per linear foot • Linear Frontage 2 @ \$6.92 per linear foot 	<ul style="list-style-type: none"> • Linear Frontage @ \$13.84 per linear foot

Amount of Surplus/Deficit from previous Fiscal Year: Based on the projected expenditures for the 4th quarter, and the balance of accounts as of September 30, 2013, no surplus is anticipated. The remainder expenditure of \$274,433.51 will be reflected by year end.

Amount of Contributions from other sources: The District anticipates receiving a grant for the creation and procurement of the holiday lighting grant specifically for use of marketing the District during the end of 2013. The approval of the grant is pending and the District expects notification of the award in May. If approved, the grant will be for \$5,000.00. Under District Identity, this amount will go toward Holiday Lighting Expense.

APPENDIX A – TOTAL ESTIMATE COST FOR THE NEW AND EXPANDED GREATER CHINATOWN BUSINESS IMPROVEMENT DISTRICT

REVENUES

	<u>Zone 1</u> 26% of Assess.	<u>Zone 2</u> 56% of Assess.	<u>Zone 3</u> 18% of Assess.	<u>Total</u>
2014 Assessments	\$364,382.32	\$784,823.47	\$252,264.69	\$1,401,470.48
Programs Revenue	\$10,521.42	\$22,661.52	\$7,284.06	\$40,467.00
Interest Income	\$941.46	\$2,027.76	\$651.78	\$3,621.00
DWP Holiday Lighting Grant	\$1,600.00	\$3,400.00	\$0.00	\$5,000.00
	\$377,445.20	\$812,912.75	\$260,200.53	\$1,450,558.48

Total Estimated 2014 Budget

EXPENDITURES

<u>Estimated Expenditure Category</u>	<u>Benefit Zone 1</u> 26% of budget	<u>Benefit Zone 2</u> 56% of budget	<u>Benefit Zone 3</u> 18% of budget	<u>Total</u>
SIDEWALK OPERATIONS AND BEAUTIFICATION (SOBO)				
Security	\$98,251.29	\$211,618.16	\$68,020.12	\$377,889.56
Maintenance	\$110,315.19	\$237,601.96	\$76,372.06	\$424,289.21
SOBO Subtotal	\$208,566.48	\$449,220.11	\$144,392.18	\$802,178.77
DISTRICT IDENTITY				
Special Events	\$49,585.27	\$110,367.22		\$159,952.49
Marketing & Promotion Strategies	\$1,860.00	\$4,140.00		\$6,000.00
Personnel	\$12,090.00	\$26,910.00		\$39,000.00
Website development/maintenance	\$3,720.00	\$8,280.00		\$12,000.00
Advertising	\$7,967.00	\$17,733.00		\$25,700.00
Communications	\$5,668.35	\$12,616.65		\$18,285.00
Design	\$10,472.00	\$22,253.00		\$32,725.00
Holiday Lighting Expense	\$1,600.00	\$3,400.00		\$5,000.00
District Identity Subtotal	\$92,962.62	\$205,699.87		\$298,662.49
ADMINISTRATION AND CORPORATE OPERATIONS				
Staff & Administrative Costs	\$56,822.03	\$115,538.14	\$17,046.61	\$189,406.78
Insurance	\$6,536.50	\$13,290.88	\$1,960.95	\$21,788.32
Office related expenses	\$6,264.70	\$12,738.22	\$1,879.41	\$20,882.32
Administration Subtotal	\$69,623.23	\$141,567.23	\$20,886.97	\$232,077.42
CONTINGENCY/CITY FEES/RESERVE				
10% of 2014 Assessment	\$7,393.86	\$15,711.94		\$23,105.80
Reserve	\$12,426.88	\$26,407.12		\$38,834.00
Business Development/Merchant Edu.	\$1,024.00	\$2,176.00		\$3,200.00
Other Administrative Expenses/Parking	\$1,760.00	\$3,740.00		\$5,500.00
Consultant	\$6,720.00	\$14,280.00		\$21,000.00
Hardship/Rent Control	\$8,320.00	\$17,680.00		\$26,000.00
Contingency Subtotal	\$37,644.74	\$79,995.06		\$117,639.80
FINAL TOTAL	\$408,797.07	\$876,482.27	\$165,279.15	\$1,450,558.48