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MIRANDA C. PASTER
DIVISION HEAD

June 25, 2012

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

Council Districts 4, 5 & 13

REGARDING: THE HOLLYWOOD MEDIA (PROPERTY-BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2012 FISCAL YEAR ANNUAL
PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Hollywood Media Business Improvement District's ("District") 2012 fiscal year (CF 09-0732). 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 Hollywood Media Business Improvement District's Annual Planning Report for the 2012 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Hollywood Media Business Improvement District was established on August 4, 2004 by and through the City Council's adoption of Ordinance No. 176,134, 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 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 Board has decided to adjust its 2012 budget by decreasing all of its budget categories. The decreases are due to a significant decrease in the estimated 2011 rollover amount causing the overall budget for 2012 to be decreased. The descriptions of these categories have not changed from the approved Management District Plan and the City Clerk does not recognize any adverse impact to the benefits received by property owners due to these budget adjustments.

The attached Annual Planning Report, which was approved by the District's Board at their November 17, 2011 meeting, 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 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

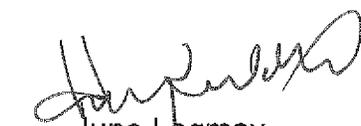
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Hollywood Media Business Improvement District's 2012 fiscal year complies with the requirements of the State Law.
2. FIND that the adjustments in the 2012 budget concur with the intentions of the Hollywood Media 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 Hollywood Media Business Improvement District's 2012 fiscal year, pursuant to the State Law.

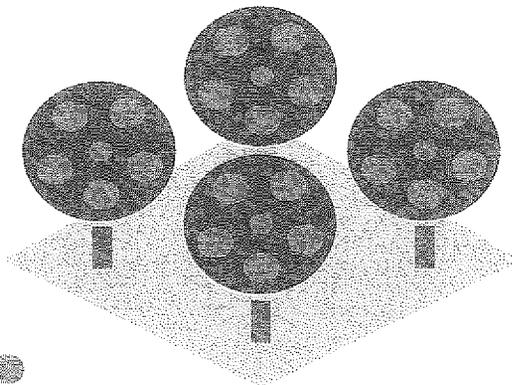
Sincerely,



June Lagmay
City Clerk

JL:HLW:MCP:RMH:rks

Attachment: Hollywood Media Business Improvement District's 2012 Fiscal Year Annual Planning Report



Hollywood
media
district
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The Hollywood Media District Business Improvement District

2012 Annual Planning Report

Submitted By:

The Hollywood Media District Property Owners Association
1304 North Highland Avenue, #200
Hollywood, CA 90028

Prepared By:

Susan Levi & Associates, Inc.
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The Hollywood Media District Property Owners Association

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November 17, 2011

Ms. June Lagmay
City Clerk, City of Los Angeles
200 North Spring Street, Suite 395
Los Angeles, CA 90012

SUBJECT: The Hollywood Media District PBID 2012 Annual Planning Report

Dear Ms. Lagmay:

As required by the Property and Business Improvement District Law of 1994, California Street and Highways Code Section 36650, the Board of The Hollywood Media District Property Business Improvement District has caused this Planning Report to be prepared. The Board of Directors met today at 3:00 pm and approved this report.

This report covers proposed activities from January 2012 through December 2012.

On behalf of the Hollywood Media District BID, I would like to express our gratitude to you and your staff at the Special Assessments Section for your continuous support and cooperation.

Sincerely,



Ron Groeper
President

I. HOLLYWOOD MEDIA DISTRICT BID

SUMMARY

Location: The District encompasses approximately 40 blocks of primarily manufacturing property in an area bounded roughly by Highland Avenue to the west, Fountain Avenue, Lexington Avenue and Santa Monica Boulevard to the north, Vine Street and Lillian Way to the east and Melrose Avenue to the south. The newly expanded BID extends *to the south* to include additional properties along Melrose Avenue and *to the west* to include manufacturing properties in an area bounded roughly by Santa Monica Boulevard, La Brea Avenue and Willoughby Avenue. ***There are no changes in the existing boundaries of the BID.***

Improvements & Activities **Public Safety Patrols** to support crime prevention, reduce the incidence of nuisance crimes, productively address the challenges associated with street populations and generally make district streets more hospitable.
Maintenance Teams to continue the scope and frequency of enhanced sidewalk sweeping, bus stop cleaning, litter and graffiti removal.
Community Improvements that may address parking availability issues, image enhancement, aesthetics of district streets and efforts to improve the area's overall quality of life.
Program Administration to manage district programs.

Method of Financing: Levy of assessments upon real property that benefits from improvements and activities.

Budget: Total district assessment budget for its eighth year of operation is estimated to be approximately \$1,058,222.

Note: Any accrued interest or delinquent payments may be expended in the preceding activity categories.

Benefit Zones: Enhanced BID services will be provided in each of two benefit zones within the District. ***There are no changes to the existing benefit zones.***

Cost: Annual assessments are based upon an allocation of program costs and a calculation of linear frontage and lot plus building square footage. Year Five assessments will not exceed:

	Standard Zone: All properties not fronting Santa Monica or Highland	Premium Zone: High frequency cleaning along Santa Monica & Highland
Cost per sq.ft. of building plus lot	.0671457	.0671457
Cost per foot of linear frontage	\$2.748761	\$ 5.498552

District Governance: The BID will be operated by an Owners' Association.

Duration: The district has a 10-year life beginning January 1, 2005 and ending on December 31, 2014.

II. IMPROVEMENT AND ACTIVITY PLAN

A. BID Boundaries and Benefit Zones

Original Boundaries and Zones: The Hollywood Media District BID currently serves a 40-block area that includes mostly manufacturing property in an area roughly bounded by:

- Melrose Avenue to the south;
- Vine Street and Lillian Way to the east;
- Highland Boulevard to the west;
- Fountain Avenue, Lexington Avenue and Santa Monica Boulevard to the north.

Expansion Boundary and Benefit Zones: The 2004 renewal of the Hollywood Media District BID added about 12 additional blocks to its service area, located roughly as follows:

- To the west, the BID added an area bounded by the alley between Highland Avenue and Citrus Avenue to the east, Willoughby Avenue to the south, La Brea Boulevard to the west and Santa Monica Boulevard to the north.
- To the east, the BID added several properties on Vine Street and Lillian Way south of Santa Monica Boulevard.
- To the south, the BID added several properties along Melrose Avenue that are contiguous with existing BID boundaries.

Within these boundaries, the BID currently provides public safety, sidewalk cleaning and community improvement services. All properties are assessed for service costs through one standard assessment formula that utilizes a combination of lot and building square footage.

Within the BID, there are two benefit zones:

Benefit Zone	General Area of Service
Standard Service Area	All properties not fronting Santa Monica or Highland
Premium Service Area	All properties fronting Santa Monica and Highland

B. Work Program

Program activities may be amended in subsequent years within the following general categories. Final programs and budgets will be subject to the review and approval of the owners' association.

1. Public Safety Patrols

Uniformed safety patrols will provide a variety of public safety services by assisting visitors and employees, support police crime prevention efforts to reduce the incidence of crime and reduce nuisance activities, and productively address the challenges associated with street populations. Deployment of safety patrols will include both bicycle and auto patrols.

The proposed service frequencies for public safety deployment will be 12 to 14 officers per day, seven days per week, twenty-four hours per day. Patrols will be deployed throughout all benefit zones of the district. Deployment will include regular patrols plus redeployment as needed to respond to calls for service and trouble spots.

2. Maintenance Team

Uniformed clean teams will provide enhanced maintenance services, including sidewalk sweeping and litter removal, bus stop cleaning, sidewalk washing, graffiti removal and "Rapid Response Team" for clean-up of unusual maintenance problems, ranging from illegal dumping to stray shopping carts. Proposed service frequencies for services by zone are provided below:

ACTIVITY	STANDARD SERVICE AREA	PREMIUM SERVICE AREA
Sidewalk Sweeping & Litter Removal	3 times per week	Daily
Bus Stop Cleaning	None	Weekly
Sidewalk Washing	None	Weekly
Graffiti removal & "Rapid Response" Team	As Needed	As Needed

A higher frequency of maintenance service is proposed for the "Premium Service Areas" since these areas have higher traffic counts, public bus service and significantly more usage by pedestrians. The premium service area includes the Highland Avenue and Santa Monica Boulevard corridors.

3. Community Improvements

Community improvement activities will aim to improve the overall business image of the district with the goal of attracting and retaining businesses, jobs and investment. Initiatives must be designed to provide collective benefits to businesses and property owners. While annual work programs and budgets will be developed in collaboration with targeted stakeholders and approved by the owner's association, programs will be selected from a variety of options that may include the following:

- **Parking Availability:** The BID may support initiatives to better manage and increase the parking supply for area businesses.
- **Homeless Management:** The BID may sponsor initiatives aimed to reduce the incidence of homelessness and street populations in the district.
- **Street Beautification:** The BID may pursue options to improve the visual appearance of the district including decorative banners, landscaping and trees, attractive directional signage and gateways.
- **Under-Grounding Utilities:** The BID may advocate for the under-grounding of unsightly utilities along Santa Monica Boulevard.
- **Marketing and Community Relations:** The BID may carry out initiatives that strengthen the Hollywood Media District image. Examples include the district website and publication of the district newsletter.

4. Program Administration and Collection Fees

The need for staff and contractual services to manage the clean and safe program and tend to administrative needs of the district will be evaluated and adjusted as needed by the owners' association. Additional services, such as advocacy, may be obtained on a contractual basis.

Funds are allocated to office and support services such as bookkeeping, office rent, insurance, office equipment and professional development and training for the staff and board. The City of Los Angeles requires a 2% collection fee for property-based BIDs with an annual operating budget between \$500,000 and \$2 million in the city.

C. Plan Budgets

1. 2012 Operating Budget Summary

The total improvement and activity plan estimated budget for 2012 is projected at \$1,141,222 in assessment revenue and approximately \$83,000 in 2011 rollover funds for a total budget of \$1,058,222

and includes the following components:

Activity	Budget	% of Total
Public Safety Patrols	\$ 675,000	59.15%
Maintenance Teams	\$ 230,000	20.15%
Community Improvements	\$ 60,000	5.26%
Program Administration	\$ 100,000	8.76%
Reserve/Contingency	\$ 54,976	4.82%
City Collection Fee	\$ 21,246	1.86%
Total	\$ 1,141,222	100.00%

Note 1: Any accrued interest or delinquent payments may be expended in the preceding categories.

Note 2: Costs for renewal may be spent from BID reserve/contingency if funds are available in the last two years of the operating budget.

Carry Forward of Existing BID Surplus: In addition to the preceding assessments for 2012, the Hollywood Media District will carry forward the operating surplus from BID I. These funds have been previously allotted to be used as Grant Fund matches, the remaining match is for the Wayfinding Grant. If any surplus funds remain at the end of the term for this new BID, it will be carried forward if the BID is renewed. *There is no amount of deficit revenues to be carried over from a previous fiscal year.*

Contributions to be made from sources other than assessments for 2012: The BID anticipates receiving a \$5,000 grant from LADWP for holiday decorations and trash receptacle liners which they provide to BIDs on an annual basis. Finally, the BID posted a cash bond in the amount of \$3,000 for a monument sign in the Fountain median.

III. ASSESSMENTS

Maximum Rates of Assessment: Based upon the methodology, property data, the proposed BID budget and a maximum annual adjustment of 5%, approximate assessment rates for linear frontage and lot plus building square footages are calculated. In future years, assessment amounts may change, up or down, if linear frontage or building and lot square footage information changes and/or BID budgets change pursuant to the annual budget adjustment.

Assessment Adjustments (excerpt from Engineer's Report)

There are high-rise and campus properties in the District area that are anomalies, and therefore, receive assessment adjustments. Described below are the adjustment categories that apply district-wide.

FAR (Floor Area Ratio) Adjustment: More than 95% of the buildings in the District are no higher than two stories. The improvements and activities are concentrated at ground level and benefits are diluted for anything higher than two stories. This is predicated on the fact that the cost of service is no greater than that provided for the first two floors. Therefore, any parcel whose building square footage exceeds a 2:1 FAR to

the size of the parcel receives nominal and intangible benefits above the second floor for the building square footage that exceeds the 2:1.

Controlled-Access Campus Adjustment: A controlled campus is defined as any parcel or group of parcels that are entirely fenced in and have a staffed private entrance. Since campus properties can only receive benefits on their perimeter property lines, the Safety Patrol is not allowed within these campuses. Their service is only rendered on the street side of the parcel, and therefore, these campuses do not receive the same amount of benefit the other parcels in the District receive. The Safety Patrol is allowed to patrol 100% of all the other parcels in the District including their parking lots and alleys. They are not allowed to enter the campus properties. Therefore, the assessment is calculated proportionately to benefits received. The larger the campus the less benefit its interior receives, so a sliding scale is applied to each campus' lot square footage. The sliding scale for the campus properties is as follows:

Campus Lot Square Footage	Adjustment Factor
First 100,000 square feet	1.00
100,000 to 200,000 square feet	0.50
Over 200,000 square feet	0.00

Annual Adjustment: Annual assessment rates may be adjusted for annual changes in the Los Angeles Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed 5%. Actual annual adjustments may range from 0% to 5%. *The Owners Association voted to not impose any increase in assessments for the 2012 budget.*

Budget Adjustment: Any annual budget surplus or deficit will be rolled into the following year's BID budget. Assessments will be set accordingly, within the constraints of the CPI adjustment, to adjust for surpluses or deficits that are carried forward.

Time and Manner for Collecting Assessments: As provided by state law, the Hollywood Media District BID assessment appears as a separate line item on annual property tax bills prepared by the County of Los Angeles. Property tax bills are distributed in the Fall and payment is expected by lump sum or installment. Assessment on the tax bill by law is for the period from July 1 to the following June 30. The Fiscal Year for the BID is from January 1 to December 31 of each calendar year. Existing laws for enforcement and appeal of property taxes apply to BID assessments.

IV. GOVERNANCE

For the Hollywood Media District BID, an owners' association, a California non-profit corporation, will be the manager for BID activities and improvements. The owners' association shall implement programs, including coordination of sub-contracts with vendors as appropriate. The BID will comply with the Ralph M. Brown Act, Sec 54950 et seq, California Government Code, and all other applicable Codes and Regulations related to BIDs.

Hollywood Media District Business Improvement District
2012 Annual Report
2012 Fiscal Year Activities Budget

Anticipated Assessment Revenue and Program Expenditures

Revenue Sources

2012 Special Assessment	\$ 1,058,222.00
2011 Carryover	\$ 83,000.00
2012 Total Estimated Budget	\$ 1,141,222.00

Program Expenditures

Public Safety Patrols	\$ 675,000.00
Maintenance Teams	\$ 230,000.00
Community Improvements	\$ 60,000.00
Program Administration	\$ 100,000.00
Reserve/Contingency	\$ 54,976.00
City Collection Fee	\$ 21,246.00
2012 Total Estimated Expenditures	\$ 1,141,222.00

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