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June 10, 2015

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

Council District 14

REGARDING: THE ARTS DISTRICT LOS ANGELES (PROPERTY-BASED)  
BUSINESS IMPROVEMENT DISTRICT'S 2015 FISCAL YEAR  
ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Arts District Los Angeles Business Improvement District's ("District") 2015 fiscal year (CF 13-1525). 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 Arts District Los Angeles Business Improvement District's Annual Planning Report for the 2015 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The Arts District Los Angeles Business Improvement District was established on February 26, 2014 by and through the City Council's adoption of Ordinance No. 182910, 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 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 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's total 2015 budget has increased due to a large rollover of unspent funds from the full 2014 assessment. The District was adopted in May of 2014. It was established and invoiced for assessments retroactive from January 1, 2014 with actual services beginning June 1, 2014. Inasmuch as services were not provided during the period of January 1, 2014 through May 31, 2014, the District has opted to refund those assessments in 2015 (see Council file 13-1525). 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 November 11, 2014, 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 Arts District Los Angeles Business Improvement District's 2015 fiscal year complies with the requirements of the State Law.
2. FIND that the increase in the 2015 budget concurs with the intentions of the Arts District Los Angeles Business Improvement District's Management District Plan and does not adversely impact the benefits received by assessed property owners.

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3. ADOPT the attached Annual Planning Report for the Arts District Los Angeles Business Improvement District's 2015 fiscal year, pursuant to the State Law.

Sincerely,

  
Holly L. Wolcott  
City Clerk

HLW:GRA:MCP:RMH:rks

Attachment: Arts District Los Angeles Business Improvement District's 2015 Fiscal Year Annual Planning Report

