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November 4, 2016
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 4

REGARDING:

THE VILLAGE AT SHERMAN OAKS (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 Village at Sherman Oaks Business Improvement District's ("District") 2017 fiscal year (CF 14-1311). 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 Village at Sherman Oaks 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 Village at Sherman Oaks Business Improvement District was established on February 18, 2015 by and through the City Council's adoption of Ordinance No. 183458 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 District's total budget has increased due to a rollover of unspent funds from previous BID years as outlined in the Annual Planning Report. 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 1, 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 Village at Sherman Oaks 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 Village at Sherman Oaks 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 Village at Sherman Oaks Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Village at Sherman Oaks Business Improvement District's 2017 Fiscal Year Annual Planning Report

December 22, 2016

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

Subject: Village at Sherman Oaks 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 Village at Sherman Oaks Business Improvement District has caused this Village at Sherman Oaks Business Improvement District Annual Planning Report to be prepared at its meeting on November 1, 2016.

This report covers proposed activities of the Village at Sherman Oaks BID from January 1, 2017 through December 31, 2017.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Elkan".

Leslie Elkan
President
Village at Sherman Oaks, Inc.

Village at Sherman Oaks
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Village at Sherman Oaks Business Improvement District (District). The District is operated by the Village at Sherman Oaks Incorporated, 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 1, 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

Image Enhancement / Special Projects: \$118,597.90 (49.47%)

The Image Enhancement/Special Projects category includes services such as streetscape improvements, banner or holiday decor and landscaping projects. Other projects such as pedestrian or tree lighting, capital improvements (i.e., median construction or electrical installation), tree well grates and private security will also be explored and implemented if there are sufficient funds available. Other programs also include marketing and economic development programs designed to increase building occupancy and encourage new business development for parcels within the District. These services are only provided to the individually assessed parcels in the District. The Image Enhancement services of this category are designed to specially benefit the retail, office, parking, grocery, restaurant and banking parcel types by improving the appearance and cleanliness in an effort to increase commerce, increase building occupancy and lease rates and to attract more customers and pedestrians. This service will specially benefit each individual assessed parcels and help meet the BID's goals because dirty sidewalks and trash are deterrent to customers and streetscape improvements such as tree lighting enhance the appearance of the individually assessed parcels.

We have two special projects that have taken us more than two years to design and get approved: our median lighting project which was approved in 2016 by CD4 and the Bureau of Street Lighting which will cost an additional \$75,000 and our two parklets (part of Mayor

Garcetti's People Street program) which were also approved in 2016 and are scheduled to be completed in 2017. These parklets will cost approximately \$120,000 and we will need to raise funds in order to complete these. We will continue our image enhancement projects of holiday decorations, improving our website, our newsletters and permit fees for our BID pole banners. We will also begin to pay monthly fees for the electricity for our median lighting project.

We have a higher allocation for Image Enhancement/Special Projects than our management plan because we had a large rollover in 2015. Our two big image enhancement projects (parklets and lighting our median) were approved by the City in 2016 but will not be implemented until 2017.

Landscaping, Sanitation and Beautification: \$85,928.23 (35.84%)

Landscaping, Sanitation and Beautification services include watering, weeding, tree trimming, sidewalk sweeping, pressure washing, trash removal, hanging basket watering and graffiti removal. These services are not provided outside the boundaries of the District. These services are only provided to the individually assessed parcels in the District. The Landscaping, Sanitation and Beautification services of this category are designed to specially benefit the retail, office, parking, grocery, restaurant and banking parcel types by improving the appearance and cleanliness in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers and pedestrians. These services will specially benefit the individually assessed parcels and meet the BID's goals by increasing cleanliness and thereby encouraging increased patronage and commerce because graffiti and unkempt sidewalks are a deterrent to customers and landscaping services create a clean District that is designed to attract customers.

Our costs have increased significantly for this category as our local Sidewalk Maintenance Assessment District has defacto dissolved and the BID has absorbed the cost of these services. In addition to 7 day a week day porter services (watering plants, sweeping sidewalks and gutters and emptying trash cans), we have begun monthly hot pressure washing for our BID sidewalks. We have also begun trimming trees twice a year (rather than once a year as we had done in 2015).

We have a higher allocation than the management plan because we had a large rollover in 2015 which we were unable to completely spend in 2016. We are spending this additional money on new curblets (tree well plantings) which are only partially complete in 2016 but will be complete in 2017.

Administration/Uncollected Assessment: \$35,200.00 (14.68%)

The purpose of the Administration/Uncollected Assessments budget item is to fund the various administrative and uncollected assessments costs associated with providing the District's services to each parcel. Administrative funds will be used to cover the cost for an Executive Director, office expenses, legal fees, accounting fees, consulting fees, annual

financial review, banking charges, recovery fees, Directors & Officers insurance and General Liability insurance. The Administration professional staff will manage the day-to-day operations of the District and implement the BID's programs and services which are designed to specially benefit the retail, office, parking, grocery, restaurant and banking parcels. Funds from this category will also be used for City/County collection fees, uncollected assessments, consulting fees and BID's renewal fees. Funds in this category will be expended within the aforementioned programs and services. The administration/uncollected assessment category will specially benefit the individual assessed parcels by providing professional staff to manage the District and allocating funds for the administrative functions listed above. The costs of this budget category covers our part-time executive director and our accounting fees.

We are 17% higher than our management plan due to our large rollover in 2015.

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 for levying the 2017 assessment remains the same as listed in the Management District Plan and is based on a combination of Lot size (sq. footage) and Linear front footage on Ventura Blvd. and Van Nuys Blvd. The Board voted a 3% CPI increase for 2017.

Sherman Oaks 2017 assessment rates:

Frontage \$11.328
Lot \$0.032

(There is a 3% CPI increase for 2017)

Surplus Revenues: \$121,853.00

Carryover of 2015 and 2015 funds due to having two special projects that have taken two years to design, get approved and started. These two projects are our median lighting project now approved by CD4 and Bureau of Street Lighting (\$75,000) and two parklets from Mayor Garcetti's People Street program approved by CD4 and People Street Program (\$120,000).

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$3,420.00

We will receive General Benefit funds of \$3420 as per the management plan. We will need to raise funds in 2017 in order to cover the costs of our special projects. We will be applying for funds from the Ventura Specific Plan Review Board as well as seek private donations.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Village at Sherman Oaks BID- FY 2017

2017 Assessments	\$114,453.13	
Estimated Carryover from 2016	\$121,853.00	
Other Income	\$3,420.00	
Total Estimated Revenues	\$239,726.13	
2017 Estimated Expenditures		Pct.
Image Enhancement / Special Projects	\$118,597.90	49.47%
Landscaping, Sanitation and Beautification	\$85,928.23	35.84%
Administration/Uncollected Assessment	\$35,200.00	14.68%
Total Estimated Expenditures	\$239,726.13	100%