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Development

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John Tronson  
Whitley Court  
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Kerry Morrison  
Executive Director



November 23, 2015

Mr. Rick Scott  
Special Assessment Section  
Office of the City Clerk  
200 N Spring St. Rm 224  
Los Angeles, CA 90012

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Hollywood, CA 90028  
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Subject: Annual Planning Report for Hollywood Entertainment District

Dear Mr. Scott,

Enclosed please find the 2016 Annual Planning Report for the Hollywood Entertainment District (HED) Business Improvement District. This report satisfies the requirements of the contract between the Hollywood Property Owners Alliance and the City of Los Angeles.

The Board of Directors for the Hollywood Property Owners Alliance approved the detailed program plan and budget for the 2016 operational year for the HED at their November 19, 2015 meeting. As you will see from the report, no significant changes are anticipated to the programs and services provided to the assessment paying stakeholders within the boundaries of the HED.

Thank you for all the assistance you have provided to the Hollywood Property Owners Alliance in the past year. Please let us know if there is any additional information you require.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kerry Morrison".

Kerry Morrison  
Executive Director  
Hollywood Property Owners Alliance

**2016 Planning Report  
Hollywood Entertainment District Business Improvement District  
Year VIII**

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The following report is prepared, in accordance with the requirements of Section 36650 of the Streets & Highways Code and serves as the Work Plan for the coming year for the Hollywood Entertainment District Business Improvement District.

**1. Boundaries and Zones:**

There have been no changes to the boundaries or to the zones of the Hollywood Entertainment District.

**2. Detailed budget:**

The following budget allocations were approved by the board of directors for the Hollywood Property Owners Alliance at their November 19, 2015 Meeting:

Program	Management Plan		2016 Budget	
Safety & Security	1,593,041	48.48%	1,618,000	44.63%
Maintenance & Streetscape	846,303	25.76%	1,020,000	28.13%
Special Projects/ Marketing & Consulting	109,522	3.33%	126,000	3.48%
District Management	524,708	15.97%	642,254	17.71%
Contingency/Fees/Reserve for Non Pay <sup>1</sup>	212,074	6.45%	219,379	6.05%
Budget Subtotal	3,285,648	100%	3,625,633	100%
Alley Assessment	135,000		137,136	
Year-end cash on hand	0		584	
<b>Total</b>	<b>3,420,648</b>		<b>3,763,353</b>	

**A. Summary: 2016 Operating Budget is \$3,763,353**

- The revenue is predicated upon private assessment payments of \$3,168,925 and government/direct assessments of \$394,128 amounting to \$3,563,053.
- The revenue budget is further adjusted by the following factors: (a) the anticipated cash roll-over from 2015 is estimated at \$200,000;<sup>2</sup> (b) modest interest revenue of \$300 and

<sup>1</sup> As of October 31, 2015, \$279,280.34 remains outstanding due to delinquencies ("reserve for non-pay") from private and public parcels dating back to the 09/10 tax year.

<sup>2</sup> The anticipated rollover results from two outcomes: positive variances at year end that were unanticipated at the time the 2016 budget was prepared and adopted by the board (November 2015) and the board's desire to have operating cash on hand at the beginning of the new year as the deposit of assessment revenue is typically delayed until February of the new year. Monthly cash expenses tend to run at approx. \$300,000/month, and this

an expected \$584 remaining at year end.

**B. Security Program - \$1,618,000 of 44.63% of the budget**

The security program funds three services: (1) security patrols, (2) video surveillance cameras, and (3) homeless services outreach. The security vendor is Andrews International Security. The Security Committee sought competitive bids for this contract in early 2013. Andrews International was chosen to provide services again, through 2018.

The contract calls for the following:

- Average patrol of 392 hours per week for armed officers plus sergeants; 112 hours for public safety officers (unarmed), and 105.5 hours for the Director, Assistant Director, Administrative Assistant, and Dispatcher.
- This accommodates seven armed officers on Monday through Wednesday; eight officers a day Thursday through Saturday, and six armed officers on Sunday. Additionally two public safety officers are deployed in the District eight hours a day, seven days a week.
- The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters continues to be housed at the LAPD sub-station at Hollywood & Highland with donated rent.

A portion of the security budget has also been earmarked for the maintenance of nine video surveillance cameras, donated to the Los Angeles Police Department, to provide enhanced public safety services to benefit the properties in the District. The HPOA recently purchased the ninth camera this year and installed it at Hollywood/Las Palmas to further the coverage of the District. The camera maintenance contract, which commenced on September 1, 2015, amounts to approximately \$3,200/month to support eight cameras. The ninth camera is under warranty and will be included in the maintenance plan starting September 1, 2016. The camera vendor is Metro Video Systems in El Segundo.

Finally, a monthly retainer with CIMS a company which provides and maintains the Stack FM Mapping Software, is included in this budget. This is used to track and monitor security and graffiti incidents and to manage the parcel database.

A set-aside in the Security Contingency budget will also be reserved for activities related to homeless outreach and moving individuals who are chronically homeless in the BID into housing. This will be under the direction of the Security Committee.

Security Committee meetings are held in conjunction with the Sunset & Vine BID, and the full range of public safety issues are addressed, including illegal vending, homelessness and loitering, public urination, drinking in public, vandalism and graffiti.

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mitigates against having to secure a line of credit to start the New Year. It is anticipated as the BID enters its final year, this cash management strategy will not be necessary.

**C. Maintenance- 1,020,000 or 28.13% of the budget**

The maintenance program involves a contract with the District's maintenance vendor, CleanStreet. Services and priorities are guided by the board and the Streetscape & Planning Committee. The contract was competitively bid in 2013-14, and was awarded to CleanStreet through December 2018 (the end of the BID). The core services contract amounts to \$895,000 annually.

Core maintenance services include the following:

- Daily streets and gutter sweeping.
- Sidewalk pressure washing: Zone 1 - two times per week; Zone 2 - two times per month; Zone 3 - one time per month. Additional pressure washing takes place on an as-needed basis around bus stops, high traffic pedestrian areas and outdoor dining areas.
- Trash removal twice daily from approximately 200 receptacles in the BID.
- Waste removal from seven 3-cubic yard dumpsters, six days per week.
- Graffiti removal within 24 hours of a report.
- Sidewalk and gutter sweeping by two day porters working one 8-hour shift.
- Routine furniture washing and furniture and light pole touch up painting.
- Landscape maintenance including tree wells, medians, and new trees planted by the BID.
- Polishing the brass medallions along the Walk of Fame one time per month.
- Oversight of all maintenance duties by one full-time supervisor dedicated to the district.

In addition, this year, approximately \$125,000 in funds will be set aside for maintenance, landscaping related services and beautification projects, apart from the core maintenance contract. Special beautification initiatives will include new landscaping, street furniture, and public art. Other large expenditures anticipated include tree trimming in Zone 1.

This year, additional expenses were incurred in order to house maintenance operations and supplies (formerly housed at a LAUSD parking lot for no rent for the past 16 years). This monthly rent is now built into the budget.

**D. Special Projects/Marketing and Consulting - \$126,000 or 3.48% of the budget**

This budget category allows for the funding of general consulting, marketing, communications and special projects to promote the image and improvements within the District.

Professional consulting is budgeted at \$76,000 per year. There are currently three professional agreements in place:

1. Willdan – who provides quarterly updates to the property database, and coordinates the annual update to the assessment roll for presentation to the city (approx. \$3,600/year);
2. Computer Physicians – monthly retainer to maintain the Association's computers and server (approx. \$6,600/year).

3. Haines & Co. – monthly retainer for Media Relations, marketing and communications strategy (approx. \$56,400/year). Contract expires in April; expected to be renewed.

Additional consulting dollars are set aside for special project work and events including the planning of the BID's second annual Only in Hollywood Music + Arts Festival, other related events that will promote the district, and some initial work in anticipation of BID Renewal. Funds are also available to hire a consultant to help with grant applications for special infrastructure and/or streetscape improvement projects.

A separate line item is set aside for marketing activities and projects. This amounts to approximately \$50,000. Generally speaking, this will allow for:

- The production and distribution of a newsletter, four times a year, intended primarily for District assessment paying stakeholders and interested community members;
- The hosting, maintenance and enhancement of the Hollywood Entertainment District's website, [www.hollywoodbid.org](http://www.hollywoodbid.org) and [www.onlyinhollywood.org](http://www.onlyinhollywood.org), developed in 2014.
- Re-introduction of a series of "micro-neighborhood" mixers and neighborhood organizing efforts to promote various corners of the BID.
- Potential real estate tours for investors, media and stakeholders.
- Distribution and updates of collateral material and Hollywood infographics developed during 2014.
- Event sponsorships (as a partner), social networking initiatives, or District promotion at the discretion of the board of directors.
- The creation of collateral materials to support the media relations efforts (e.g., blogger tours, targeted trade outreach, events) guided by Haines & Co.
- Special promotions or logistics support associated with the Second Annual Only in Hollywood Music + Arts Festival.

#### **E. Administration/Legal/Accounting - \$642,254 or 17.71% of the budget**

This category funds the central office for the HPOA including human resources costs (payroll, payroll taxes, 401(k), temp help and health insurance); rent, telephone, office supplies, insurance, business meals and meeting expenses, travel, parking and the like. The Association's lease expired in mid-2015, and a new lease was signed for an office space at 6562 Hollywood Blvd. Part of the increase in the administrative budget this year is due to the increase in rent.

A monthly legal retainer is budgeted for the Association's counsel, Jeffrey Briggs Esq. and ancillary legal expenses. This year, after an extensive RFP, the board moved accounting services from RBZ, LLP to Gursej Schneider. The annual financial review and tax return will still be compiled by Fabio Vasco, CPA.

#### **F. City Fees, Contingency and Delinquencies - \$219,379 or 6.05% of the budget**

Each year, the city levies a fee equal to one percent of the gross assessment. Further, the board of directors each year estimates the amount of delinquencies to be experienced in the coming

year, in order remove those funds from the net operating budget. This year, the board is budgeting for a three percent delinquency. The contingency budget is earmarked to either accommodate a higher than budgeted delinquency rate, or to supplement services during the year (in any program category) at the discretion of the board of directors.

**G. Alley District Expense - \$137,136**

This budget item is earmarked for alley maintenance and is paid for by a special linear footage assessment levied against owners along both sides of public and private alleys in the BID, subject to the conditions outlined in the Management District Plan. Alleys are pressure washed and debris is removed. Graffiti is painted where necessary. These services continue to be rendered on a daily basis and are overseen by a designated Alley Supervisor. The Alley District Expense is not included as a budget category applicable to the entire BID, hence it is not regulated by a percentage calculation. The service provider is CleanStreet.

**3. Revenues carried from year to year**

The Operating Budget is predicated upon a carry-over of \$200,000 from 2015 (See discussion in footnote 2 on page 1).

**4. Assessments levied upon parcels.**

**A. Assessment Rates**

The assessment rates for the 2015/2016 year are as follows:

Type	Zone 1	Zone 2	Zone 3	Alley
Street Frontage	39.107	32.3331	27.9507	
Land Area	.0697	.0624	.0545	
Building Area	.1024	.0866	.0772	
Alley Frontage				12.0574