

MANAGEMENT DISTRICT PLAN

for the renewal of the

Hollywood Entertainment District
Property and Business Improvement District

Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIII D of the California Constitution
to renew a property and business improvement district (PBID)
in Hollywood, California for the period 2009 – 2018, by the
Hollywood Entertainment District Business Improvement District
Renewal Committee

June 16, 2008
FINAL

Hollywood Entertainment District
Management District Plan
2009 – 2018

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I. EXECUTIVE SUMMARY

PETITION FOR THE ORGANIZATION OF THE HOLLYWOOD ENTERTAINMENT DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT WITHIN THE CITY AND COUNTY OF LOS ANGELES

Introduction: As a result of the efforts of the Hollywood Entertainment District BID Renewal Steering Committee, this Management District Plan is presented for consideration by the property owners within the District to seek their support for the organization of said District in accordance with the provisions of the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 *et. seq.*, hereinafter referred to as “State Law.” This is the Management District Plan required by Section 36622, and is proposed to improve and convey special benefits to properties located within the boundaries of the Hollywood Entertainment District.

Name: The name of the proposed district shall be the Hollywood Entertainment District Property and Business Improvement District, hereinafter referred to as the “District.”

Location: The proposed District is located in the Hollywood community in the city of Los Angeles. The boundaries of the proposed District are expanded slightly from the current District. Generally, the District spans Hollywood Boulevard bounded by the 101 Freeway on the east to La Brea Avenue on the west. Northern boundaries include the center line of Yucca, and the north side of Yucca, and southern boundaries include the center line of Hawthorn and Selma. A map of the proposed boundaries and expansion areas is appended to the Executive Summary. A detailed map outlining the north and south boundaries, and delineating areas of expansion from the current District, is included within the Executive Summary (page 6).

History: The Hollywood Entertainment District (HED) has been in place since September, 1996, when the first District (also referred to as HED Phase I) was formed by the Los Angeles City Council. That district expired in 2001. A neighboring district (HED Phase II) was formed in 1998, and also expired in 2001. The two adjacent Districts united into one HED, which was renewed for the period 2002 – 2003. Renewed again for five years, (2004 – 2008), the HED is nearing the end of its term. This proposed Management District Plan contemplates a slightly expanded District for the period 2009 – 2018.

Services: The District will fund improvements and activities authorized under the Law. There are six basic categories of special benefit services that will be funded with this assessment district:

1. Safety and Security
2. Maintenance and Streetscape
3. Special Projects: District-wide Improvements, Marketing and Consulting
4. District Management, Policy Development and Administration
5. Contingency/City Fees/Reserve for Non-pay
6. Alley Services

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The goal of all services outlined in this Management District Plan are specifically intended to benefit property owners within the boundaries of this district through increased commerce, business attraction and retention, increased property rental income, and through enhanced overall safety and image.

Please refer to Section VI for a detailed description of the services to be provided.

City Services: The services, facilities and improvements to be provided by the Hollywood Entertainment District PBID are not intended to duplicate or supplant the services, facilities and improvements provided by the City of Los Angeles within the District boundaries. The Hollywood Entertainment District PBID is being established to provide enhanced or otherwise unavailable services, facilities and improvements within the boundaries of the Hollywood Entertainment District PBID.

Budget: The proposed first year budget for the District is \$3,420,647. The detailed District budget is included in Section VI of this Plan.

Method of Financing: The basis of funding shall be through special benefit assessments levied on real properties that will benefit within the District. The State Law and State Constitution Article XIII D require that special assessments be levied according to the special benefit each parcel receives from the improvements. In order to match assessment rates to benefits, three zones of benefit have been created within the proposed District. The zones of benefit have been created due to the different type and frequency of special benefits that will be delivered to each of the respective areas.

Linear street frontage will comprise approximately 59 percent of the assessment revenue.

Building area will comprise approximately 28 percent of the assessment revenue.

Land area will comprise approximately 13 percent of the assessment revenue.

In addition to the core property characteristics (street frontage, building area, land area) that comprise the assessment formula for all parcels in the district, a subset of parcels will be considered part of an alley zone. Properties which front an alley will be assessed at the Zone A rate, in addition to their basic assessment rate (Zone 1, 2 or 3), provided they are accessible to District services. For a property to be considered inaccessible, the parcel owner must provide a verifiable legal city permit (e.g., revocable permit or similar legal instrument) that authorizes a barrier, gate or private use. Such permit will cause that parcel's inaccessible alley frontage to be removed from the assessment for the length of the legal term.

This specially permitted alley frontage will not be assessed because the city's permit process delineates specific conditions and maintenance by the permit holder/property owner that would prevent this footage from benefiting from the District's planned services.

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The assessment formula, zones of benefit and methodology are described more fully in the Engineer’s Report, which is appended to this document. However, for the first year, the maximum allowable rates will be as follows:

	Zone 1	Zone 2	Zone 3	Zone A
Street Frontage	38.22	31.60	27.32	
Land Area	0.0681	0.0610	0.0533	
Building Area	0.1001	0.0847	0.0754	
Alley frontage*				11.78

*Note: In instances where a Zone 1, 2, or 3 parcel also falls within a Zone A alley designation, the additional alley assessment will apply.

Adjustments of Assessment Formula: Subject to a decision by the Owners Association, the assessment rate applied to each of the property dimensions (front footage, building area, land area, alley frontage) may be adjusted annually to reflect the Los Angeles-Riverside-Orange County area Consumer Price Index for All Urban Consumers (CPI-U) at a rate not to exceed three percent (3%).

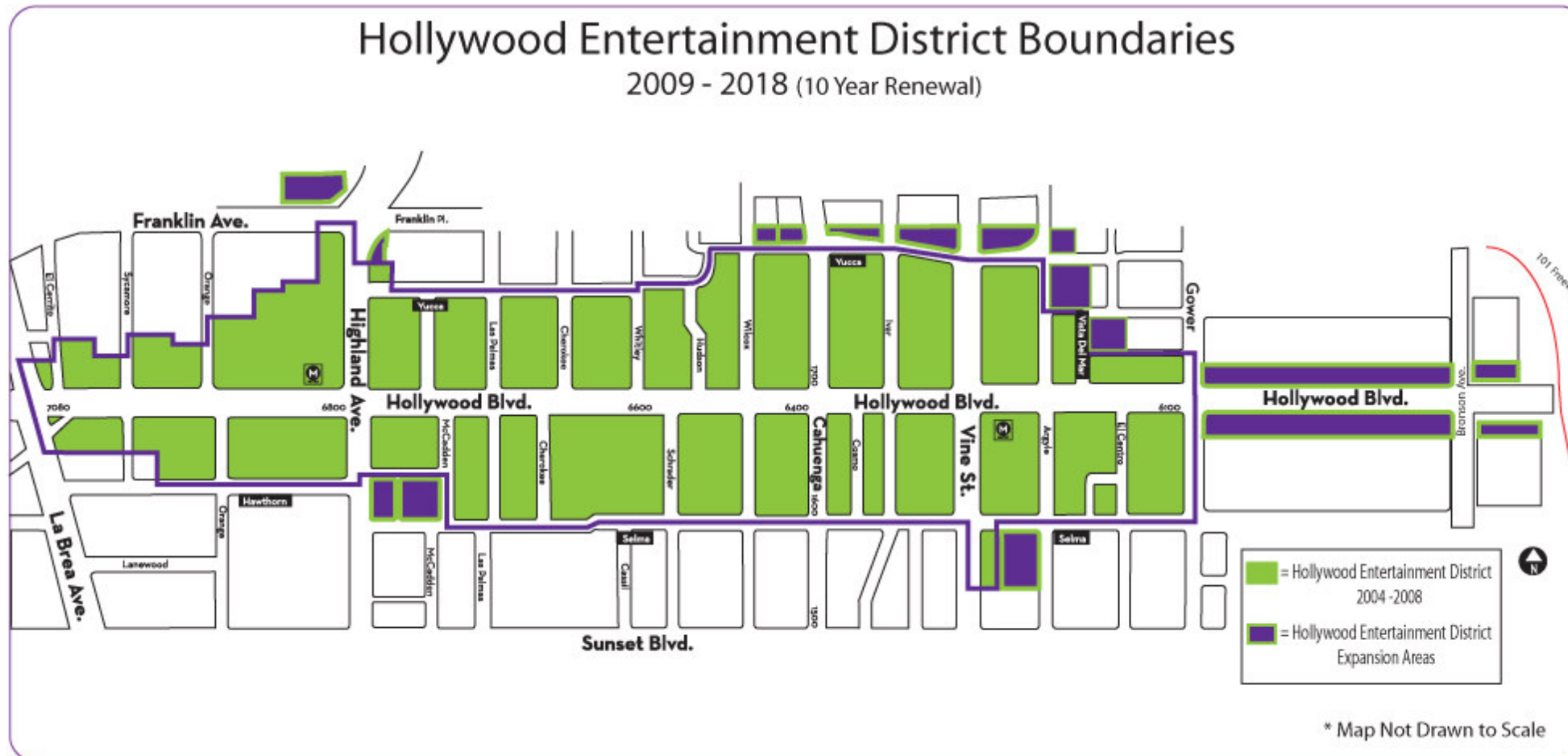
Further, as a result of continued development, the District may experience the addition or subtraction of assessable street frontage, land area, building area, and/or alley footage for parcels included and assessed within the BID boundaries. The modification of parcel improvements assessed within the District may result in an increase or decrease in the amount of total assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in this Management District Plan and Engineer’s Report, provided the assessment formula does not increase, other than through a CPI-U adjustment, mentioned above. For example, as anticipated new development results in the addition of new assessable building area square footage during the lifespan of this BID, the Owners Association may elect to decrease the building area rate for all properties in the District. If the assessment formula changes, then a Proposition 218 election will be required to approve the formula modification.

Bonds: The District will not issue bonds.

District Governance and Management: The city of Los Angeles will enter into a contract with an Owners Association to manage the District. The Owners Association will review District budgets and policies annually, within the limits of the Management District Plan. Annual and quarterly reports will be filed with the City.

Duration: As required by State Law, the District will have a set term. The District’s term will be January 1, 2009 through December 31, 2018. At the end of this period, the District may be renewed pursuant to State Law.

Executive Summary Map



* Larger scale copies of this map are available at the Administrative Office of the Owners Association.

II. FORMAL BOUNDARIES **(See map on page 10 for reference points)**

The Hollywood Entertainment District Business Improvement District includes all property within the boundaries formed by the following description.

Starting at the intersection of La Brea Avenue and the centerline of the alley directly behind the property at 7080 Hollywood Boulevard (Reference Point #1), proceed east to the western boundary of the Hollywood Roosevelt Hotel. Proceed south along the western boundary of the hotel to the centerline of Hawthorn Avenue.

Proceed east along the centerline of Hawthorn Avenue to the centerline of Highland Avenue. Proceed south along the centerline of Highland Avenue to the centerline of Selma Avenue.

Proceed east along the centerline of Selma Avenue to the centerline of Vine Street. Proceed south along the centerline of Vine Street to the southern property line of 1540 Vine Street (Reference Point #2). Proceed east to the centerline of Argyle Avenue. Proceed north along the centerline of Argyle Avenue to the centerline of Selma Avenue. Proceed east along the centerline of Selma Avenue to the centerline of Gower Street.

Proceed north along the centerline of Gower Street to the southern property line of 6060 Hollywood Boulevard (Reference Point #3). Proceed east along the southern property lines from 6060 Hollywood Boulevard across Bronson Avenue to the east property line of Parcel 5545-004-016, which borders the embankment of the 101 Freeway (Reference Point #4).

Proceed north to the northern property line of 5873 Hollywood Boulevard (Reference Point #5). Proceed west along the northern property lines from 5873 Hollywood Boulevard, across Bronson Avenue and Gower Street, to the eastern property line of 6140 Carlos Avenue (Reference Point #6). Proceed north along the eastern property line of 6140 Carlos Avenue to the centerline of Carlos Avenue.

Proceed west along the centerline of Carlos Avenue to the eastern property line of 1750 Argyle Avenue (Reference Point #7). Proceed north along the eastern property lines of the property at 1750 Argyle Avenue and 6210 Yucca Street (Reference Point #8) to the centerline of Yucca Street. Proceed west about 100 ft. along the centerline of Yucca Street to the eastern property line of 1800 Argyle Avenue (Reference Point #9). Proceed north along the eastern boundary of 1800 Argyle Avenue. Proceed west across Argyle Avenue to the northern property line of the DWP building (Reference Point #10).

Proceed west along the northern property lines to the property at 6423 Yucca Street (Reference Point #11). Proceed south along the western property line of 6423 Yucca Street to the centerline of Yucca Street.

Proceed west along the centerline of Yucca Street to the eastern property lines of 1754 Highland Avenue (Reference Point #12). Proceed north to include 1786 Highland Avenue (Reference Point #13). Proceed northwest across Highland Avenue to include 1900 Hillcrest Road (Reference Point #14). Proceed west along the northern property line of 1900 Hillcrest Road then south to the centerline of Franklin Avenue.

Proceed south along the western property line of 1787 Highland Avenue (Reference Point #15) to the northern property line of the property at 6801 Hollywood Boulevard (Reference Point #16). Continue west along the northern property line of the Hollywood and Highland center, (Reference Point #17), to the centerline of Orange Drive. Proceed south along the centerline of Orange Drive to the northern property line of the Peterson Building at 7001 Hollywood Boulevard (Reference Point #18).

Proceed west along the northern property lines of 7001 Hollywood Boulevard across North Sycamore Avenue and El Cerrito Place to the centerline of La Brea Avenue. Proceed south along the centerline of La Brea Avenue to the centerline of the alley behind 7080 Hollywood Boulevard.

Boundary Rationale

Eastern Boundary: The Hollywood Freeway serves as a natural boundary for the east end of the District along Hollywood Boulevard, east of Bronson Avenue. Prior to 2009, Gower Street served as the eastern boundary of the District for eight years, separating an historic commercial zone in Hollywood from a low density commercial zone and residential neighborhood.

Western Boundary: The center line of La Brea Avenue serves as the western boundary, along Hollywood Boulevard. This boundary has existed for 11 years, and the width of La Brea Avenue creates a natural barrier from the historic gateway to Hollywood, and ensures that the parcels to the west do not receive benefit from District services.

Southern Boundary: Hollywood Boulevard, from LaBrea Avenue to Orange Drive, includes just the first commercial parcel along the south side of the Boulevard, and does not incorporate multi-family residential buildings that have not been part of the District since the District was first created in 1996. Further, the Roosevelt Hotel parcel, thought extending the length of the city block, has no access (either pedestrian or vehicular) off of Hawthorn Avenue. From Orange Drive to Highland Avenue, the boundary incorporates the commercial properties one parcel-width deep, that front Hollywood Boulevard, as well as the parcels, fronting Hawthorn Avenue, that serve as public access and/or parking for the adjacent Hollywood Boulevard properties. Immediately south of the boundary line is Hollywood High School, which spans a full city block and is not included within the District.

In the center of the District, the southern boundary is Selma Avenue, extending from Highland Avenue to Gower Street. From Highland Avenue to Cassil Place, Selma Avenue separates the commercial area from a residential area. At Cassil Place, extending to Gower Street, Selma

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Avenue represents the northern boundary of the Sunset and Vine BID, with the exception of the parcel at the SW corner of Vine and Selma which was historically included in the HED boundaries (2004-2008) and was assessed for sidewalk maintenance. From Gower Street to the Hollywood Freeway, the District spans the first commercial parcel on the south side of Hollywood Boulevard.

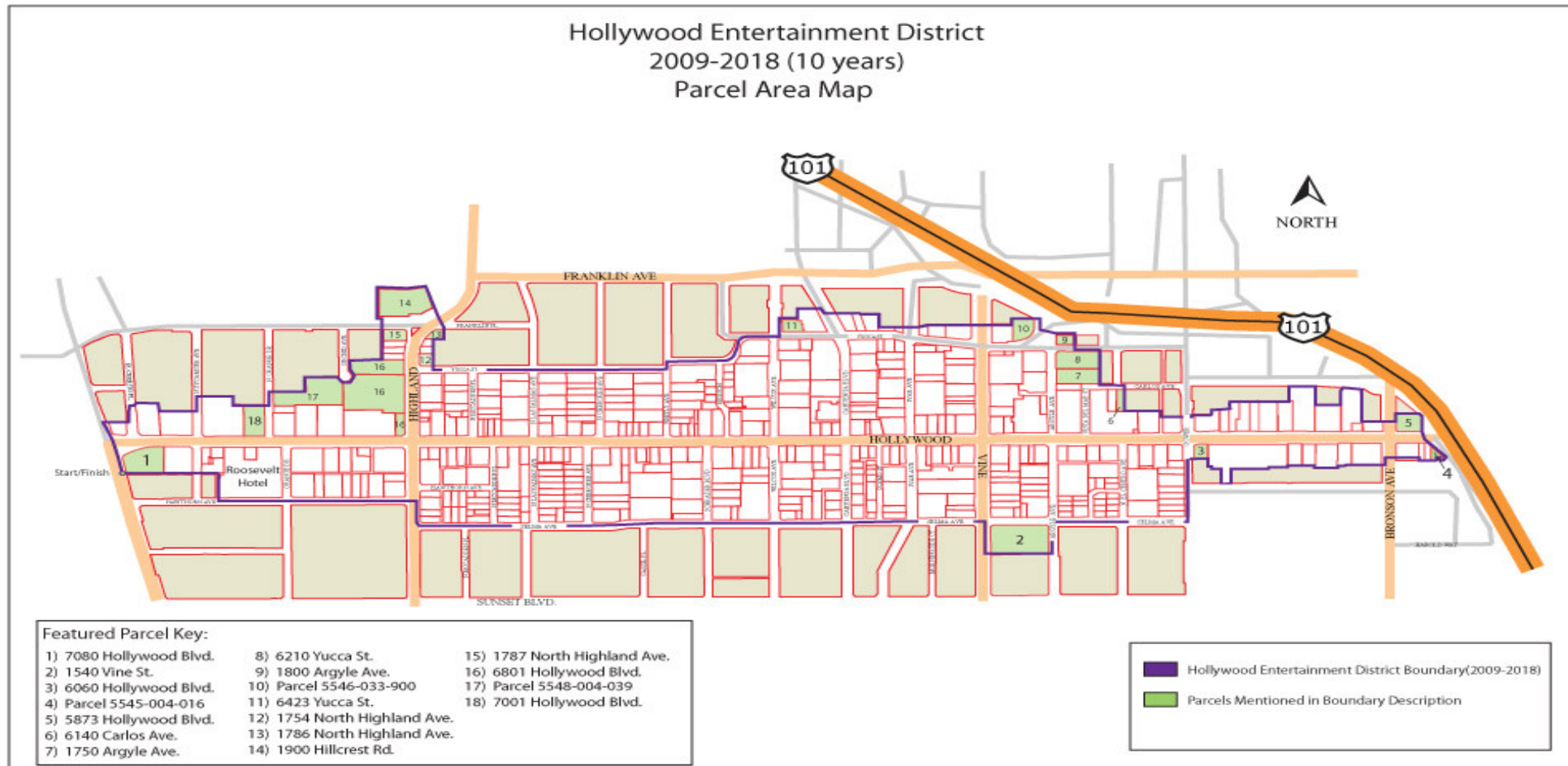
Northern Boundary: Moving east from La Brea Boulevard along Hollywood Boulevard, the boundaries incorporate one parcel north until Orange Drive, where the boundary line extends further north to include the parcels that encompass the Hollywood and Highland center – a self-contained assembly of parcels that are primarily accessible from Hollywood Boulevard and Highland Avenue.

Along Highland Avenue, north, the District includes the parcel at the NW corner of Franklin Avenue and Highland Avenue and the parcel at the SE corner of Franklin Place and Highland Avenue due to the nature of the terrain, existing traffic barriers and median, and the limited pedestrian access to the parcel at the NE corner of Franklin Place and Highland Avenue. The commercial properties at this intersection serve as a natural gateway to the District and are distinguishable from the residentially-zoned properties immediately east of Highland Avenue, north of Yucca Street.

Along Yucca Street, heading east from Highland Avenue, the centerline serves as the barrier until the NE corner of Yucca Street and Wilcox Avenue, owing to the residential neighborhood that characterizes the area north of Yucca Street. Starting at the NE corner of Yucca and Wilcox, heading east, the boundary incorporates parcels fronting Yucca Street on the north side to the NE corner of Argyle Avenue and Yucca Street. This area north of Yucca represents a commercial strip. At the NE corner of Yucca Street and Argyle Avenue, heading south, the boundary incorporates commercial and multi-family residential parcels leading to Hollywood Boulevard.

Heading east, from the NE corner of Argyle Avenue and Hollywood Boulevard, the northern boundary of the District incorporates commercial parcels and excludes the single family residential neighborhood surrounding Carlos Avenue, just west of Gower Street. From Gower Street to the Hollywood Freeway, the District spans the first commercial parcel on the north side of the freeway.

Boundary Map and Reference Points



* Larger scale copies of this map are available at the Administrative Office of the Owners Association

III. ASSESSMENT METHODOLOGY

Assessment law provides that the expenses of a business improvement district shall be allocated in proportion to the benefit received by each parcel. In addition, Article XIID of the California Constitution requires that a parcel's assessment may not exceed the reasonable cost of proportional special benefit conferred on that parcel. Article XIID provides that only special benefits are assessable and that a special benefit is a particular and distinct benefit over and above general benefits conferred on real property or the public at large. The assessment methodology outlined in the Engineer's Report, appended to this document, represents the Steering Committee's and Engineer's determination, honed by several years of experience delivering special services to District parcel owners, of a fair and equitable system of apportioning assessments in relation to the special benefits received by parcel owners.

The cost of providing the authorized services to the properties within the boundaries of the district will be funded by the levy of assessments on those properties, and will be apportioned to them on the basis of their special benefit received, as outlined in the Engineer's Report. For a complete and detailed description of the special benefit rationale, and the assessment formula, please refer to the Engineer's Report included as Appendix A.

Disestablishment

State law provides for the disestablishment of a Business Improvement District pursuant to an annual review process. Each year that the District is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the District was first established by City Council.

Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the Business Improvement District may be disestablished. The City Council will hold a public hearing on disestablishing the District prior to actually doing so.

Termination of BID Services

In the event the Hollywood Entertainment District ends, as a result of the disestablishment process, or through its natural expiration in 2018, funds will be set aside in the final year of its operation to remove equipment, street furniture, trash receptacles and other elements for which there would no longer be a caretaker. The purpose is to avoid creating a burden upon the city for maintenance of BID-financed elements in the public-right-of-way.

IV. TIME AND MANNER OF COLLECTING ASSESSMENTS

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the first fiscal year of operation and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

V. DISTRICT GOVERNANCE AND MANAGEMENT

Consistent with business improvement district (BID) legislation throughout the nation, California's "Property and Business Improvement District Law of 1994" establishes a BID governance framework that allows property owners who pay assessments to determine how the assessments are used. This Management District Plan may be subject to changes if required by the state of California or the city of Los Angeles. Presently, the following components are required within a BID's governing structure:

(A) **City Council:** Following the submission of petitions from property owners representing more than 50% of the assessments to be paid, several public hearings/meetings and the return of mail ballots documenting a majority, weighted by assessment, in favor of the assessment, the City Council may adopt an ordinance to establish the BID. The District will have a ten-year life, and the first assessments for the 2009 calendar year will appear on the October, 2008 tax bill. The District will end in 2018, unless it is renewed by the property owners.

(B) **Management Organization:** To deliver day-to-day services, the city of Los Angeles will enter into a contract with a private sector management organization, referred to herein as the "Owners Association." The management organization implements the programs and is financed in part by proceeds from BID assessments. If the management organization does not perform and provide a level of service that is acceptable to the City Council then the contract may be terminated and an alternative management organization can be selected.

VI. PROGRAM AND BUDGET

The Steering Committee for BID Renewal worked on a proposed budget for the new BID and relied upon the historical information gathered from managing the District dating back to its formation in 1996. The budget for the first year is established at \$3,420,647 and each year *may* be adjusted, subject to the direction of the Owners Association, to reflect annual changes in the Los Angeles-Riverside-Orange County area Consumer Price Index for all urban consumers (CPI-U), or 3%, whichever is less.

All of the improvements and activities detailed below are provided only within the boundaries of the District and provide special benefit solely to the property owners within the proposed District. Inasmuch as all services will be provided to the properties within the District boundaries, and no services will be provided outside the District boundaries, any potential general benefits are intangible and not quantifiable.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefitting the property and business owners within this specialized district and support increased commerce, business attraction and retention, increased property rental income, and enhanced overall safety and image within this commercial core. All services, projects, promotions, security, maintenance, and professional and administration services are provided solely to properties within the district to enhance the image and viability of properties and businesses within the Hollywood Entertainment District BID boundaries and are designed only for the direct special benefit of the assessed commercially zoned properties in the BID. No services will be provided to non-assessed parcels outside the BID boundaries.

Budget Categories

The Budget and Program Summary, which appears at the end of this section (page 20), details the allocation of funds according to budget category. The Owners Association will be vested with the responsibility to enter into contracts with service providers and consultants, hire staff, and manage the day-to-day affairs of the BID. The Owners Association will have the ability to make adjustments to the budget categories as the needs of the District so dictate, and in accordance to the terms and conditions outlined in the contract between the Owners Association and the city of Los Angeles.

What follows is a general description of the types of services to be delivered according to each budget category:

A. Safety and Security Services

General objective: A safe District is a prerequisite to quality of life for the District stakeholders, economic vitality and future business growth. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment (e.g., cameras, lighting, etc.) and organizations which promote safety and security only for those properties within the boundaries of the District.

Specific program and service components: Resources will be earmarked to contract or hire a security team, which will patrol the entire BID and will be responsible for coordinating the District's activities with the Hollywood Division of the Los Angeles Police Department (LAPD), the Los Angeles County Sheriff's Metro Patrol, and the City Attorney's office to deter crime, initiate citizen's arrests when necessary, warn and advise trespassers and panhandlers, and respond to visitor inquiries. The team may either be armed, or unarmed, depending upon the needs of the District, as defined by the Security Committee and the Board of Directors. Among other services, this budget item covers deployment of officers, office space, training, overtime, court pay, vehicles and homeless services outreach. Security services are available throughout the entire District equally on a "call for service" basis, but foot patrols will provide differential levels of coverage to the three zones of benefit.

B. Maintenance and Streetscape

General Objective: A clean, well maintained and attractive business district promotes safety, enhances quality of life for the District stakeholders and contributes to an improved business climate. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment and organizations which promote the cleanliness, attractiveness and aesthetic character only for those properties within the boundaries of the District.

Specific program and service components: Resources will be earmarked to contract with a maintenance vendor and/or hire staff who will provide services – street sweeping, sidewalk sweeping and pressure washing, Walk of Fame star polishing, gutter and storm drain cleaning, landscape services, tree trimming, graffiti removal and sticker removal, trash removal and related services only for those properties within the boundaries of the District.

Monies may be set aside each year to pay for special capital improvements, infrastructure repair (e.g., Star Trackers, palm tree lights, stage lights), new street furniture (e.g., trash receptacles, benches), holiday decorations and similar improvements. These improvements will benefit only the assessment-paying parcels in the District by improving the aesthetics of the area which attracts business and customers. These are services and or repairs that are not otherwise provided by the city of Los Angeles.

C. Special Projects: District-wide Improvements, Marketing and Consulting:

General Objective: To capitalize on the identity of the District in the heart of Hollywood, and to optimize public awareness of the District, it is important to undertake activities to promote the District as a whole. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment, District-serving infrastructure (e.g., pedestrian amenities, street furniture,

wayfinding and parking signage, etc.) and organizations which promote the District as a place to live, visit, shop, work, worship, invest and be entertained for the sole benefit of the properties in the District.

Specific Program and Service Components: Resources may be earmarked to contract or hire professional consulting services to assist with pressing issues facing the property owners in the District. The Owners Association, with input from the property owners, will determine each year how these funds should be allocated. The types of consulting services contemplated include: marketing, media relations, event planning, public relations guidance, economic development, retail recruitment, grant writing, and BID renewal (in the final year of the BID 2017-18).

Funds may be also utilized to match grant proceeds, or for “district branding” opportunities, such as pole banners, logos, and wall maps; promotional materials, including advertising, maps, visitors’ guides, press releases; maintenance of District website; annual economic benchmarking research, and similar projects. In the new BID, overtures may be made to potential corporate sponsors to attract new (non-assessment) revenues to leverage the marketing activities of the BID.

D. District Management, Policy and Administration:

General Objective: A well-managed District optimizes the use of the assessment payer funds, through effective vendor selection and contract management, excellent communications with stakeholders, valuable advocacy on behalf of property owner interest, effective board and committee coordination and sound fiscal management. District management, advocacy and administration will only benefit businesses and property within the District boundaries by attracting business and customers.

Specific Program and Service Components: Administrative funds are allocated to pay for the following items: office expenses, legal, telephone/internet access, accounting services, business meals, travel, insurance (workers comp, general liability and directors/officers liability), dues/subscriptions, equipment/furniture, rent, and database maintenance. Personnel expenses are earmarked for staff persons, payroll taxes and benefits. The administrative office – in addition to coordinating all affairs of the Owners Association, and complying with all contractual obligations to the city of Los Angeles in the management of a BID – also will serve as the “voice” of the property owner to the community, the media and government policymakers.

For example, staff advocacy on behalf of property owners interests on issues affecting the entire district may include, but not be limited to: municipal service levels; law enforcement and public safety; street, sidewalk and sanitation

services; enforcement of existing municipal code; traffic congestion relief and related policies related to parking, valet parking, taxi and shuttle access; tax relief; protection of rights of property owners to form and guide business improvement districts, and other related matters as determined by the Owners Association.

E. Contingency/City Fees/Reserve:

- **Contingency:** A non-earmarked reserve category has been designated to meet special needs arising each year related to security, maintenance, streetscape, special projects or marketing needs.
- **City Fees:** Additionally, each year the BID must pay administrative fees to the city of Los Angeles, which are estimated at less than one (1) percent of the assessment revenues.
- **Reserve for non-payment:** Each year, a small percentage of parcel owners do not pay their assessment to the BID. Eventually, these funds do accrue to the BID, either at the time of property transfer (when all outstanding fees, taxes and assessments are collected) or upon the county of Los Angeles initiating a tax auction to recover delinquent taxes and assessments. If the funds are collected during the life-span of the BID, they are included in operating capital. If they accrue after the BID expires, they accrue to a Special Projects Account. The Steering Committee is recommending setting aside a two percent budget category each year to account for delinquencies.

F. Alley Services

General Objective: To undertake a district-wide alley maintenance, patrol and planning function designed to further the District's vision for a safe and clean system of pedestrian-accessible alleys. Alley services will solely benefit businesses and property within the boundaries of the District in order to support property owners within the District and attract increased customer usage.

Specific Program and Service Components: In the Hollywood Entertainment District, there are approximately 11,455 assessable linear feet of alleys. There are three types of alleys: (a) private alleys; (b) public alleys; and (c) easements. In the proposed BID, the intent is to provide services to those properties adjacent to the alleys in order to facilitate maintenance, improve public safety, and promote pedestrian access and improved functionality in the District. Properties which front an alley will be assessed, provided they are accessible to District services. For a property to be considered inaccessible, the parcel owner must provide a verifiable legal city permit (e.g., revocable permit or similar legal instrument) that authorizes a barrier, gate or private use. Such permit will cause

that parcel's inaccessible frontage to be removed from the assessment for the length of the legal term.

This specially permitted alley frontage will not be assessed because the city's permit process delineates specific conditions and maintenance by the permit holder/property owner that would prevent this footage from benefiting from the District's planned services. For example, property owners who hold revocable permits from the city of Los Angeles which allow the temporary privatization of an alley may request exemption from alley services by providing a letter, by certified mail, requesting removal of the assessment, accompanied by a copy of the permit. The letter must be received by the Owners Association by April 1 each year (commencing with 2009). In the event a certified letter request is not received by the April 1 deadline, the alley assessment will be levied against the adjacent property owners. The following types of services will be provided for the benefit of alley-adjacent owners:

(1) Maintenance: The District's maintenance vendor will provide graffiti abatement, trash and debris pickup (not to be confused with commercial trash hauling); and pressure washing. In situations where an alley may be gated or difficult to access, the property owner can make arrangements with the HED to access the alley for the services to be performed. This service is available to serve all properties adjacent to an alley, provided they are assessed in the alley zone.

(2) Security: The District's security vendor will patrol through the alleys throughout the course of their daily shifts, and will be available to respond to calls for service when incidents arise in an alley requiring the presence of security officers.

(3) Service Coordination: Staff or consultants hired by the Owners Association will be available to assist alley-adjacent property owners with special projects to enhance the aesthetic environment of the District. Special projects may include, but not be limited to:

- Assisting with unification of trash removal with a single commercial hauler, to obviate need for multiple redundant dumpsters in an alley;
- Exploring opportunities for property owners to coordinate on trash compactors in order to free alley space for pedestrian access and business use;
- Creation of special design strategies to improve lighting, landscaping, paving, furnishings, video surveillance and other public amenities to improve alley experience;
- Marketing and communicating to general public about accessible alleyways to promote walkability in alleys;
- Assisting with community problem solving to mitigate nuisances and other issues that arise in the District's alley system.

Zones of Benefit

The District will be divided into four zones and services will be provided accordingly.

<p>Zone 1</p>	<p>Hollywood Boulevard from La Brea to Gower. Vine Street from Yucca to Selma. Highland Avenue from Franklin Place to Selma. Cahuenga from Yucca to Selma.</p>	<p>Receives the highest level of service: more frequent pressure washing; frequent attention from day porters; more trash removal; highest visibility of security; more security cameras; annual tree trimming; more administrative and advocacy attention due to street closures, events and visible tourist and retail attention.</p>
<p>Zone 2</p>	<p>Yucca Street from Highland to Argyle. Argyle Avenue from Yucca to Selma. Ivar Avenue south of Hollywood Boulevard to Selma. Selma Avenue from Gower to Highland. Hollywood Boulevard from Gower to the 101 Freeway. Wilcox Avenue from Yucca to Selma.</p>	<p>Receives moderate service: less frequent pressure washing, less frequent attention from day porters and trash removal; moderate security foot patrol, occasional tree trimming, less intense advocacy and administrative demands due to moderate retail and tourist attention.</p>
<p>Zone 3</p>	<p>El Cerrito, La Brea from Hollywood Boulevard south to Hawthorn; Hawthorn from La Brea to McCadden; Sycamore, Orange, McCadden, Las Palmas, Cherokee, Whitley, Schrader, Hudson, Ivar Avenue north of Hollywood Boulevard (to Yucca), and Bronson.</p>	<p>Receives lowest level of service: occasional pressure washing; occasional attention from day porters; less trash receptacles; infrequent tree trimming; minimal advocacy and administrative demands due to minimal retail and tourist attention.</p>
<p>Zone A</p>	<p>Parcels adjacent to the District system of alleys. (Note: Parcels in Zone A are also in Zone 1, 2 or 3, as appropriate.)</p>	<p>Will receive periodic sweeping, pressure washing, graffiti abatement and debris removal in accordance with the budget afforded through assessment revenues received.</p>

Funds Accumulated from Prior BID Accounts

Additionally, funds that have accrued at the end of the 2004-2008 Hollywood Entertainment District will be placed in a **Special Projects Account**. The Owners Association can utilize this account to pay for one-time special expenses, capital improvements and infrastructure repairs solely within the boundaries of the 2004-2008 BID and not within areas where new parcels have been added as part of the 2009-2018 BID. The types of projects that are appropriate for this account include: trees and landscaping, lights and repairs to lights, street furniture, street

festivals. The amount that will remain in reserve at the end of 2008 is not known at this date. However, it is estimated that the reserve at the end of the BID will be less than \$50,000. Additionally, delinquent assessments from the 2004-2008 tax years that are paid in the future will also accrue to this Special Projects Account.

Dissolution or Renewal

At the end of the ten-year period, if the BID is not renewed, the funds shall be returned to the existing parcel owners subject to procedures outlined in state law and the City's contract with the Owners Association. The current contract stipulates that if the District is discontinued, then the existing assets of the District shall become the property of the city and shall be used only (1) to pay the City any amount owed to it by the BID and (2) to disburse the remaining assets to the owners of assessed properties, apart from any expenses related to dissolving the District.

In the event the Hollywood Entertainment District ends, as a result of the disestablishment process, or through its natural expiration in 2018, funds will be set aside in the final year of its operation to remove equipment, street furniture, trash receptacles and other elements for which there would no longer be a caretaker. The purpose is to avoid creating a burden upon the city for maintenance of BID-financed elements in the public-right-of-way.

Budget and Program Summary

<p><u>A. Safety and Security Services – 49%</u> Deployment of officers (armed and/or unarmed), office space, training, overtime and court pay, vehicles, homeless outreach activities, video surveillance cameras and maintenance and related services.</p>	<p>\$1,593,041</p>
<p><u>B. Maintenance and Streetscape- 26%</u> Daily service throughout the district including sidewalk pressure washing, street sweeping, trash and graffiti removal, landscape maintenance, storm drain cleaning, tree trimming and star polishing. Services are zone-specific. Also includes expenditures for ongoing maintenance of streetscape elements not maintained by city including Star Trackers, non-standard street/sidewalk lighting, trash receptacles, related sidewalk fixtures and holiday lights, unless funds are available through Special Projects accounts.</p>	<p>\$ 846,302</p>
<p><u>C. Special Projects: District-wide Improvements, Marketing and Consulting - 3%</u> Supports services and/or professional consulting to promote and/or improve the aesthetic character of the entire District; services may include media relations; event planning; promotional materials; pole banners and District branding programs; wayfinding signage, pedestrian amenities, website development and maintenance and research.</p>	<p>\$ 109,522</p>
<p><u>D. District Mgmt, Policy and Administration - 16%</u> Provides for office expense, legal, accounting, telephone, insurance, equipment, technical support, city fees, travel, meals, meetings, etc. Includes staff, payroll taxes, benefits.</p>	<p>\$ 524,708</p>
<p><u>E. Contingency/City Fees/Reserve for Non-Pay - 6%</u> Reserve set aside for special needs arising each year relating to security, maintenance, streetscape, special projects or marketing needs. Includes annual administrative fee to city of Los Angeles and reserve for “non pay” of assessments.</p>	<p>\$ 212,074</p>
<p>District Budget Subtotal for Zones 1, 2, and 3</p>	<p>\$3,285,647</p>
<p><u>F. Alley Services (applied to alley-adjacent properties only)</u> Assessment supports graffiti abatement, periodic pressure washing; bulky item pick-up; debris sweeping; and daily security patrols. Staff assistance provided to coordinate: enhanced city service delivery; trash consolidation plans, landscaping, lighting and design.</p>	<p>\$ 135,000</p>
<p><u>District Budget Total</u></p>	<p>\$3,420,647</p>

Hollywood Entertainment District
Management Plan
2009 – 2018

Hollywood Entertainment District
Ten-Year Budget Projection

I. Budget Item	2009		2010	2011	2012	2013	2014	2015	2016	2017	2018
A. Safety and Security Services	1,593,041	48.5%	1,640,832	1,690,057	1,740,759	1,792,982	1,846,771	1,902,174	1,959,239	2,018,017	2,078,557
B. Maintenance and Streetscape	846,302	25.8%	871,691	897,842	924,777	952,520	981,096	1,010,529	1,040,845	1,072,070	1,104,232
C. Special Projects: District-wide improvements, Marketing and Consulting	109,522	3.3%	112,808	116,192	119,678	123,268	126,966	130,775	134,698	138,739	142,901
D. District Management, Policy and Administration	524,708	16.0%	540,449	556,663	573,363	590,563	608,280	626,529	645,325	664,684	684,625
E. Contingency/City Fees/Reserve/Non-pay	212,074	6.5%	218,436	224,989	231,739	238,691	245,852	253,227	260,824	268,649	276,708
F. Subtotal	3,285,647	100.0%	3,384,216	3,485,743	3,590,315	3,698,025	3,808,965	3,923,234	4,040,931	4,162,159	4,287,024
G. Alley Overlay Zone	135,000		139,050	143,222	147,518	151,944	156,502	161,197	166,033	171,014	176,144
TOTAL	3,420,647		3,523,266	3,628,964	3,737,833	3,849,968	3,965,467	4,084,431	4,206,964	4,333,173	4,463,168

**Hollywood Entertainment District
Management Plan
2009 – 2018**

Note: The District will endeavor to reduce and/or supplement budgeted expenditures through grants, donations, and prudent management practices. For the ten year term of the District, annual assessments may be adjusted by lesser of the annual increase in the Los Angeles-Riverside-Orange County area Consumer Price Index for All Urban Consumers (CPI-U) or three percent (3%) per year. Actual annual adjustments may range from zero percent (0%) to three percent (3%). The maximum assessment level is assumed above. Adjustments may differ from year to year depending on the service needs identified by the Owners Association.

The District Fiscal Year will be January 1 through December 31 of each calendar year. Contingency and cash flow reserve funds may be used in any fiscal year. Unexpended assessments or incomplete projects from one fiscal year may be carried forward and re-budgeted for subsequent fiscal years for any approved District purpose.

The budget may be further augmented as a result of continued development. The District may experience the addition or subtraction of assessable front footage, building area, parcel size and/or alley footage for parcels included and assessed within the BID boundaries. The modification of parcel improvements assessed within the District may result in an increase or decrease in the amount of total assessment for these parcels. In future years, the assessments for the special benefits bestowed upon BID parcels may change in accordance with the assessment methodology formula listed herein, provided the assessment formula does not increase, other than through a CPI adjustment, mentioned above.

**VII. ASSESSMENT ROLL
HOLLYWOOD ENTERTAINMENT DISTRICT, 2009 - 2018**

A copy of the Assessment Roll is appended to the Engineer's Report in Appendix A.

