

2013 Planning Report
Hollywood Entertainment District Business Improvement District
Year IV

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 15, 2012 meeting.

2013	Zone 1	Zone 2	Zone 3	Total
Security	729,198	525,693	395,109	1,650,000
Maintenance	614,094	166,397	179,508	960,000
Marketing, Administration, Contingency	499,455	217,210	214,054	930,720
Total	1,842,747	909,301	788,670	3,540,720

Please refer to Attachment A for a draft cash flow statement for 2013 and Attachment B for a detailed budget plan for the year as compared to the budget in the Management District Plan.

A. Summary: 2013 Operating Budget - Gross Assessment Billings = \$3,518,182.

- This year, no CPI inflator was instituted by the HPOA Board of Directors.
- The revenue is predicated upon private assessment payments of \$3,124,667 and government/direct assessments of \$393,515.
- The revenue budget is further adjusted by the following factors: (a) the anticipated cash roll-over from 2012 is estimated at \$300,000; (b) modest interest revenue of \$1,000.

B. Security Program - \$1,650,000 or 47% 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. Currently, the Security Committee is in the midst of a competitive bidding process for this contract as the last time it was bid out was 2006. The contract will likely be consummated in late December, 2012 or early January 2013. Hence the actual contract amount is not known at this time. For the purposes of this report, we have outlined the traditional level of service and expect that the new contract will be similar:

- Average patrol of 416 hours per week plus 79.2 hours for the Director, Assistant Director, and Dispatcher.
- This accommodates seven officers on Monday, eight officers a day Tuesday through Saturday, and six Officers on Sunday.
- On Saturday, one footbeat will represent a pairing of one officer from Hollywood and the second from the Sunset & Vine BID.
- This core scheduling will leave approximately \$35,000 to 40,000 in discretionary patrol funds that would be used to fund special projects and patrols.
- The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters is now housed at the LAPD sub-station at Hollywood & Highland and rent is underwritten by property owner CIM Group. Owing to the program management contract that the HPOA has negotiated with the Central Hollywood Coalition, to manage the Sunset & Vine BID, all security supervision and administrative costs are shared 66% HED and 34% SVBID. However, this percentage breakdown is subject to change, once the new contract is negotiated.

A portion of the security budget is also earmarked for the maintenance of eight video surveillance cameras, donated to the Los Angeles Police Department for their exclusive use. The maintenance contract amounts to \$3,128/month to support these cameras. The camera vendor is Metro Video Systems in El Segundo. The board will be negotiating a memorandum of understanding with the city to determine, in 2013, whether there is a commitment to utilize the cameras in order to justify this expense.

Finally, a monthly retainer with SFW, a company which provides and maintains the Accendo 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 (approximately \$35,000) 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, and quality of life issues.

C. Maintenance - \$960,000 or 27% 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 Committee, which awarded a contract to CleanStreet after a competitive bidding process in 2008. The core services contract, which amounts to \$885,000, is due to expire on December 31, 2013 and will be bid out in the summer of 2013.

Core maintenance services include the following:

- Daily street 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, emptied one time per day.
- 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.
- Polish all brass medallions on all stars 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 \$75,000 in funds are set aside for maintenance and landscaping related services, at the discretion of the Streetscape Committee. The types of projects to be addressed this coming year will include tree trimming, tree watering, tree replacement, equipping of a trailer for maintenance crews, minor infrastructure repairs, lights, etc.

D. Special Projects/Marketing and Consulting - \$120,000 or 3% of budget

This budget category allows for the funding of marketing, communications and special projects to promote the image and improvements within the District. To provide specific guidance in this area, the HPOA board will be involved in a strategic planning retreat in March 2013 to articulate specific projects and priorities for the coming year. Generally speaking, program specifics include the following:

- The production and distribution of a newsletter, six times a year, intended primarily for District assessment paying stakeholders and interested community members;
- The retention of a media relations specialist for a one-year contract to promote positive stories about the District's assessment paying property owners and their activities, property development and business improvement activities;
- The hosting, maintenance and enhancement of the Hollywood Entertainment District's website, www.hollywoodbid.org with consideration given to an overhaul of the web-presence to integrate all the web-based communications into one portal (website, Hollywood HQ, Navigate Hollywood, twitter, etc.).
- Updating and distribution of economic research data (known as the STAR report, for "statistical trends and revenue") to document trends impacting the properties in the BID, including changes in tax revenue, assessed values, rents, and general changes in commercial or retail activity;
- Consideration of activities in support of retail recruitment to support property owner interests in the District;
- Event sponsorships (as a partner), social networking initiatives, or District promotion at the discretion of the board of directors.

The consulting budget is partially earmarked for two main professional agreements:

1. Willdan – who provides quarterly updates to the property data base, and coordinates the annual update to the assessment roll for presentation to the city;

2. Computer Physicians – monthly retainer to maintain the Association’s computers and server.

A discretionary amount remains (approximately \$35,000 to 40,000) to be deployed under the direction of the board for special marketing projects.

E. Administration/Legal/Accounting - \$620,000 or 17% of the budget

This category funds the central office for the HPOA including human resources costs (payroll, payroll taxes, 401(k) and health insurance); rent, telephone, office supplies, insurance, business meals and meeting expenses, travel, parking and the like. Because of the management contract between HPOA and the CHC, administrative and office expenses are allocated 26% to Sunset & Vine, and 74% to Hollywood.

A monthly legal retainer is budgeted for the Association’s counsel, Jeffrey Briggs Esq. Accounting services are provided by RBZ LLP and the annual Financial Review is compiled by Fabio Vasco CPA.

F. City Fees, Contingency and Delinquencies - \$190,720 or 5% 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 at the discretion of the board of directors.

G. Alley District Expense - \$137,010

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 Clean Street, and this contract will be bid out next year.

3. **Revenues carried from year to year.** The Operating Budget is predicated upon a carry-over of \$300,000 from 2012. The year-end budget anticipates \$100,000 to roll into 2014, as shown in Attachment A.

4. Assessments levied upon parcels.

A. Assessment Rates

The assessment rates for the 2012/13 tax year are the following:

Type	Zone 1	Zone 2	Zone 3	Alley
Street Frontage	38.72	32.01	27.68	
Land Area	.0690	.0618	.0540	
Building Area	.1014	.0858	.0764	
Alley Frontage				11.93

B. Assessment roll

Please refer to Attachment C for a detailed list of all assessments as applied to each parcel for the 2012/13 tax year.