

2017 Planning Report Sunset & Vine Business Improvement District

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 Sunset & Vine Business Improvement District, which is managed by the Central Hollywood Coalition, a private non-profit organization.

I. Boundaries and Zones

There have been no changes to the boundaries or the special benefit zones in the SVBID, as laid out in the Management Plan and Engineer's Report, adopted by the Los Angeles City Council on September 14, 2011.

II. Detailed budget

The following budget allocations were approved by the board of directors for the Central Hollywood Coalition at their November 8, 2016 meeting.

Program	2017 Budget		Management Plan	
<i>Maintenance, Streetscape & Beautification</i>	411,381	25%	394,964	28%
<i>Safety & Security Services</i>	848,700	51%	748,726	52%
<i>Marketing & Consulting</i>	40,000	2%	37,334	3%
<i>District Management, Policy & Administration</i>	232,965	14%	173,850	12%
<i>Contingency, City Fees, Reserve</i>	121,001	8%	74,801	5%
	1,654,047	100%	1,429,675	100%

Please refer to Appendix A for a detailed analysis of revenue and expenditures.

A. Summary 2017 Operating Budget Gross Assessment Billings amount to \$1,540,327.

The CHC Board of Directors approved a 1.7% CPI adjustment on May 10, 2016.

(1) The revenue budget is further adjusted by the following factors:

- (a) An anticipated cash roll-over from 2016 is estimated at 113,620.
- (b) Modest interest revenue of \$100 from the bank;
- (c) \$1,654,047 available for the operating budget for 2017

B. Maintenance, Streetscape and Beautification – \$411,381 or 25% of the budget

1. Maintenance - \$381,381

The maintenance program primarily involves oversight of the District's maintenance vendor, Streetplus. The services and priorities of the maintenance contract are guided by the Management

District Plan, the Streetscape Committee and the Board. The contract, which is shared with the neighboring Hollywood Entertainment District BID, was awarded to Streetplus September of 2016 after the BID's previous vendor, CleanStreet, was removed in an effort to upgrade systems, efficiencies, accountability, and use of technology in the BIDs maintenance operations.

The following services are incorporated within the scope of the agreement:

- Daily street and gutter sweeping in all zones 7 days a week
- Sidewalk pressure washing: Zone 1 - one time per month; Zone 2 - one time every six weeks; Zone 3 - one time every other month
- Trash removal twice daily from approximately 40 receptacles in the BID
- Waste removal from three 3-cubic yard dumpsters, emptied three days per week
- Graffiti removal within 72 hours of a report
- Sidewalk and gutter sweeping by one daily day porter working one 8-hour shift
- Limited star polishing on one block of Walk of Fame that falls within SVBID (on Vine from Selma to Sunset)
- Landscaping services which include pruning low lying-branches of all trees within the BID, maintaining tree-wells by removing debris, trash, branches and weeds, and installing decomposed granite on an "as-needed" basis
- Tree watering for trees planted by the BID
- Oversight of all maintenance duties by one full-time supervisor

In 2015, storefront space on Cherokee was acquired to house the maintenance crew, equipment and supplies. The Sunset & Vine BID budget pays for the utilities (approx. \$200/month) associated with this rental space. The Hollywood Entertainment District pays the monthly lease (\$1,300/month).

2. Beautification - \$30,000

This budget item is earmarked for capital improvements, landscape projects and matching fund requirements for beautification grants. The total 2016 budget allocation for beautification was \$30,000. The largest expense was incurred for pedestrian wayfinding signage planning and design (\$17,400). Recurring expenses accounted for remaining expenses, including maintenance service center utilities (\$2,300), branded trash can plaques (\$1,500), landscape installation (\$2,400), and tree maintenance (\$2,300). Anticipated beautification budget expenditures for 2017 include ongoing projects including tree gators, continuing utilities for maintenance service center, and landscaping materials.

C. Safety & Security Services – \$848,700 or 51% of the budget

Members of the Sunset & Vine Security Committee meet in conjunction with the Hollywood Entertainment District on a monthly basis to discuss a full range of public safety issues, such as illegal vending, homelessness and loitering, public urination, drinking in public, vandalism and graffiti, and quality of life issues.

In addition to addressing specific incidents and trends, the committee oversees the following programs: (1) security patrols; (2) one public safety camera; (3) incident tracking software; and (4) homeless outreach.

1. Security patrol: Security services are provided to the district by Andrews International Security. After an extensive RFP process in 2012, Andrews International was awarded a five year contract to continue servicing the BID. The new contract provides the following level of service:
 - Average patrol of 224 hours per week, by officers and sergeants, Monday through Saturday. An additional 40 hours per week are attributed to management staff.
 - On Sunday, two officers patrol the district.
 - The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters and related office space are housed at the LAPD sub-station at Hollywood & Highland, which is donated by the owners of the complex. As a result of the management contract that the CHC has negotiated with the Hollywood Property Owners Alliance (HPOA) all security supervision and administrative costs are currently shared 66% HED and 34% SVBID. This year's budget includes a 5% increase to the contract amount as there has not been a CPI increase in the contract since 2013.

2. Public Safety Camera: A portion of the security budget is earmarked for the maintenance of one video surveillance camera, donated to the Los Angeles Police Department for their exclusive use. Currently, the Sunset & Vine video surveillance camera is located at the intersection of Cahuenga & Sunset. An updated camera was purchased in 2014, and the warranty expired in August of 2015. A \$400/month maintenance agreement will be levied to keep the camera functioning.
3. Incident Tracking Software: The BID contracts with Stack FM to maintain mapping software that tracks security incidents. The approximate annual cost for this service is \$3,500 a year.
4. Homeless Outreach Services: A portion of the security budget may be allocated, at the discretion of the Security Committee, with Board approval, to organizations involved with outreach and service to homeless individuals in the District. Further, given the significant increase in the number of homeless individuals in the BID, a pilot project is underway to assess the effectiveness of embedding an outreach worker in the BID Patrol team who could engage directly with chronically homeless people in the BID and refer them to services. This pilot may turn into a full-time commitment in 2017.

D. Marketing and Consulting - *\$40,000 or 2% of the budget*

This budget item will support activities associated with marketing and promoting the overall district.

Program specifics include the following:

- The production and distribution of a quarterly newsletter to all stakeholders;
- The graphic design and printing of special promotional materials;
- The production of the sixth annual "Sunset & Dine" event, which will involve promotional materials, venue logistics, insurance and related event production expenses;
- The hosting, maintenance and enhancement of the Sunset & Vine BID's website www.onlyinhollywood.org;

- Social media outreach through Only in Hollywood’s various platforms on Facebook, Twitter, Tumblr, Instagram, and various other sites;
- Participation in a new event, Only in Hollywood Music + Arts Festival, in conjunction with the Hollywood Entertainment District;
- Participation in BID Consortium collaborative to pay for administrative staff support to the Consortium (.03% of budget).

If available, marketing funds also may be used towards partnering with other community events, activities or collateral that aim to promote the Sunset & Vine BID as a whole. Examples include sponsorship fees for area festivals, logo plaques for trash receptacles, pole banners and promotion of streetscape projects.

E. District Management, Policy & Administration - *\$232,965 or 14% of the budget*

This area of the budget is primarily earmarked for a professional services agreement between the Central Hollywood Coalition and the Hollywood Property Owners Alliance. The monthly fee will increase from \$13,792 a month to \$14,205 to account for an increase in rent experienced by the HPOA. Other expenses will remain static. The management fee pays for the following services: (a) meeting coordination (monthly board meetings, committees and annual property owner meetings); (b) stakeholder relations; (c) staff time devoted to communications and marketing; (d) website maintenance and updates; (e) media relations; (f) supervision of security and maintenance vendors; (g) community relationship building (e.g., LAPD, city staff, council office); (h) homeless coalition issues; (i) property database management; and (j) BID contract compliance requirements (e.g., quarterly reports, annual reports).

Additionally, a portion of the budget is earmarked for technical consulting with Willdan Financial Services to provide quarterly updates to SVBID parcel database, and to present annual changes to assessment roll. Additional expenses are anticipated for liability insurance; tax preparation; and legal consultation, and the hiring of a BID Renewal Consultant in preparation of the BID’s renewal process.

F. Contingency, City Fees & Reserve - *\$121,001 or 8% of the budget*

1. Contingency - *\$12,000*

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.

2. City fees - *\$31,001*

The city fees are earmarked just below two percent of the annual assessment revenue budget, as stipulated in the contract between the Central Hollywood Coalition and the City of Los Angeles.

3. Delinquency - *\$78,000*

The delinquency allowance is based on payment history.

III. Revenues carried from the previous year

The operating budget is predicated upon a carry-over of \$113,620 from 2016, as shown on Appendix A.¹

IV. Assessment Rates

The method and basis for levying the 2017 assessment remains the same as listed in the Management District Plan. Annual assessments are based upon an allocation of program costs and three (3) zones of benefit with differing rates depending on the type and frequency of special benefit services provided.

Assessments are composed of a calculation of assessable street front footage (approximately 50%), building area (approximately 25%) and land area (approximately 25%). The assessment rates for the 2017 tax year area are as follows:

Variable	Zone 1	Zone 2	Zone 3
Front Footage	\$ 22.20	\$ 14.24	\$ 11.47
Lot Area	\$ 0.08	\$ 0.07	\$ 0.04
Building Size	\$ 0.07	\$ 0.06	\$ 0.04

V. Surplus Revenues

At the end of 2016, the District anticipates having approximately \$113,620 of surplus revenue that will be rolled over into the 2017 Budget. The CHC Board of Directors were informed of the approximate rollover amount on November 8, 2016.

VI. Anticipated Deficit Revenues

No deficit revenue is anticipated to carry over to 2017.

¹ The anticipated rollover results from two outcomes: positive variances at year end that were unanticipated at the time the 2017 budget was prepared and adopted by the board (November 2016) 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. \$132K/month, and this mitigates against having to secure a line of credit to start the New Year. It is anticipated as the BID enters its final year that this cash management strategy will not be necessary.