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December 4, 2023

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

Council Districts 13

REGARDING:

THE HOLLYWOOD ENTERTAINMENT DISTRICT (PROPERTY BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2024 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Hollywood Entertainment District Business Improvement District's ("District") 2024 fiscal year (CF 14-0855-S2). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, an Annual Planning Report for the District must be submitted for approval by the City Council. The Hollywood Entertainment District Business Improvement District's Annual Planning Report for the 2024 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Hollywood Entertainment District Business Improvement District was established on July 2, 2018 by and through the City Council's adoption of Ordinance No. 185462 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 an contributions to be made from sources other than assessments levied.

The attached Annual Planning Report, which was approved by the District's Board at their meeting on October 19, 2023, 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

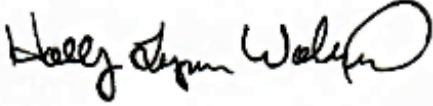
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Hollywood Entertainment District Business Improvement District's 2024 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2024 budget concurs with the intentions of the Hollywood Entertainment District 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 Hollywood Entertainment District Business Improvement District's 2024 fiscal year, pursuant to the State Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly L. Wolcott", is written over a light blue rectangular background.

Holly L. Wolcott
City Clerk

Attachment:

Hollywood Entertainment District Business Improvement District's 2024 Fiscal Year Annual Planning Report

December 1, 2023

Holly L. Wolcott, City Clerk
Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, CA. 90012

Subject: Hollywood Entertainment District PBID 2024 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 Hollywood Entertainment District Business Improvement District has caused this Hollywood Entertainment District Business Improvement District Annual Planning Report to be prepared at its meeting on October 19, 2023.

This report covers proposed activities of the Hollywood Entertainment District BID from January 1, 2024 through December 31, 2024.

Sincerely,

A handwritten signature in cursive script that reads "Lorin Lappin".

Lorin Lappin

Hollywood Property Owners Alliance (HPOA)

Hollywood Entertainment District Business Improvement District

2024 Annual Planning Report

District Name

Hollywood Entertainment District

Fiscal Year of Report

The report applies to the 2024 Fiscal Year. The District Board of Directors approved the 2024 Annual Planning Report at the October 19, 2023 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2024.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2024.

2024 IMPROVEMENTS, ACTIVITIES AND SERVICES**Clean, Safe & Beautification Programs: \$7,009,943.74 (76.20%)**

Enhanced Safe Programs consist of:

- Bicycle Patrol
- Vehicle Patrol
- Foot Patrol
- Homeless Programs
- Video Surveillance Cameras and Monitoring

Enhanced Clean & Beautification Programs consist of:

- Sidewalk Sweeping
- Sidewalk Pressure Washing
- Graffiti & Handbill Removal
- Gutter & Storm Drain Cleaning
- Trash Removal
- Walk of Fame Star Polishing
- Landscape Programs
- Tree Trimming
- Curb Painting
- Street Furniture Painting
- Street Furniture and Amenities
- Public Space Management

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Place Management:

Place Management services and programs for 2024 will include Safety and Security, Hospitality and Cleaning and Maintenance Ambassadors. The vendor for all three programs will be Block By Block. The anticipated 2024 program expenditures are approximately \$5,695,900.

The Safety and Security program for parcels within the district includes patrol of the entire BID to deter and report crime, to initiate citizen's arrests when necessary, to warn and advise trespassers and panhandlers and respond to visitor inquiries. The Safety Team will be unarmed as defined by the HP the Board of Directors.

The Safety program will provide services 24 hours per day, 7 days per week. Anticipated 2024 average patrol hours include 1,064 hours per week for unarmed safety ambassadors, lead safety supervisor, safety manager and General Manager. The Dispatch program will provide services 24 hours per day, 7 days per week. Anticipated 2024 average duty hours will be 320 hours, which will be dedicated to dispatchers and a Communications/Dispatch Director. The deployment schedule is subject to change at the discretion of the Place Management Committee.

The Cleaning and Maintenance program will provide services 24 hours per day, 7 days per week. Anticipated 2024 average duty hours include 1,088 hours per week for cleaning ambassadors and the Cleaning Manager. Cleaning services include daily street and gutter sweeping, sidewalk pressure washing, trash removal from approximately 302 receptacles and seven 3 cubic yard dumpsters in the BID. Graffiti removal within 24 hours of a report and sidewalk/gutter sweeping by 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/City along with polishing the brass medallions on stars located on the Walk of Fame. Other services include cleaning around encampments with permission from the unhoused residents.

The Hospitality program will provide services 32 hours per day, 7 days per week. Anticipated 2024 average duty hours include 504 hours per week for hospitality ambassadors and a lead supervisor. Services include providing wayfinding, proactive engagements, business contacts and other assistance to various district stakeholders. Other duties also include basic litter/sticker removal and reporting information to safety ambassadors when public safety issues arise in the district.

For 2024, the Operations Center will continue as the centralized location within the district's boundaries. Clean, Safe and Hospitality teams will attend their information briefing and begin their day out of this center. Embedded in this center will be a community dispatch where dispatchers will be assigning tasks to program staff via radio or cell phone and inputting data into an incident management system for data collection. Outreach calls for service will also be triaged and dispatched to both internal staff and outreach service providers. Lastly, a

dedicated CCTV system will be monitored in this dispatch center as an extra layer of security awareness for district staff.

The Place Management program also includes fixed costs associated with the occupancy at 1718 Cherokee Avenue, which will be used for the cleaning crew, and \$30,000 in discretionary funds to be used to address the needs and opportunities identified by the program staff and committee.

Finally, the place management program will include expenditures specific to two sub-areas within the HED, \$97,497 for alley maintenance and \$198,610 for the Tourism District Overlay Zone (TDOZ). In the alleys, the HED provides monthly power-washing and weekly cleaning services, and the TDOZ which is governed by a bylaw-enabled steering committee, invests in services such as enhanced security and cleaning and other improvements and services intended to improve the public experiences with the high visitor activity zone. The Alley maintenance line item is earmarked for alley maintenance, security, and the potential purchasing of physical improvements within the assessed alleys. The assessment 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. The Alley and TDOZ budget also include the fixed costs for administration and overhead.

The Place Management budget also includes the true program and fixed costs for personnel, benefits, administration and overhead.

In 2024, \$76,500 in funds are allocated for maintenance and beautification projects, apart from the core maintenance contract. Major initiatives for 2024 include tree trimming, planting, and care of Hollywood's urban forest. \$30,000 is allocated for discretionary funds that can be used to address the needs and opportunities identified by the program staff and committee.

The Place Enhancement budget also includes the true program and fixed costs for personnel, benefits, administration and overhead.

Operations, Communication, City Fees & Delinquent Assessments: \$1,814,255.32 (19.72%)

The improvements and activities are managed by a professional staff that requires centralized administrative support. Operations staff oversee and implement the District's services which are delivered seven days a week. A well-managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs.

Operations staff provide Board and Committee management and administration. Operations staff ensure compliance with all City of Los Angeles contractual obligations including quarterly and annual reports. Included in this item are office expenses, legal expenses, accounting services, professional services, organizational expenses such as insurance, the cost to conduct a yearly financial review, City fees to collect and process the assessments, and a

reserve for uncollectible assessments. Communications, marketing, promotion, and events are also included.

*These percentages do not include the Alley Overlay and Tourism Overlay budgets. The Alley Overlay and Tourism Overlay budgets can be found below and in more detail on pages 22-24 of the District's management plan.

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Communications and Engagement:

The HED will be investing approximately \$110,500 in improved communications mediums and strategies to better include and engage a broader array of stakeholders in HED activities. Examples of investments include maintaining the customer relationship management (CRM) software to better structure stakeholder relationships and supporting communications. Additional activities include the hosting, maintenance and enhancement of the Hollywood Entertainment District's website, www.hollywoodpartnership.com. Finally, the organization plans to develop collateral materials to describe the accomplishments of the BID as envisioned in the Hollywood in Focus strategic plan, social networking initiatives and HED promotion. The contract for the public relations firm to support the media relations efforts will be renewed and the expense will be split among the other 3 departments. \$50,000 is earmarked for discretionary funds, which can be used to address the needs and opportunities identified by the program staff and committee.

The Communications and Engagement budget also includes the true program and fixed costs for personnel, benefits, administration and overhead.

Economic Development:

The HED will be investing approximately \$84,000 in the economic development program, in order to fulfill the role of leading, managing, or collaborating on initiatives, issues, and programs related to the HED's concentrations in economic development, governmental relations, research, media relations concerning planning and economic development, and stakeholder outreach. To accomplish this, the professional staff will continue to develop familiarity with local, regional and national resources in commercial real estate and urban development that can provide reliable sources of research data and related information that supports economic development in the area. Additionally, they will conduct primary research, track market data, and maintain databases on Hollywood that will support the marketing of office, residential and retail space within the HED and other advocacy initiatives intended to improve and benefit the community. \$30,000 in discretionary funds can be used to address the needs and opportunities identified by the program staff and committee.

The Advocacy and Economic Development budget also includes the true program and fixed costs for personnel, benefits, administration and overhead.

General Administration:

This budget category is allocated to pay for the following items not allocated to program areas: staff payroll, payroll taxes, benefits, office expenses, legal, telephone/internet access, accounting services, business meals, travel, insurance (workers comp, general liability and directors/officers' liability, etc.), dues/subscriptions, office equipment, and database maintenance. This category funds the central office for the HP including rent and associated utilities at 6922 Hollywood Blvd. A monthly legal retainer is budgeted for the Association's counsel, Jeffrey Briggs Esq. and ancillary legal expenses. This line item is \$30,000 for 2024 to cover defense costs associated with litigation if needed. The annual financial review and tax return will be compiled by Fabio Vasco, CPA.

The General Administration budget also includes the remaining, unallocated costs for personnel, benefits, administration and overhead.

Contingency/City Fees/Reserve:

This budget category is primarily for "non-pay" of assessments and administrative fees to the City of Los Angeles for collection and distribution of the assessment revenues. Each year, the city levies a fee equal to half of 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 to remove those funds from the net operating budget. This year, the Board is budgeting for delinquency in the amount of \$245,000 or approximately 3% of the general assessment roll. The contingency budget (\$25,000) 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. Given the uncertainty of assessment collection in 2024 due to the ongoing recovery effects from the world-wide pandemic and to account for cost of living adjustments, the Board has not allocated an additional \$344,750 in the event that delinquencies exceed budget.

Alley Overlay Program: \$97,496.77 (1.06%)

Programs within the Alley Overlay consist of:

- Safety Patrols
- Graffiti Removal
- Debris Removal
- Pressure Washing

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In the alleys, the HED provides monthly power-washing and weekly cleaning services. The Alley maintenance line item is earmarked for alley maintenance, security, and the potential purchasing of physical improvements within the assessed alleys. The assessment 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.

Tourism Overlay Program: \$198,609.99 (2.16%)

Programs within the Tourism Overlay consist of:

- Enhanced Safety
- Enhanced Maintenance, Beautification and Streetscape
- Enhanced Marketing, Special Events and Promotional Activities
- Tour Bus Management and Related Facilities
- Special Signage and Wayfinding
- Enhanced Decorations and Lighting
- Regulation Related Activities
- Capital Projects

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The TDOZ, which is governed by a bylaw-enabled steering committee, invests in services such as enhanced security and cleaning and other improvements and services intended to improve the public experiences with the high visitor activity zone.

EaCa Alley Overlay Program: \$79,278.28 (0.86%)

Programs within the Tourism Overlay consist of:

- Alley Vacation Permits
- Enhanced Special Events and Promotional Activities
- Capital Projects

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The EaCa Alley Overlay, which is governed by a bylaw-enabled steering committee, invests in services such as alley vacation permits, special events and capital projects.

Total Estimate of Cost for 2024

A breakdown of the total estimated 2024 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The basis of levying the proposed Hollywood Entertainment District renewal BID's annual assessment is based on four (4) zones of benefit with differing rates depending on type and frequency of special benefit services provided in that zone and two (2) Overlay Zones.

Assessments are composed of three (3) property variables: linear street front footage (50%), parcel square footage (20%), and building square footage (30%) and front footage only in the overlay Zones.

2024 assessment rates:

Zone 1
Frontage 60.8651
Lot 0.1469
Bldg 0.0915

Zone 2
Frontage 35.8250
Lot 0.0841
Bldg 0.1106

Zone 3
Frontage 19.3528
Lot 0.1385
Bldg 0.1487

Zone 4
Frontage 5.9782
Lot 0.0709
Bldg 0.1836

Zone A
Alley Overlay 8.4033
EaCa Overlay 33.8393

Tourism Overlay
Area A 71.0343
Area B 39.6911

(There is a 3.0% CPI increase for 2024)

Surplus Revenues: \$728,097.00

\$690,000 – General Assessment Carry Forward:

The roll-over results from several sources: HP program and services savings, personnel and benefits savings due to staff turnover and a higher collection of current and prior year assessments and bank interest income than budgeted.

At the discretion of each Committee, there was a total savings of \$21,000 in programs and \$24,000 in discretionary line items. As such, services to the assessment payers were not disrupted as a result of this anticipated rollover. Due to turnover within the HP administrative team, two positions were unfilled for two months (VP Operations and Marketing & Communications Manager) even though it was included in the 2023 budget. These changes

resulted in a total of \$42,000 savings from expected expenses related to salary, health insurance premiums, payroll taxes and 401K employer contributions. Finally, The HP received a higher collection of current year private parcel assessments than budgeted, resulting in a \$45,000 savings in the Delinquency line item.

The 2024 HP budget incorporates the rollover as part of the operating budget to be invested in services consistent with the MDP that provide special benefits to the parcels. The remaining carry forward amount of \$345,250 will be spent down in 2024 through the continuation of programs and services for the full ambassador program, beautification efforts, advocacy and economic development, and communication services. Part of this amount will be contributed to the cost escalation of the new ambassador contract (\$165,900) and discretionary funds for all 4 departments (\$140,000).

\$441 – Alley Overlay Carry Forward:

As stated in the Management District Plan, any Alley Overlay annual surplus funds will be rolled into the following year's Alley Overlay budget for use within that specific Overlay.

\$37,656 - EaCa Alley Overlay Carry Forward:

As stated in the Management District Plan, any EaCa Alley Overlay annual surplus funds will be rolled into the following year's EaCa Alley Overlay budget for use within that specific Overlay. EaCa Alley Overlay funds may be rolled over multiple years to pay for capital improvements.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2024.

Contribution from Sources other than assessments: \$325,059.43

\$262,633.05 – General Benefit allocated to Benefit Zones 1-4

\$2,426.38 – General Benefit allocated to Alley Zones

\$60,000 – Estimated Bank interest income

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Hollywood Entertainment District BID- FY 2024

	Zone 1	Zone 2	Zone 3	Zone 4	Alley Overlay	EaCa Alley Overlay	Tourism Overlay	Total	
2024 Assessments	\$4,233,868.78	\$2,335,658.24	\$1,101,430.81	\$140,608.18	\$94,629.39	\$41,622.28	\$198,609.99	\$8,146,427.67	
Estimated Carryover from 2023	\$373,980.00	\$206,310.00	\$97,290.00	\$12,420.00	\$441.00	\$37,656.00	\$0.00	\$728,097.00	
Other Income	\$174,867.11	\$96,467.28	\$45,491.26	\$5,807.40	\$2,426.38	\$0.00	\$0.00	\$325,059.43	
Total Estimated Revenues	\$4,782,715.89	\$2,638,435.52	\$1,244,212.07	\$158,835.58	\$97,496.77	\$79,278.28	\$198,609.99	\$9,199,584.10	
2024 Estimated Expenditures									Pct.
Clean, Safe & Beautification Programs	\$3,799,389.50	\$2,095,973.18	\$988,402.07	\$126,178.99	\$0.00	\$0.00	\$0.00	\$7,009,943.74	76.20%
Operations, Communication, City Fees & Delinquent Assessments	\$983,326.39	\$542,462.34	\$255,810.00	\$32,656.59	\$0.00	\$0.00	\$0.00	\$1,814,255.32	19.72%
Alley Overlay Program	\$0.00	\$0.00	\$0.00	\$0.00	\$97,496.77	\$0.00	\$0.00	\$97,496.77	1.06%
Tourism Overlay Program	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$198,609.99	\$198,609.99	2.16%
EaCa Alley Overlay Program	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$79,278.28	\$0.00	\$79,278.28	0.86%
Total Estimated Expenditures	\$4,782,715.89	\$2,638,435.52	\$1,244,212.07	\$158,835.58	\$97,496.77	\$79,278.28	\$198,609.99	\$9,199,584.10	100%