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January 10, 2022

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

Council Districts 5

REGARDING:

THE MELROSE (PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S 2022
FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Melrose Business Improvement District's ("District") 2022 fiscal year (CF 13-0705). 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 Melrose Business Improvement District's Annual Planning Report for the 2022 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Melrose Business Improvement District was established on August 10, 2018 by and through the City Council's adoption of Ordinance No. 185686 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 December 17, 2021, 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

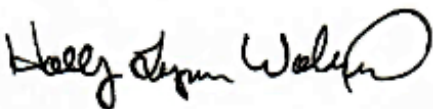
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Melrose Business Improvement District's 2022 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2022 budget concurs with the intentions of the Melrose 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 Melrose Business Improvement District's 2022 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

Melrose Business Improvement District's 2022 Fiscal Year Annual Planning Report

January 10, 2022

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

Subject: Melrose PBID 2022 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 Melrose Business Improvement District has caused this Melrose Business Improvement District Annual Planning Report to be prepared at its meeting on December 17, 2021.

This report covers proposed activities of the Melrose BID from January 1, 2022 through December 31, 2022.

Sincerely,

Donald R. Duckworth

Don Duckworth

Westchester Business Improvement Association

Melrose
Business Improvement District

2022 Annual Planning Report

District Name

Melrose Property Business Improvement District

Fiscal Year of Report

The report applies to the 2022 Fiscal Year. The District Board of Directors approved the 2022 Annual Planning Report at the December 17, 2021 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2022.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2022.

2022 IMPROVEMENTS, ACTIVITIES AND SERVICES

Ambassador/Security Services : \$192,840.08 (24.04%)

Ambassadors / security officers will operate via foot patrols, bicycle, or vehicle; provide directions or assistance; serve as a liaison to the City's police, City Attorney, and other services; coordinate the provision of homeless services; warn and advise trespassers; and, respond to visitor inquiries.

Landscaping, Sanitation, and Beautification: \$310,326.94 (38.69%)

These services may be provided by either staff working for the District or by contractor(s) to the District, or a combination of both. These activities may include, but are not necessarily limited to, the following: street sweeping; sidewalk sweeping; public alley sweeping; sidewalk pressure washing; graffiti removal; sticker removal; street litter pick-up; planting of new or replacement trees; and, irrigation and operation of landscaping, trees, public art, signage, lighting, and other improvements that may be installed by the District, the City, or other entities.

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Carry over funds of about \$150,000 are being retained in this budget category for use in meeting Melrose BID's matching fund requirement for a \$4 Million MTA "Call for Projects" Grant.

Marketing and Promotions: \$126,850.00 (15.81%)

Activities include, but are not limited to, the following: street banners; holiday decorations; a website; social media out-reach; a property owner newsletter; special printing, graphics or advertising; public relations activities; special events or activities; placement of promotional materials in various media; creation and operation of “shop local” incentive programs; etc.

Public Plaza or Farmers’ Market: \$1,000.00 (0.12%)

Temporary or permanent public plaza or farmers’ market activities might include, but are not limited to, the following: promoting People Street, MTA, or other grant funded improvements; promoting corporate or foundation funding of a plaza or farmers’ market; conducting special events; co-sponsoring special events with the Neighborhood Council, Fairfax High School, Melrose Elementary School, the Melrose Trading Post, or other entities; conducting a Melrose Farmers’ Market; etc.

New Business Attraction: \$1,000.00 (0.12%)

These services may be provided by either staff working for the District or by contractor (s) to the District, or a combination of both. The services may include, but are not necessarily limited to, the following: preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District’s best interests as approved by the Owner’s Association.

Policy Development, District Management, and Administration: \$130,580.00 (16.28%)

This budget category collects District costs for implementing the other identified direct services provided to individually assessed parcels, including costs for District renewal. In addition to managing and administering all affairs of the Owner’s Association related to the Melrose BID and complying with all contractual obligations to the City for District operations, this program serves as a “voice” of the assessed parcel owners’ community to the media and governmental policy makers. Development of policies that seek to promote Melrose business, and effective and efficient District management / administration are the products of these services. Such efforts may produce changes that enhance business at a number of levels: within the business improvement district organization; within other community-based organizations; at City Hall and its various departments; or at other levels of government.

Office, Insurance, Accounting, and Other: \$39,585.98 (4.93%)

District expenses included in this budget category include: office supplies, printing, insurance, accounting and bookkeeping services, rental, telephone, meeting expense, database, computer, furnishing, equipment, and other necessary yet general expenses that will be incurred by the District to implement all other improvements and activities.

Total Estimate of Cost for 2022

A breakdown of the total estimated 2022 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The assessment formula has been designed to ensure that no parcel will be assessed an amount that exceeds the cost of the proportional special benefit that parcel derives from the improvements and activities provided by the District. These assessment rates were designed so that one-third (33.33%) of the total assessment will be based on lot size, one-third (33.33%) will be based on improvement size, and one-third (33.33%) based on street frontage. The assessment rates for 2022 are as follows:

Zone 1

Land Area: \$0.1640 per sq. ft.

Building Area: \$0.2138 per sq. ft.

Frontage: \$10.0869 per ft.

Zone 2

Land Area: \$0.0126 per sq. ft.

Building Area: \$0.0601 per sq. ft.

Frontage: \$5.9378 per ft.

Zone 3

Land Area: \$0.1815 per sq. ft.

Building Area: \$0.2463 per sq. ft.

Frontage: \$10.4825 per ft.

(There is No CPI increase for 2022)

Surplus Revenues: \$174,533.00

These funds have accumulated since the District's inception for MTA Grant (\$4 Million) matching funds. Total matching fund requirement is \$150,000 and is planned for expenditure upon request of the grant administrator, City of Los Angeles Streets LA. Grant will provide first mile / last mile pedestrian oriented streetscape improvements in the District, which are currently in design and planned for construction in 2022-23. Remaining \$24,533 in surplus funds was accumulated from unexpended Landscape Maintenance, Sanitation, & Beautification due to Covid-19 reductions in demand and will be returned to that budget category for expenditure for that purpose in 2022.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2022.

Contribution from Sources other than assessments: \$37,658.86

General Benefit contribution from City of Los Angeles.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Melrose BID- FY 2022

	Zone 1	Zone 2	Zone 3	Total	
2022 Assessments	\$412,876.39	\$46,135.83	\$130,978.92	\$589,991.14	
Estimated Carryover from 2021	\$122,144.07	\$13,704.04	\$38,684.89	\$174,533.00	
Other Income	\$26,353.67	\$2,944.88	\$8,360.31	\$37,658.86	
Total Estimated Revenues	\$561,374.13	\$62,784.75	\$178,024.12	\$802,183.00	
2022 Estimated Expenditures					Pct.
Ambassador/Security Services	\$134,955.98	\$15,141.48	\$42,742.62	\$192,840.08	24.04%
Landscaping, Sanitation, and Beautification	\$214,945.37	\$34,282.15	\$61,099.42	\$310,326.94	38.69%
Marketing and Promotions	\$90,444.88	\$0.00	\$36,405.12	\$126,850.00	15.81%
Public Plaza or Farmers' Market	\$1,000.00	\$0.00	\$0.00	\$1,000.00	0.12%
New Business Attraction	\$940.00	\$0.00	\$60.00	\$1,000.00	0.12%
Policy Development, District Management, and Administration	\$91,384.28	\$10,252.92	\$28,942.80	\$130,580.00	16.28%
Office, Insurance, Accounting, and Other	\$27,703.62	\$3,108.20	\$8,774.16	\$39,585.98	4.93%
Total Estimated Expenditures	\$561,374.13	\$62,784.75	\$178,024.12	\$802,183.00	100%