

**HOLLYWOOD PROPERTY OWNERS ALLIANCE
BOARD OF DIRECTORS**

**Minutes
Thursday, June 19, 2015
Taft Building, Suite 600
1680 Vine Street**

Officers and Directors Present

Monica Yamada, President, CIM Group, Inc.
John Tronson, Vice President, Tronson Investment Group
Jan Martin, Secretary, AMDA
Leslie Blumberg, The Fonda
Joseph D'Amore, CRC Entertainment Inc.
Darcy Derler-Judd, Robertson Properties Group
Mark Echeverria, Musso & Frank Grill
David Green, Nederlander Organization
Evan Kaizer, Sieroty Company, Inc.
Chad Lewis, Klein Financial Corporation
John Lyons, Avalon Hollywood/Bardot
Frank Stephan, Clarett West Development
Alyssa Van Breene, DDD-Hollywood/Gower Co., LLC

Present via telephone (does not count toward quorum)

Michael Gargano, Argent Ventures, LLC

Absent

Brian Johnson, Loews Hollywood Hotel
Galo Medina, Comprehensive Financial Services
Mark Stephenson, Hollywood United Methodist Church

Staff

Kerry Morrison
Joseph Mariani
Matthew Severson
Devin Strecker
Ginnie Gallo

Signed in Guests

Leron Gubler, Hollywood Chamber of Commerce
Steve Seyler, Andrews International

I. CALL TO ORDER – Monica Yamada

The meeting was called to order at 4:13 p.m.

II. OPEN FORUM & INTRODUCTIONS

No public comment offered.

III. APPROVAL OF MINUTES

- Approval of the May 21, 2015 Board meeting minutes.

It was moved by John Tronson, seconded by Evan Kaizer, and CARRIED to approve the minutes from the Board's May 21, 2015 meeting. Unanimously approved.

IV. TREASURER'S REPORT – Kerry Morrison

- A. Morrison presented the May 31, 2015 statement which reflected actual monthly expenses of \$273,968 against budget of \$309,878. The City of LA was invoiced in May for a total of \$1.8 million and that will appear on the June financials. The projected end of year cash balance is \$407,859. There are no significant variances to report at this time. The new accounting firm, Gursey Schneider, is scheduled to take full control in August. RBZ has cooperated fully with the new firm making the transition run smoothly.

It was moved by Evan Kaizer, seconded by David Green, and CARRIED to approve the May 31, 2015 financial statement. Unanimously approved.

V. NEW BUSINESS

- No new business

VI. COMMITTEE AND ACTIVITY REPORTS

- A. Streetscape and Planning – Mark Echeverria and Matthew Severson

1. Do Art Foundation – Carmen Zella, executive director of the Do Art Foundation, met with the Streetscape & Planning Committee in the past month. The staff was first introduced to her at the CDA conference where she showed examples of how public art enhances communities. The foundation has the ability to help the BID prepare a comprehensive public art strategic plan which will set program strategies around resource development, marketing/media, artist outreach, external visions/community integration, and internal management operations. This would be a long-term plan. Do Art will help identify potential art sites, obtain city permits, find funding, curate and implement art projects. The art will be sensitive to community wants and needs and will reflect Hollywood's unique identity. Do Art Foundation is working on a proposal which will be presented to the Streetscape Committee and ultimately to the board for consideration.
2. Bureau of Street Lighting Meeting – Morrison and Severson did a walk-through along Hollywood Blvd. with a representative from the Bureau of Street Lighting.

Many light posts are in need of repair, are rusting, have faded colors, etc. Morrison noted that throughout the BID there are many street lighting assessment districts which may explain the vast differences in styles. There is a chance that the lights east of Gower could be changed out and conform to the newer lights that were installed west of Gower in 2005. Severson also pointed out that BSL is willing to repair lights, but they are “complaint driven” and will respond to an inventory that we could present. A temp will be hired to document a data base of existing lighting and repair needs with photos before work can be started.

3. DWP Grant – Severson noted the receipt of \$5,000 to fill tree wells with DG. It will be necessary to do an inventory of what is needed before beginning the project.
4. Great Streets – Hollywood Blvd. between La Brea and Gower has been designated by the City of LA as a Great Street. The initiative aims to reimagine neighborhood centers through community partnerships and temporary public space activation pilots. There have been two positive developments in the past month.
 - a. Maintenance Walk-Thru on June 4th – Severson walked the Boulevard with various city departments and representatives from the Mayor’s office to identify quick-fix maintenance issues with existing city resources. BID provided city with the maintenance punch-list created by the Streetscape Committee in advance of the walk. Severson reported that work has already commenced including replacing street signs, repainting/repairing curbs, removing sign posts, etc.
 - b. Challenge Grant – The city will award ten (10) grants up to \$20,000 with the application due June 30, 2015. The grant aims to support projects that create active and vibrant public spaces. In order to receive the grant, the applicant must show how the organization will reach out to the community; how data will be collected documenting activation of the sidewalk; the use of creativity and innovation; and long term use. Do Art Foundation is working with us on the application. Focus will be on the five Hollywood Blvd. bulb-outs to activate the “mid-BID” section of the Boulevard by generating new street life and a new creative cultural center. The grant proposal incorporates physical elements consisting of bistro tables and chairs, and artistic features which include visual/aesthetic elements, programming/interactive elements, and custom planters. This is a temporary grant which will end April 2016. If the installs are successful it could become a permanent set-up. Both Echeverria and Blumberg expressed the enthusiasm of the committee for this application. The cost of the bistro furniture is \$10,000 and the art installations \$30,000. If we receive the \$20,000 grant the BID will match with \$20,000 from the Streetscape budget. It was also pointed out that \$10,000 could be taken from the old 2004-08 BID account.

It was moved by John Tronson, seconded by Alyssa Van Breene, and CARRIED to authorize the expenditure of \$20,000 toward Challenge Grant with \$20,000 to be matched by the city if successful. Unanimously approved.

5. City Sidewalk Repair – Mariani reported that the city will be paying \$30 million for sidewalk repair over the next 20-30 years. But a proposed ordinance that could take effect as early as January 2016 would determine that commercial properties would be responsible for their own sidewalk repair and residential sidewalks would be repaired one (1) time by the city. Then it would be the responsibility of the property owner. Staff is continuing to monitor these developments.
- B. Ad-hoc Communications Working Groups – Jan Martin and Devin Strecker
1. Festival Working Group –The planning continues for the November festival. Jan Martin and Strecker invited the board to join them after the meeting in visiting several venues that will participate in the festival. After the board meeting the group will visit St. Felix, Record Parlor, Aventine, Hotel Cafe, and Running Goose.
 2. Sunset & Dine – Strecker advised the board that the 4th annual Sunset & Dine has been scheduled for September 24, 2015 at BuzzFeed. The event is in need of sponsors and exhibitors. Though this is a Sunset BID event, many Hollywood venues participate. If interested, board members are invited to attend the next planning meeting on Wednesday, June 24th at 11:30 a.m. in the BID office.
- B. Security – John Tronson, Kerry Morrison
1. Public Hearings on Street Vending – Tronson, Morrison, and Leron Gubler, Hollywood Chamber of Commerce, attended the June 11th Van Nuys hearing. The well-organized group in favor of street vending greatly outnumbered those opposing. At the previous hearing on May 28 in Boyle Heights, Alyssa Van Breene and Devin Strecker represented the BID. The audience was very disrespectful and booed anyone who disagreed with them. The business community is needed to speak up about the impact of a city-wide ordinance. The Central City Association has hired an organizing firm and created a coalition (Coalition to Save Small Business) and is spending \$7,500 each month to organize the business community. Other BIDs are asked to share the burden. Morrison requested the board to approve \$5,000 to help support this grassroots committee mobilizing strategy for sidewalk vending ordinance. She shared information about other BIDs participating, including a \$2,500 contribution last week from the SVBID.

It was moved by John Tronson, seconded by Chad Lewis, and CARRIED to authorize the expenditure of \$5,000 from the security contingency budget to support Coalition to Save Small Business and the coalition building campaign to oppose the street vending ordinance. Unanimously approved.

2. Hollywood Safe Sidewalks – Will present an in depth report next meeting.
3. Homeless Issues – Morrison reported that the statewide BID community is planning for a forum on homelessness issues on July 30. She is on the organizing committee and the intent is to equip BIDs to be proactive in their communities and to

understand public policy options on the table to increase affordable housing, address mental health reform, and related issues.

She also reported that BID Patrol officers have been asked to interview new faces in Hollywood to ask three (3) questions to help us understand why there is such an influx in new homeless individuals in Hollywood. The questions are:

1. One year ago, where were you?
2. Why did you come to Hollywood?
3. What do you need?

Of 36 interviewed in May, 20 lived in another state one year ago (55%). Two-thirds were under 25 years of age. A year ago, 11 of them lived in housing and three (3) had jobs.

4. Andrews Radio Repeater – Mariani reported that the repeater located on the W Hotel failed. Bearcom replaced it with a new one for \$3,500. This amount also included a casing to protect the repeater, batteries for the radios, and a new headset for Andrews' office. Because of officer safety, Mariani checked with the Security Chair before authorizing purchase of the replacement equipment. This comes from Security Contingency budget.

VI. Old Business

- There was no Old Business update.

VII. Staff Report

A. Bid Headquarters Office Update

1. Mariani reviewed with the board the various office space options the staff has visited over the past few months. After much consideration, the staff is recommending the BID office be moved to 6562 Hollywood Blvd. The location is a retail store front located in the "Mid-BID" portion of the district and would allow for the staff to continue to work on enhancing what can sometimes be a challenged part of the district. The location would also allow for ample space to hold board and committee meetings on site, as well as room for the expansion of the BID staff (if needed). The proposed lease is for a 62 month term with 3% annual increases. Utilities and HVAC quarterly maintenance will be the BID's responsibility to pay. One (1) parking space is also included with the lease. The BID has one (1) termination right which can be exercised between August 1, 2018 and October 30, 2018. This can only be exercised if the BID is not reauthorized past December 31, 2018. The lease also calls for the HPOA (tenant) to pay the increase in property taxes and insurance after the base year. Tronson noted that

due to Prop 13 these taxes should be minimal, however if the building were to sell, the HPOA could see a significant increase in costs. Tronson suggested the lease include a protection related to this item, should the owners ever sell the building. Lastly, Mariani went over with the board the projected cost for rent through the remainder of this year and the remaining years of the BID. Due to the rising office rents in Hollywood, this building seemed to be the best cost value of all options seen by the staff since the 3,500 SF space comes at \$1.71/per square foot. It was acknowledged, however, that the BID would still have to adjust their rent budget in coming years in order to account for the increased rent and utility costs.

It was moved by John Tronson, seconded by David Green, and CARRIED to authorize the staff to enter into a Letter of Intent with Hollywood Studios Bldg., LLC to secure office space at 6562 Hollywood Blvd. Approved with one (1) abstention from Evan Kaizer.

2. TI and FFE Costs – Before moving to the 6562 Hollywood Boulevard space, Mariani noted that the landlord (Hollywood Studios Bldg., LLC) will need to do tenant improvements (TI). In discussing the matter, the landlord has agreed to cover a majority of the TI costs, with the HPOA having to pay Furniture, Fixture and Equipment (FFE) costs, as well as any costs associated with the placement of new lighting in the space. Mariani showed the board that there has been savings in rent this year due to the staff re-locating to a temporary space in April 2015. The staff assumes that the HPOA would have to pay rent for the months of August 2015 to October 2015 in their temporary space while their new space is being constructed. The HPOA's current landlord has agreed to keep the staff in the space on a month to month basis at a cost of \$6,567/month (\$2.50/psf), with a seven day option to vacate the space if needed. Assuming the staff would have to stay in the space until October and taking into account other anticipated budgeted costs (parking, cleaning, etc.), it is projected that the HPOA would have approximately \$14,500 in rent savings at the end of the year. The staff suggested that these funds be put toward FFE costs. The staff has worked on a proposed FFE budget which included various items such as: work stations, kitchen appliances, conference room furniture, etc. It is estimated that total costs for relocation would be around \$52,000. The staff requested that the board authorize an expenditure of up to \$40,000 to be used toward any TI or FFE costs associated with the move, in addition to the anticipated \$14,500 in rent savings. The \$40,000 would come from the Contingency budget. Mariani also explained that the HPOA had an option to amortize these costs into the lease, but in an effort to keep the rent budget lower in coming years it may be better to pay the costs out of pocket now.

It was moved by John Tronson, seconded by Chad Lewis, and CARRIED to authorize an expenditure up to \$40,000 from contingency budget for TI and FFE costs associated with new office space. Unanimously approved.

- B. IDA Conference – Morrison reminded the board about the upcoming IDA Conference in San Francisco and encouraged their attendance.

- C. Coffee with the President – The next scheduled coffee is scheduled in the BID office on July 10 at 9:00 a.m. Yamada reported that the information gained is very helpful.

- D. Demolition Party – Morrison gave the board the invitation flyer to a Demolition Party at The Center at Blessed Sacrament on July 16th at 6:30 p.m.

VIII. Next Meeting: The next meeting will be held on July 16, 2015

IX. Adjournment: The meeting was adjourned at 5:55 p.m.