



Hollywood Entertainment District
Property Owners Association
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April 27, 2006

TO: Holly Wolcott
Office of the City Clerk

FROM: Kerry Morrison
Executive Director
Hollywood Entertainment District POA

SUBJECT: First Quarter
January 1, 2006 - March 31, 2006

As is required in our Agreement with the City of Los Angeles, I am submitting our First Quarter Report to summarize key activities of the Hollywood Entertainment District.

I Operational Issues

- The Board held a strategic planning retreat on February 3, 2006. It was facilitated by David Feehan, the president and CEO of the International Downtown Association. The retreat report was sent to the Board for review and discussion at their April 2006 board meeting, and will be sent to the property owners along with the Annual Review statement in May.

II Security

- The City Council adopted a motion in January approving the donation of an additional \$80,000 worth of video surveillance cameras and related equipment to the Los Angeles Police Department.
- HED staff conducted a walk-through with Metro Video Systems on January 20, 2006 to look at the four potential sites for cameras in the District.
- Hold harmless letters and Installation Agreements were sent to the four property owners installing equipment on their properties to support the camera system.
- HED staff and the security team continue to monitor the situation in Selma Park, where a Saturday feeding program for homeless individuals has

Property
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Monica Yamada
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Gains
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Church of Scientology
International

Alan Sieroty
Sieroty Company

Thaddeus Smith
The Music Box at the
Henry Fonda

Tej Sander
Hollywood
Guinness War
Museums

John Traxson
Traxson Investment
Group

Bob Victor
VanOven Realty
Corporation

Kerry Morrison
Executive Director

overtaken a park intended for neighborhood children. Attempts will be made to organize the families to prevail upon the council office to declare the entire park a "children's only" playground.

- The contract with Burke Executive Security was renewed through 12/31/06. The amount is \$1,012,000. This particular contract includes a component for a 10-week demonstration project whereby one footbeat of armed officers will be replaced by two unarmed ambassadors for the summer months in an attempt to see if there is a significant impact on public safety by moving to a "hybrid" security patrol arrangement.

III Streetscape Issues

- To complete the "Fan Palms West" project, all terrazzo was repaired in January.
- The city of Los Angeles denied the HED's grant request (city beautification grants) to fund furniture for the Hollywood Boulevard "public patio." The Board is still committed to this idea, however, and authorized an expenditure of \$3,000 from Special Projects to fund the tables and chairs for this demonstration project.
- Tru Green Landcare was contracted to trim all the trees along the Walk of Fame. These expenses are currently paid for by the Hollywood-Vine Assessment District.

IV Marketing Issues

- HED had to re-configure its proposed pole banner campaign due to recent changes to the city ordinance governing pole banners. The language must be content neutral. Five out of the six sponsoring organizations were identified by the end of the first quarter: Verizon Wireless, Hollywood Wax Museum, The Music Box at the Fonda, Whole Foods and Clarett Group.
- The Board authorized a \$22,000 media buy to run the "Hollywood 90028" radio ads again this summer on KCRW. The 10-week strategy touts the desirability of this area as a residential destination.
- The Committee has begun researching the possibility of seeking corporate sponsorships for a public art installation for this year, or 2007, in an attempt to drive more foot traffic to Hollywood Boulevard and also provide alternatives to some of the deteriorated storefronts and buildings that still dot the landscape. Currently the HED is working with Los Angeles Contemporary Exhibitions on this idea.

V. OTHER

- Dr. John MacDonald of the RAND Corporation met with Kerry Morrison in January and visited a board meeting. He is involved with a four-year research project, funded by the Center for Disease Control, which will focus on BIDs and their interactions with surrounding communities and their impact on quality of life in the expanded neighborhoods.
- At the February 16, 2006 meeting of the Board, the directors amended the street closure policy to essentially oppose any street concert of athletic events held in the HED unless the private event sponsors fully reimburse the city for all direct costs associated with these events.
- Board member John Tronson attended a meeting on 3/22/06 with city officials to discuss the L.A. Triathlon and the desire on the part of the HED to see the route moved out of Hollywood next year. Further, the HED has formally requested a public hearing on the Triathlon, prior to the city considering the renewal or extension of the contract with the city, which expires after the 2007 event.
- Kerry Morrison was interviewed on February 2, 2006 by the BBC who was doing a documentary about the Los Angeles Police Department and was seeking information about how community groups work closely with LAPD on problem solving and public safety issues.

Hollywood Entertainment District – First Quarter Expenditures

Revenue Received to Date: \$ 914,089

Budget Line Item	Budget Allocation	Total Expended this Quarter	total Expended YTD	Projected Remaining for the Year
Security	1,112,000	229,154	229,154	882,846
Maintenance & Streetscape	636,195	106,530	106,530	529,665
Marketing & Consulting	156,000	19,901	19,901	136,099
Administration	136,271	44,909	44,909	91,362
Personnel	221,676	57,910	57,910	163,766
Contingency	60,000	-	-	60,000
Total	2,322,142	458,404	458,404	1,863,738

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	ORIG BUDGET	January Actual	February Actual	March Budget	March Actual	March Difference	April Budget	May Budget	June Budget	July Budget	August Budget	September Budget	October Budget	November Budget	December Budget	YTD	ORIG BUDGET	DIFFERENCE	
WCDCM																			
Gross Assessment Income	2,377,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,377,555	2,377,555	-
<Projected delinquencies>	(75,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(75,000)	(75,000)	-
Net Income	2,302,555	-	-	220,000	-	(220,000)	218,864	185,000	650,000	280,000	-	65,000	30,000	17,555	-	-	2,340,910	2,302,555	37,855.43
Assessment Penalty Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	10,000	381	1,070	850	1,883	1,913	700	700	900	1,800	1,400	1,700	1,000	100	100	11,894	10,000	1,894.00	
Misc Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	2,312,555	381	818,189	220,850	1,883	(218,887)	219,564	185,700	650,900	281,800	1,400	81,700	31,000	17,655	100	3,352,204	2,312,555	39,848.83	
EXPENSES:																			
Security contract	1,010,000	78,589	78,483	75,000	75,000	80	75,000	92,000	75,000	154,000	85,000	108,000	84,000	72,000	78,000	1,010,132	1,010,000	(1,688)	
Security office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security contingency	100,000	-	2,546	-	78	78	-	-	-	-	-	40,000	30,000	-	30,000	103,022	100,000	3,022	
Maintenance & Streetscape																			
Maintenance contract	638,189	81,448	85,083	81,850	-	(81,850)	53,405	53,405	53,405	53,405	52,405	53,405	53,405	53,405	53,405	587,173	638,189	(49,821)	
Miscellaneous - Streetscape	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tree expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Consulting																			
Marketing Activities	80,000	3,234	394	5,000	4,320	(880)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	52,148	80,000	(8,852)	
Marketing - ERA Research	20,000	-	-	3,348	5,405	(95)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	62,753	60,000	(2,477)	
Marketing-consulting	60,000	-	-	2,500	1,000	(1,500)	-	2,500	-	-	-	-	-	-	-	3,000	10,000	(1,500)	
Consulting	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration																			
Accounting Fees	29,850	-	1,850	1,850	1,850	-	1,850	1,850	7,450	1,850	3,790	1,850	1,850	1,850	3,790	28,850	29,850	(1,000)	
Business Meals	2,500	21	-	270	654	384	270	270	270	270	270	270	270	270	270	2,440	2,500	(60)	
Dues/Subscriber/Books	1,250	1,513	33	100	650	550	100	100	100	100	100	100	100	100	100	1,000	1,250	1,900	
Health Insurance	27,000	344	-	-	344	-	-	-	-	-	-	-	-	-	-	26,656	27,000	(344)	
Legal	8,000	884	422	500	785	285	500	500	500	500	500	500	500	500	500	8,881	8,000	881	
Office Expense	6,000	724	687	500	1,919	1,419	500	500	500	500	500	500	500	500	500	6,000	6,000	(900)	
Telephone	8,000	333	581	500	592	92	500	500	500	500	500	500	500	500	500	7,830	8,000	(1,830)	
Travel	3,000	-	-	-	38	38	-	-	-	-	-	-	-	-	-	3,000	3,000	-	
City fees	23,813	-	23,778	-	607	657	250	250	250	250	250	250	250	250	250	22,778	23,813	(1,035)	
Miscellaneous	3,000	88	2,485	250	803	653	1,000	-	-	-	-	-	-	-	-	2,000	3,000	(1,000)	
Office exp - furniture	3,000	-	-	-	400	400	-	-	-	-	-	-	-	-	-	3,600	3,000	600	
Office equipment	3,000	185	-	-	-	-	-	-	-	-	-	-	-	-	-	14,161	13,000	1,161	
Rent	13,500	225	834	955	1,728	773	955	955	1,183	1,183	1,183	1,183	1,183	1,183	2,388	-	-	-	
Interest expense/bank fees	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	1	-	1	
Personnel																			
Staff Salaries	208,724	17,706	17,238	17,227	17,226	(1)	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	17,227	207,202	208,724	(1,522)	
Temp Salaries	3,000	-	-	250	852	702	250	250	250	250	250	250	250	250	250	3,452	3,000	452	
Payroll Taxes	14,184	1,835	1,499	1,183	1,487	285	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	1,183	15,248	14,184	1,064	
Contingency	60,000	-	-	-	5,000	(5,000)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000	60,000	(10,000)	
Total Cash Disbursement	3,321,211	184,106	188,850	188,834	119,647	(65,287)	188,889	187,389	183,717	218,617	189,887	243,887	118,717	168,917	218,830	3,251,163	3,321,211	(69,848)	
Net Cash Flow	(8,656)	(153,745)	729,309	52,016	(115,264)	(185,800)	50,677	(1,689)	467,183	48,183	(168,587)	(116,987)	(187,717)	(148,262)	(218,730)	98,101	(8,656)	107,257	
LINE OF CREDIT INC																			
OTHER																			
BEGINNING CASH	297,718	297,718	58,898	181,835	618,762	878,439	668,750	1,135,933	1,183,116	993,549	816,562	629,865	478,883	297,718	297,718	297,718	297,718	297,718	
Adjustments																			
Beginning Assets	8,283.43	8,283.43	28,963.61	-	-	-	-	-	-	-	-	-	-	-	-	42,740	42,740	-	
Ending Assets	(8,283.43)	(28,963.61)	(28,963.61)	-	-	-	-	-	-	-	-	-	-	-	-	(8,283.43)	(8,283.43)	-	
Beginning Liabilities	(190,882.83)	(181,788.04)	(175,188.68)	-	-	-	-	-	-	-	-	-	-	-	-	(181,788.04)	(181,788.04)	-	
Ending Liabilities	161,788.64	175,188.63	176,687.30	-	-	-	-	-	-	-	-	-	-	-	-	161,788.64	161,788.64	-	
ENDING CASH	297,718	58,898	781,835	618,762	878,439	668,750	1,135,933	1,183,116	993,549	816,562	629,865	478,883	297,718	297,718	297,718	297,718	297,718		
Summary		January	February	March	April	May	June	July	August	September	October	November	December	YTD					
Detail of Assets	Beginning Assets: accounts receivable (assessment income)-\$8,283.43, due to/from HED \$1-83-\$1,028, due to/from Marketing Co-op-\$14,522.18																		
Detail of Liabilities	Ending Assets: accounts receivable (assessment income)-\$8,283.43, due to/from HED \$1-83-\$1,028, due to/from Marketing Co-op-\$14,522.18																		
	Beginning Liabilities: payables & accruals-\$181,788.04, payroll taxes payable-\$34,58, security payable-\$40,462.11, accrued expenses (employee vacations)-\$13,333																		
	Ending Liabilities: payables & accruals-\$180,883.35, payroll taxes payable-\$39.18, security payable-\$32,482.11, accrued expenses (employee vacations)-\$13,333																		

*NOTE: Certain December budgeted amounts have been doubled to account for year-end accruals