

Fashion District
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Fashion District Business Improvement District (District). The District is operated by Downtown Los Angeles Property Owners Association, Inc., a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2017 Fiscal Year. The District Board of Directors approved the 2017 Annual Planning Report at the November 17, 2016 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2017.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2017.

2017 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean and Safe (Zones 1-9): \$3,016,169.63 (66.00%)

Clean Program

The following summarized services are planned to be provided: sidewalk and gutter litter sweeping, trash pickup and removal from the district, sidewalk cleaning, graffiti and handbill removal, landscape service.

Safe Program

The following summarized services are planned to be provided: day-time patrolling bicycle personnel and nighttime vehicle patrol, welfare checks, location checks, citizen assists, plus others. The purpose of the Safe Program is to deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking lots and alleys. The presence of the Safe Team personnel is intended to deter such illegal activities as public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Program will supplement, not replace, other ongoing police patrol efforts within the District. The Safe Team will maintain communication with the Los Angeles Police Department (LAPD) area patrols and intends to report illegal activities to the LAPD.

Communication (Zones 1-9): \$374,750.00 (08.20%)

The following summarized services are planned to be provided: business survey to update

website directory, pedestrian count, consumer data and market strategy, economic development, space activation, destination marketing, public and media relations, district stakeholder communications, weekly e-newsletter, quarterly newsletter, website, holiday campaign, social media outreach.

Management/City Fees (Zones 1-9): \$487,795.00 (10.67%)

Management

The improvements and activities of the District are managed by a professional staff that requires centralized management support. Management staff oversees the District's services which are delivered seven days a week. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Included in this item are the cost to conduct a yearly financial audit and insurance.

City Fees

The City of Los Angeles charges the District 1% of the annual billed assessments to collect and process the assessments.

Delinquent Assessments

The District establishes a reserve for delinquent assessments based on prior collection experience.

Depreciation

The cost of capital equipment is depreciated over the estimated useful lives of the equipment. These funds accumulate into an equipment replacement reserve.

BID Renewal

The BID Renewal process will be started in 2017.

North Alley Overlay (Zone 1A): \$341,882.68 (07.48%)

In addition to the clean, safe and communication services provided to each individually assessed parcel, the Santee Alley property owners defined as Overlay Zone 1A are provided additional clean, safe and communication services paid through an additional assessment in that zone. Santee Alley is unique from other areas in the district because it has the highest pedestrian volumes in the district and requires more services. Parcels that are within Overlay 1A are also in Zone One and will pay both the Zone One and the Zone 1A assessments.

South Alley Overlay (Zone 1B): \$349,698.04 (07.65%)

In addition to the clean, safe and communication services provided to each individually assessed parcel, the Santee Alley property owners defined as Overlay Zone 1B are provided additional clean, safe and communication services paid through an additional assessment in that zone. Santee Alley is unique from other areas in the district because it has the highest pedestrian volumes in the district and requires more services. Parcels that are within Overlay

1B are also in Zone One and will pay both the Zone One and the Zone 1B assessments.

Total Estimate of Cost for 2017

A breakdown of the total estimated 2017 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The basis of levying the proposed Fashion District BID's 2017 assessment is unchanged from 2016 and is based on nine (9) benefit zones with two (2) overlay subzones each with differing rates depending type and frequency of special benefit services provided in that zone. Assessments are composed of street front footage, lot square footage, building square footage, plus Alley front footage in the two subzones of Zone 1: Santee North Alley Zone 1A and Santee South Alley Zone 1B. The Management District Plan allows for a maximum annual assessment increase of 4% for all areas except the Santee Alley sub-zones which allows for a maximum annual assessment increase of 8%. The Board voted for an increase to the maximum 4% for Zones 1-9 for 2017, a 3% increase for Santee North Alley Zone 1A and an 8% increase for Santee South Alley Zone 1B for 2017.

Fashion District 2017 Assessment Rates:

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9
Front Linear Footage	\$5.0325	\$4.1068	\$2.7455	\$8.0733	\$2.4243	\$1.2296	\$1.0556	\$4.6514	\$6.2158
Lot Square Footage	\$0.2347	\$0.1908	\$0.1093	\$0.3661	\$0.0944	\$0.0560	\$0.0420	\$0.1884	\$0.2622
Building Square Footage	\$0.0236	\$0.0177	\$0.0326	\$0.0048	\$0.0136	\$0.0375	\$0.0685	\$0.0322	\$0.0404
North Alley Overlay (Zone 1A)*	\$308.7384								
South Alley Overlay (Zone 1B)*	\$258.4643								

* Based on Alley Front Linear Footage

(There is a 4% CPI increase for 2017)

Surplus Revenues: \$508,288.00

Over the years the BID has generally spent less than budgeted in order to reserve funds needed to cover non-paying assessments, capital equipment replacement and BID Renewal. The surplus revenues are allocated as follows: (Zones 1-9 \$416,326)(North Alley Overlay Zone 1A \$56,104)(South Alley Overlay Zone 1B \$35,858)

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2017.

Contribution from Sources other than assessments: \$176,142.00

The District projects to collection the following contributions from Other Sources:

Interest and Penalties from County and City \$10,000

Interest Income (Investments) 6,000

Service Revenue (Broadway St. Plazas) 39,851

Merchants Trash Pick-Up Revenue 10,000

Other Revenue (Sponsorships / Website Advertising / Other) 16,300

Grants (DWP) 5,000

General Benefit Funds (Zones 1-9) 75,479

General Benefit Funds (N Alley Overlay Zone 1A) 6,978

General Benefit Funds (S Alley Overlay Zone 1B) 6,534

Total 176,142

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Fashion District BID- FY 2017

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 9	Total	
2017 Assessments	\$1,130,566.89	\$1,385,898.62	\$445,467.42	\$84,143.85	\$60,385.58	\$60,385.58	\$17,818.70	\$338,225.26	\$362,973.45	\$3,885,865.35	
Estimated Carryover from 2016	\$160,655.79	\$174,856.91	\$56,204.01	\$10,616.31	\$7,618.77	\$7,618.77	\$2,248.16	\$42,673.42	\$45,795.86	\$508,288.00	
Other Income	\$40,345.95	\$68,304.59	\$21,955.05	\$4,147.07	\$2,976.13	\$2,976.13	\$878.20	\$16,669.58	\$17,889.30	\$176,142.00	
Total Estimated Revenues	\$1,331,568.63	\$1,629,060.12	\$523,626.48	\$98,907.23	\$70,980.48	\$70,980.48	\$20,945.06	\$397,568.26	\$426,658.61	\$4,570,295.35	
2017 Estimated Expenditures											Pct.
Clean and Safe (Zones 1-9)	\$497,667.98	\$1,266,791.25	\$407,182.90	\$76,912.33	\$55,195.90	\$55,195.90	\$16,287.32	\$309,157.39	\$331,778.66	\$3,016,169.63	66.00%
Communication (Zones 1-9)	\$61,833.75	\$157,394.98	\$50,591.25	\$9,556.13	\$6,857.93	\$6,857.93	\$2,023.65	\$38,411.88	\$41,222.50	\$374,750.00	08.20%
Management/City Fees (Zones 1-9)	\$80,486.18	\$204,873.89	\$65,852.33	\$12,438.77	\$8,926.65	\$8,926.65	\$2,634.09	\$49,998.99	\$53,657.45	\$487,795.00	10.67%
North Alley Overlay (Zone 1A)	\$341,882.68	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$341,882.68	07.48%
South Alley Overlay (Zone 1B)	\$349,698.04	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$349,698.04	07.65%
Total Estimated Expenditures	\$1,331,568.63	\$1,629,060.12	\$523,626.48	\$98,907.23	\$70,980.48	\$70,980.48	\$20,945.06	\$397,568.26	\$426,658.61	\$4,570,295.35	100%