

Section 3 District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a series of property owner meetings the Historic Downtown Business Improvement Renewal Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were: safety/cleaning, and communication/marketing/development. All of the services provided such as the security work provided by the Safe Team and the cleaning work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each assessed property within the District provide particular and distinct benefits to each of the assessed parcels within the District.

All of the improvements and activities detailed below are provided only to individually assessed parcels defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the individually assessed properties within the proposed District. No improvement or activities are provided to parcels outside the District boundaries. All assessments outlined in this Management District Plan go only for services directly benefiting each of the assessed parcels in this District. All services will be provided to the assessed parcels defined as being within the District boundaries and no services will be provided outside the District boundaries. Each of the services: clean, safe, communication/development and administration are unique to the District and to each of the Districts individually assessed parcels, therefore all benefits provided are particular and distinct to each individually assessed parcel.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the assessed parcels within this area and support increased commerce, business attraction and retention, increased property rental income, increased residential serving businesses such as restaurants and retail and enhanced overall safety and image within this commercial core. All services, projects, promotions, security, cleaning and professional/administration services are provided solely to assessed parcels within the district to enhance the image of assessed parcels and businesses within the Historic Downtown Business Improvement District boundaries and are designed only for the direct special benefit of the assessed parcels in the District. No services will be provided to parcels outside the District boundaries. (For a further definition of special benefits see Engineer's Report page 13 "Special Benefit")

The total improvement and activity plan budget for 2014, which is funded by property assessments is projected at \$1,608,405. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services over the last 15 years. Actual service hours and frequency may vary in order to match varying District needs over the 5 year life of the District. A detailed operation deployment for 2014 is available from the property owners association. The budget is made up of the following components.

CLEAN, SAFE AND BEAUTIFUL PROGRAMS

\$1,177,797

Safe Team Program

The Safety Program will provide security services for the individual assessed parcels located within the District in the form of patrolling bicycle personnel, nighttime vehicle patrol and downtown ambassadors. The purpose of the Safe Team Program is to prevent, deter and report illegal activities taking place on the streets, . The presence of the Safe Team Program is intended to deter such illegal activities in front of individual assessed parcels.. The Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safe Team Program will maintain communication with the Los Angeles Police Department (LAPD) area patrols and intends to report illegal activities to the LAPD. The Safe Team Program will only provide its services to individual assessed properties within the District boundaries. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and an increase in residential serving businesses that follow from having a cleaner and safer area.

Clean and Beautiful Program

In order to consistently deal with cleaning issues, the Historic Downtown Business Improvement District Cleaning Program will continue the work that began in 1998. Basic cleaning services, such as trash pickup and removal from the district, landscape service, equipment expense and administration are delivered to individual assessed parcels. The clean team will only provide service to assessed parcels within District boundaries. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and an increase in residential serving businesses that follow from having a cleaner and safer area. In order to consistently deal with cleaning issues, a multi-dimensional approach has been developed consisting of the following elements.

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles as needed. District trucks are often called to dispose of illegal food vendors' inventory. They are also dispatched to collect shopping carts and large bulky items illegally dumped in the District. Trash collection supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Graffiti Removal: District personnel remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays. Graffiti removal supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Landscape: Landscape improvement and street tree trimming are important programs to attract customers to the District. A well landscaped District supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

COMMUNICATION/DEVELOPMENT **\$147,488**

In order to communicate the changes that are taking place in the Historic Downtown Business Improvement District and to enhance the positive perception of the Historic Downtown District parcels a professionally developed, communication and economic development program has been created. The special benefit to District assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and an increase in residential serving businesses that follow from having a cleaner and safer area. Publicly owned parcels will not receive special benefit the Communication/Development programs and budget. The following are some of the programs and projects that are planned:

- Newsletters: quarterly newsletters are both distributed via email and also posted on the website. These feature photos and specific events and news from the historic downtown area.
- Marketing Materials: brochures and printed materials advertising the neighborhood, the HDBID, and also informative flyers with area services
- Website: creation and maintenance of website with lists of area businesses, residential buildings, news, and events--also specifics regarding HDBID.
- Property owner and merchant outreach programs: networking via targeted emails and meetings
- Property owner survey: list of area owners, parcels, and maps of the district to define building use
- Community liaison activities/special events: coordinated networking for businesses, property owners, residents
- Historic business retention and recruitment: coordinated tours of the area, correspondence and information gathering with brokers and potential retailers
- Media relations: interviews and outreach in local periodicals
- Advertising: Aarticles and/or ads in local periodicals
- Property Manager outreach: organized meetings and informational events
- Property database development and updating: Constant contact with owners and merchants for updating of information, ownership transfers

ADMINISTRATION/CORPORATE OPERATIONS **\$168,750**

The improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the District's services which are delivered seven days a week. Administration 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 costs to conduct a yearly financial review. Administration staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and an increase in residential serving businesses.

CITY FEES/SLOW PAY **\$114,370**

City fees to collect and process the assessments, a reserve for uncollectible assessments, and

depreciation.

FIVE YEAR OPERATING BUDGET

A projected five-year operating budget for the Historic Downtown Business Improvement District is provided below. The projections are based upon the following assumptions.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The actual amount of increase will be determined by the Owners Association and will vary between 0% and 5% in any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code.

The owners association shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. Any change will be approved by the owners association board of directors and submitted within its annual planning report. The overall budget shall remain consistent with this Management District Plan. Pursuant to Section 36650 of the California Streets and Highways Code.

	2014	2015	2016	2017	2018
Clean/Safe, Beautification	\$ 1,177,797	\$ 1,236,686	\$ 1,298,521	\$ 1,363,447	\$ 1,431,619
Communication/Development	\$ 147,488	\$ 154,862	\$ 162,606	\$ 170,736	\$ 179,273
Administration/Corporate Operations	\$ 168,750	\$ 177,188	\$ 186,047	\$ 195,349	\$ 205,117
City Fees/Slow Pay	\$ 114,370	\$ 120,089	\$ 126,093	\$ 132,398	\$ 139,018
Total	\$ 1,608,405	\$ 1,688,825	\$ 1,773,267	\$ 1,861,930	\$ 1,955,027

***Assumes 5% yearly increase on all budget items.** Note: Any accrued interest or delinquent payments will be expended in the above categories.