

LA FASHION DISTRICT

Proposal for Renewal

October 4, 2016

Prepared for

**Downtown Los Angeles Property Owners'
Association**

Prepared by



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1 Why Hire Us?

- We understand BIDs inside and out
- We have a decade of experience inside City Hall, working directly with BIDs
- We have nearly a decade of experience in the private sector, including BID management
- We have six years of experience in BID formation, renewal and management consulting
- We are proactive
- We are accountable
- We are DTLA-based, and can draw upon 20 years of relationships in DTLA
- We have worked for LAFD before – with great success!
(Summer 2013 petition campaign management for LAFD’s 2014 Renewal)
- Our clients LOVE us – please see select references, p. 10
- Currently, we only take on two BID clients per year – this helps us avoid having too many clients with the same deadlines

2 Overview

Background: The Los Angeles Fashion District Business Improvement District (LAFD) is managed by the Downtown Los Angeles Property Owners Association (DLAPOA.) LAFD will sunset on December 31, 2018, unless renewed by a vote of their property owners.

LAFD arguably has some of the most competitive BID assessment rates in Downtown LA. We have seen LAFD repeatedly find ways to do more with less, year after year. LAFD has a big challenge ahead. 2016 saw the first implementation of the Los Angeles Minimum Wage increase. Now at \$10.50/hour (unless DLAPOA qualified for the 1-year deferral,) it will rise to \$15.00 by 2020. This will be impactful during the final years of the current LAFD term, and it will have an escalating impact on LAFD's cost of providing services from 2018-2022.

Project Scope: The City's requirements for the official BID property owner database, Management District Plan (MDP) and Engineer's Report (ER) evolve continuously, which necessitates a rigorous overhaul of all documents at renewal. The combined renewal of the districts includes the following tasks:

- Verification/updates to BID parcels and their assessment data to obtain City approval for database (approx. 2,000 parcels)
- 2-4 Steering Committee meetings to discuss any potential changes to boundaries, services, service levels hours and assessments/methodology in the District and the various Zones. One of these meetings could be a public meeting to seek input from property owners beyond the DLAPOA if desired by Client.
- The overhaul of the Management District Plan (MDP) and necessary updates to reflect all policy changes since the MDP was reviewed and approved in 2012
- The overhaul of the Engineer's Report (ER) and necessary updates to reflect all policy changes since the ER was reviewed and approved in 2012
- Creation of a new BID map, including Zone detail
- Successful City review and approval of all four documents (typically 6-9 months and a minimum of three reviews by five staff, each conducted independently of one another.)
- Assistance with renewal-related marketing materials and handouts as needed
- Preparation of petitions and related materials if needed (petition package)
- Revisions to petitions throughout the petition stage as needed to reflect ownership and parcel changes
- Coordination with City Clerk, HCED Chair, Council President, and Council District 14 to effectuate scheduling and approval of:
 - o Ordinance of Intention
 - o Ordinance of Establishment
 - o Prop 218 Ballot Issuance

3 Budget

DISTRICT RENEWAL

NTE \$65,000 DEVINE STRATEGIES (\$55,000 BASE + \$10,000 CONTINGENCY*)

(for the Management District Plan & approx. 15 months of project management services)

+

NTE \$7,000 ED HENNING & ASSOCIATES (\$5,000 BASE + \$2,000 CONTINGENCY*)

(for the Engineer's Report)

NTE \$72,000 TOTAL (\$60,000 BASE + \$12,000 CONTINGENCY*)

Proposed terms (all of these can be negotiated to the satisfaction of the Client)

- Devine Strategies will be fully responsible for managing the subcontract for the engineering services.
- This rate is fully burdened.
- Mileage expenses are deemed included within this fee.
- Parking shall be billed at actual cost but shall not exceed \$250 for the entire scope of work without prior Client(s) approval. Copies of receipts shall be provided.
- Reasonable out-of-pocket expenses shall not exceed \$500 for the entire scope of work without prior Client approval. Likely expenses could include: presentation/meeting materials, large-scale maps, etc. In most instances, LAFD can/will procure such supplies.
- Printing & mailing costs (e.g. meeting announcements, petition packets, BID renewal letter) will be borne by LAFD.
- Printing for meetings will be performed by LAFD when delivered at least 2 full business days in advance (Devine Strategies will take responsibility for any documents produced closer to meeting times.) Devine Strategies will provide all materials in an organized, ready-for-printing condition (e.g. presentations, petition packets.)

Additional, possible out-of-pocket costs for LAFD related to formation that are not included in this proposal:

- Mailing costs (varies considerably depending on pieces mailed and weight)
- Printing and related office supplies (varies)
- Minor accounting support, primarily during budget (re)consideration process
- Legal support (rarely but occasionally desirable)

* The contingency exists to address three significant variables in the number of hours required to obtain approval for the renewed District: 1) the extent of the Client's changes to boundaries, service plan and assessments/methodology, 2) the extent of the City's review and changes to the database, MDP and ER (as the documents are wholly interdependent, any changes to one document trigger revisions to both of the other documents), and 3) the condition of the master database and the extent of the updates required to obtain City approval. We believe #3 is not a significant factor for LAFD but the others may be significant. Devine Strategies and Ed Henning & Associates have worked together on many Business Improvement Districts. Historically speaking, our MDPs & ERs are 97% accepted/final after 2-3 rounds of edits; however, we consistently receive one or more additional rounds of late changes from the City. Quite often these are items that were never raised before, although they existed in the prior submissions. There is substantial annual reinvention of the wheel and "tinkering" to gain final approval.

4 Timeline

PHASE I

RECONSIDERATION OF PRIOR LAFD MDP & ER DECISIONS

January 2017 – April 2017

- DLAPOA Board of Directors vote to proceed and allocation of renewal funding
- Meeting(s) with the City Clerk, Council District 14 and Mayor's Office if/as needed
- Survey relevant land use changes in the Districts (informs assessment methodology/zones)
- Develop new maps and other visual aids if needed
- Identify the members of the LAFD Renewal Committee; hold 2-4 meetings to confirm or alter:
 - Boundaries and Zones
 - Services needed/desired (type, level, hours)
 - Assessment methodology
 - Service plan and budget
- During the Steering Committee process, hold a public community outreach meeting for all property owners; seek wider input on current LAFD budget, service plan and assessments, use as opportunity to educate owners who are not knowledgeable about the BID (*if desired by client*)
- Document feedback and present to LAFD Renewal Committee and Board
- LAFD Renewal Committee and Board vote to proceed to with renewal, having identified specific boundaries, budget, service plan and assessments

PHASE II

DOCUMENT PRODUCTION & CITY REVIEW

May 2017 – January 2018

- Reconcile and update BID master database of property owners and parcel data, including the addition of newly created parcels/removal of obsolete parcels (usually due to subdivisions), ownership changes, lot ties, added or removed building square footage and frontage, etc.
- Overhaul the SP & SPII Management District Plans (MDPs) and Engineer's Reports to reflect any Steering Committee changes, as well as substantial changes in the City's policies
- Submit new MDP and ER to City of LA for review/comments (*no later than August 2016*)
- Develop outreach/promotional materials for the petition stage
- Hold 2 public meetings (if desired) to outline budget and service plan (AM/PM)
- Additional one-on-one meetings with major stakeholders
- Develop the final database of property owners and parcel data
- Submit final draft MDP and Engineer's Report to City for review, changes and approval

PHASE III

FORMATION: BID ADOPTION/RENEWAL

February 2018 – June 2018

- Official petition package mailing
- Petition collection/validation
 - Meetings, phone calls, emails, facilitation of signatures and validation
- Ordinance of Intention adopted by City Council and Mayoral concurrence
- City prepares ballots
- Ballot period (45 day minimum)
- City Council adoption and Mayoral concurrence (*prior to City Council summer recess*)

5 Consultant Qualifications

All work contained in this proposal shall be performed by, or under the supervision of President Tara Devine. Any work performed by any employee or subcontractor shall be reviewed and approved by the President. Ms. Devine shall serve as the primary Client liaison and shall give any public presentation requested by the Client.

Ms. Devine's decade of experience with the City of Los Angeles, combined with nine years' experience in the private sector, makes her uniquely qualified to help private sector clients successfully understand and negotiate the public sector, and to help translate private sector needs to the public sector. Her public sector experience includes 10 years of service to three Los Angeles city elected officials in various economic development and planning capacities. Her private sector experience ranges from corporate experience to small business ownership to non-profit experience, and includes the management of three Los Angeles BIDs in a 100-block area. During this time, she was instrumental in the successful formation of a new BID, the successful renewal of another, and even the difficult, but correct, decision to not to renew the third.

Ms. Devine understands all aspects of how BIDs operate, including why they succeed or fail and how they can improve and thrive. She is a member of the International Downtown Association (IDA). She has been an active participant in LA BID Consortium meetings and has supported many advocacy efforts on behalf of LA BIDs, including several successful projects for the LA BID Consortium.

As the founder and president of Devine Strategies, Ms. Devine focuses on developing successful long-term client relationships, even when consulting projects may be short-term. She specializes in entitlements, community and political outreach, and business improvement district consulting. Current and former clients include government agencies, multiple national retailers, property owners, business groups, business improvement districts and international consulting firms. Business Improvement District consulting, including formation, renewal and management consulting, is a particular and growing focus of the firm.

Ms. Devine is exceedingly proud to have lived in Los Angeles since 1994 and have worked in Los Angeles since 1997. She loves the history and diversity of LA and remains passionate about its future. Devine Strategies is a six year-old, Los Angeles-based, woman-owned, small business enterprise. The firm carries general liability insurance and maintains a current City of Los Angeles business license.

A list of our most relevant current and former client references follows.

6 Select References

Steve Heumann, Venice Boardwalk Association (VBA) & Sidewalk Enterprises

310-392-4687

sheumann@sidewalkent.com

Steve Heumann is the President of the Venice Boardwalk Association and CEO of Sidewalk Enterprises. Steve, together with Mark Sokol, has headed the Steering Committee for the Venice Beach BID formation effort (currently underway.) He has had a “front row seat” for the exceptionally difficult formation in Venice, where we have managed everything, including outreach and media. (Achieving anything in Venice is very nearly impossible.) Steve has also served as the administrative and fiscal lead for the formation and will be the Treasurer for the newly formed property owners’ association.

Estela Lopez, Central City East Association (CCEA)

213-228-8484

elopez@centralcityeast.org

Estela is the Executive Director of the Central City East Association, which administers the Downtown Industrial BID. CCEA is a former employer and a periodic consulting client. We most recently helped them with the renewal of the Downtown Industrial BID (2013-2014) and various public policy issues (2011-2014.) We have worked on more projects together than either of us could recall, and she has known President Tara Devine for nearly fifteen years.

Jessica Lall, South Park and South Park II BIDs

213-663-1112

jessica@southpark.la

Jessica and Devine Strategies are currently working together on the joint renewal of South Park and South Park II for 2017. We have worked together since January 2013. We assisted South Park with its last renewal in 2012 (prior to her hiring.) Since her tenure began, we successfully established the new South Park II BID, which began services in 2016 and is timed to expire at the same time as South Park (to facilitate their joint renewal as one BID in 2018.) Jessica is the current Executive Director of the South Park and South Park II BIDs, and the immediate past President of the LA BID Consortium, a peer group that meets monthly for BID staff and board members to share information and best practices.

Mark Sokol, Hotel Erwin & Larry’s Restaurant

310-396-8464

mark@mphotel.com

Mark Sokol is the owner of Hotel Erwin and Larry’s Restaurant in Venice Beach. Mark, together with Steve Heumann, has headed the Steering Committee for the Venice Beach BID formation effort (currently underway.) As someone who was wholly new to the process of BID formation, he can provide perspective on Devine Strategies’ ability to communicate effectively with property owners and make BID formation accessible and understandable to those who are wholly unfamiliar with how BIDs work.

Devine Strategies welcomes all prospective clients to contact the Office of the City Clerk, Neighborhood & Business Improvement District Division at 213-978-1099 to inquire about our work as a consultant to Los Angeles BIDs.

Devine Strategies has performed two separate scopes of work for the LA BID Consortium:

- 1) In 2013, we were retained to organize and execute a “BID Day at City Hall” to ensure that freshman councilmembers would understand the function and importance of the then-38 BIDs in their communities, and to reaffirm relationships with longtime councilmembers. We coordinated with all fifteen council offices and successfully scheduled meetings with ten of them on the same day in September 2013. We then coordinated with BID staff and board members across the City of LA to staff each council office meeting with BID staff and board members from within that district. President Tara Devine led several of the meetings. (Sarah MacPherson Besley, formerly with the Hollywood Entertainment and Hollywood & Vine BIDs and then-president of the Consortium, oversaw the project.)

- 2) In 2015-2016, Devine Strategies was retained to administer two related projects pursuant to a LADWP-City Clerk MOU: 1) develop an updated State of the BIDs Report (the prior, very successful, report was done by Cerrell & Associates) and 2) develop a report and recommendations for LADWP’s Economic Development Unit to better serve and partner with LA’s BIDs and other small- and medium-sized businesses. Both reports were presented publicly and were very well received. LADWP recently met with BID representatives to begin implementing recommendations. Copies of these reports are available upon request. (Jessica Lall, Executive Director of the South Park and South Park II BIDs, and then-President of the Consortium, oversaw most of the work. The conclusion of the project occurred under current President Andrew Thomas, Executive Director of the Westwood Village BID. The work also involved Miranda Paster of the City Clerk’s office and several staff from LADWP.)

President Tara Devine has also worked extensively with many Los Angeles council districts, many LAPD Divisions and community groups to provide BID education, to explore forming, and/or to form BIDs. Devine Strategies can provide many references for electeds and/or staff if desired.