

**2014 Planning Report  
Hollywood Entertainment District Business Improvement District  
Year VI**

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The following report is prepared, in accordance with the requirements of Section 36650 of the Streets & Highways Code and serves as the Work Plan for the coming year for the Hollywood Entertainment District Business Improvement District.

**1. Boundaries and Zones:**

There have been no changes to the boundaries or to the zones of the Hollywood Entertainment District.

**2. Detailed budget:**

The following budget allocations were approved by the board of directors for the Hollywood Property Owners Alliance at their November 21, 2013 meeting:

<b>2014</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	<b>Total</b>
Security	721,694	520,283	391,043	1,633,020
Maintenance	618,527	167,599	180,803	966,930
Marketing, Administration, Contingency	499,592	217,270	214,112	930,975
<b>Total</b>	<b>1,839,813</b>	<b>905,152</b>	<b>785,959</b>	<b>3,530,925</b>

Please refer to Attachment A for a detailed budget and cash flow analysis.

**A. Summary: 2014 Operating Budget - Gross Assessment Billings = \$3,495,098**

- This year, no CPI inflator was instituted by the HPOA Board of Directors.
- The revenue is predicated upon private assessment payments of \$3,101,583.86 and government/direct assessments of \$393,514.97.
- The revenue budget is further adjusted by the following factors: (a) the anticipated cash roll-over from 2013 is estimated at \$200,000; (b) modest interest revenue of \$1,000.

**B. Security Program - \$1,633,020 or 46.25% of the budget**

The security program funds three services: (1) security patrols, (2) video surveillance cameras, and (3) homeless services outreach. The security vendor is Andrews International Security. The Security Committee sought competitive bids for this contract in early 2013. Andrews International was chosen to provide services again, through 2018.

The contract calls for the following:

- Average patrol of 496 hours per week plus 79.2 hours for the Director, Assistant Director, and Dispatcher.
- This accommodates seven officers on Monday, eight officers a day Tuesday through Saturday, and six Officers on Sunday. Additionally two public safety officers are deployed in the District 8 hours a day, six days a week.
- On Saturday, one footbeat will represent a pairing of one officer from Hollywood and the second from the Sunset & Vine BID.
- This core scheduling will leave approximately \$25,000 to 30,000 in discretionary patrol funds that would be used to fund special projects and patrols, including a special night-time patrol.
- The deployment schedule is always subject to change at the discretion of the Security Committee.

The security headquarters is now housed at the LAPD sub-station at Hollywood & Highland and rent is underwritten by property owner CIM Group. Owing to the program management contract that the HPOA has negotiated with the Central Hollywood Coalition, to manage the Sunset & Vine BID, all security supervision and administrative costs are shared 66% HED and 34% SVBID.

A portion of the security budget has also been earmarked for the maintenance of eight video surveillance cameras, donated to the Los Angeles Police Department, to provide enhanced public safety services to benefit the property owners in the District. The maintenance contract amounts to \$3,128/month to support these cameras. The camera vendor is Metro Video Systems in El Segundo. This year the Board will be voting to possibly approve the upgrade of the system installed at the LAPD station. The cost of the system is estimated to be around \$100,000. If this expenditure is approved the board will forego the 2014 maintenance contract as the new system would include a one year warranty.

Finally, a monthly retainer with Accendo FM, a company which provides and maintains the Accendo Mapping Software, is included in this budget. This is used to track and monitor security and graffiti incidents and to manage the parcel database.

A set-aside in the Security Contingency budget (approximately \$25,000) will also be reserved for activities related to homeless outreach and moving individuals who are chronically homeless in the BID into housing. This will be under the direction of the Security Committee.

Security Committee meetings are held in conjunction with the Sunset & Vine BID, and the full range of public safety issues are addressed, including illegal vending, homelessness and loitering, public urination, drinking in public, vandalism and graffiti, and quality of life issues.

#### **C. Maintenance - \$966,930 or 27% of the budget**

The maintenance program involves a contract with the District's maintenance vendor, CleanStreet. Services and priorities are guided by the board and the Streetscape Committee, which last awarded a contract to CleanStreet in 2008. The core services contract, which

amounts to \$885,000, is currently being bid out through a formal Request for Proposal process. (For budgeting purposes, \$891,930 has been set aside for a maintenance contract.) Because the new contract will be negotiated after the submission of the report, the service array below is predicated upon current services provided.

Core maintenance services include the following:

- Daily street and gutter sweeping
- Sidewalk pressure washing: Zone 1 - two times per week; Zone 2 - two times per month; Zone 3 - one time per month. Additional pressure washing takes place on an as-needed basis around bus stops, high traffic pedestrian areas and outdoor dining areas.
- Trash removal twice daily from approximately 200 receptacles in the BID.
- Waste removal from seven 3-cubic yard dumpsters, six days per week.
- Graffiti removal within 24 hours of a report.
- Sidewalk and gutter sweeping by two day porters working one 8-hour shift.
- Routine furniture washing and furniture and light pole touch up painting.
- Polish all brass medallions on all stars along the Walk of Fame one time per month.
- Oversight of all maintenance duties by one full-time supervisor dedicated to the district.

In addition, this year, approximately \$75,000 in funds will be set aside for maintenance and landscaping related services, at the discretion of the Streetscape Committee. The types of projects to be addressed this coming year will include: landscaping the median at Hollywood and La Brea; tree trimming; tree watering; tree replacement; and minor infrastructure repairs, lights, etc.

**D. Special Projects/Marketing and Consulting - \$119,639 or 3.4% of budget**

This budget category allows for the funding of general consulting, marketing, communications and special projects to promote the image and improvements within the District.

Professional consulting is budgeted at \$71,000 per year. There are currently three professional agreements in place:

1. Willdan – who provides quarterly updates to the property data base, and coordinates the annual update to the assessment roll for presentation to the city (approx. \$3,600/year);
2. Computer Physicians – monthly retainer to maintain the Association’s computers and server (approx \$6,600/year).
3. Haines & Co – monthly retainer for Media Relations, marketing and communications strategy (approx \$56,400/year).

Last year, after a competitive bidding process, the board engaged the services of a three-person team, Haines & Co, to guide our media relations and to create a strategic blueprint for positive communications on behalf of the property owners. Their contract expires in April, and the board will be given the opportunity to continue their services for an additional term. A separate line item is set aside for marketing activities and projects. This amounts to

approximately \$48,000. Generally speaking, this will allow for:

- The production and distribution of a newsletter, six times a year, intended primarily for District assessment paying stakeholders and interested community members;
- The hosting, maintenance and enhancement of the Hollywood Entertainment District's website, [www.hollywoodbid.org](http://www.hollywoodbid.org) with consideration given to an overhaul of the web-presence to integrate all the web-based communications into one portal (website, Hollywood HQ, Navigate Hollywood, Twitter, etc.).
- Event sponsorships (as a partner), social networking initiatives, or District promotion at the discretion of the board of directors.
- The creation of collateral materials to support the media relations efforts (e.g., blogger tours, targeted trade outreach, events) guided by Haines & Co.

**E. Administration/Legal/Accounting - \$614,141 or 17% of the budget**

This category funds the central office for the HPOA including human resources costs (payroll, payroll taxes, 401(k), temp help and health insurance); rent, telephone, office supplies, insurance, business meals and meeting expenses, travel, parking and the like. Because of the management contract between HPOA and the CHC, administrative and office expenses are allocated 26% to Sunset & Vine, and 74% to Hollywood.

A monthly legal retainer is budgeted for the Association's counsel, Jeffrey Briggs Esq. Accounting services are provided by RBZ LLP and the annual Financial Review is compiled by Fabio Vasco CPA.

**F. City Fees, Contingency and Delinquencies - \$197,195 or 6% of the budget**

Each year, the city levies a fee equal to one percent of the gross assessment. Further, the board of directors each year estimates the amount of delinquencies to be experienced in the coming year, in order remove those funds from the net operating budget. This year, the board is budgeting for a three percent delinquency. The contingency budget is earmarked to either accommodate a higher than budgeted delinquency rate, or to supplement services during the year (in any program category) at the discretion of the board of directors.

**G. Alley District Expense - \$137,010**

This budget item is earmarked for alley maintenance and is paid for by a special linear footage assessment levied against owners along both sides of public and private alleys in the BID, subject to the conditions outlined in the Management District Plan. Alleys are pressure washed and debris is removed. Graffiti is painted where necessary. These services continue to be rendered on a daily basis and are overseen by a designated Alley Supervisor. The Alley District Expense is not included as a budget category applicable to the entire BID, hence it is not regulated by a percentage calculation. The service provider is Clean Street, and this contract will be bid out next year.

**3. Revenues carried from year to year**

The Operating Budget is predicated upon a carry-over of \$200,000 from 2013. The year-end budget anticipates \$28,000 to roll into 2015, as shown in Attachment A.

**4. Assessments levied upon parcels.**

**A. Assessment Rates**

The assessment rates for the 2013/14 tax year are the following:

<b>Type</b>	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	<b>Alley</b>
Street Frontage	38.72	32.01	27.67	
Land Area	.0690	.0618	.0540	
Building Area	.1014	.0858	.0764	
Alley Frontage				11.93

**B. Assessment roll**

Please refer to Attachment B for a detailed list of all assessments as applied to each parcel for the 2013/14 tax year.