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HOLLY L. WOLCOTT
DIVISION HEAD

April 6, 2005

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

**REGARDING: APPROVAL OF THE ENCINO COMMONS BUSINESS IMPROVEMENT
DISTRICT'S 2005 FISCAL YEAR ANNUAL PLANNING REPORT**

Honorable Members:

This Office has received the 2005 fiscal year Annual Planning Report for the Encino Commons Business Improvement District's ("District") 2005 fiscal year (CF 02-2217). The Advisory Board of the District has caused to be prepared and submitted the Annual Planning Report for City Council approval. In accordance with Section 36600 et seq of the California Streets and Highways Code ("State Law"), an annual report for the District must be submitted for approval by the City Council. The District Annual Planning Report for the 2005 fiscal year is presented with this Report for Council consideration as "Attachment 1."

BACKGROUND

The District was established on August 15, 2000 by and through the City Council's adoption of Ordinance No. 173,482, which confirmed the assessments to be levied upon properties within the District, as described in the District's management district plan. The City Council established the District pursuant to State Law.

BUDGET REALLOCATION

The Advisory Board has requested to reallocate \$4,000 from the Contingency/ Reserve line-item of the budget to the Streetscape/ Maintenance line-tem due to the increase in costs related to their streetscape and maintenance programs. This shift in funds does not appear to be significant and agrees with the goals of the Districts' Management District Plan.



ANNUAL REPORT REQUIREMENTS

The State Law states that the District's Advisory Board shall cause to be prepared, for City Council approval, an annual report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the improvements and activities described in the report.

The report shall be filed with the City Clerk and shall refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following: any proposed changes in the boundaries of the district or in any benefit zones within the district; the improvements and activities to be provided for that fiscal year; an estimate of the cost of providing the improvements and the activities for that fiscal year; the method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year; the amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and the amount of any contributions to be made from sources other than assessments levied.

The attached Annual Planning Report complies with the requirements of the State Law and reports that programs will continue as outlined in the Management District Plan adopted by the District property owners. The City Council may approve the Annual Planning Report as filed by the Advisory Board or may modify any particular contained in the Annual Planning Report and approve it as modified.

FISCAL IMPACT

There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

1. FIND that the attached Annual Planning Report complies with the requirements of the State Law.
2. ADOPT the attached Annual Planning Report for the District's 2005 fiscal year, pursuant to the State Law.

Sincerely,



FRANK T. MARTINEZ
City Clerk

FTM:KEK:HLW:pyl

Attachment: District Annual Planning Report

ENCINO COMMONS
The Valley's Miracle Mile

**The Encino Commons Property
Business Improvement District**

2005 Planning Report

Presented By:

The Encino Property Business Improvement
17547 Ventura Boulevard, #106
Encino, CA 91316

Prepared By:

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RECEIVED

MAR 07 2005

FRANK T. MARTINEZ

Encino Property Business Improvement District

Board of Directors and Officers

J. Richard Leyner
President

Philip Nazarian
Vice President

Rickey M. Gelb
Chief Financial Officer

Michael Greenhut
Director

Tom Pashaie
Director

Eric Sahn
Director

Encino Commons PBID
2005 Planning Report

ENCINO COMMONS
The Valley's Miracle Mile

February 11, 2005

Frank Martinez
City Clerk, City of Los Angeles
200 North Spring Street, Suite 395
Los Angeles, CA 90012

SUBJECT: The Encino PBID 2005 Planning Report

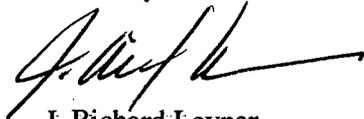
Dear Mr. Martinez:

As required by the Property and Business Improvement District Law of 1994, California Street and Highways Code Section 36650, the Board of Directors of the Encino Property Business Improvement District has caused this Planning Report to be prepared.

This report covers activities from January 2005 through December 2005. The Board met on February 10, 2005 and approved the 2005 budget and Planning Report.

On behalf of the Encino Commons PBID, I would like to express our gratitude to you and your staff at the Special Assessments Section for your continuous support and cooperation.

Sincerely,



J. Richard Leyner
President
Encino Commons Business Improvement District

The Encino Property Business Improvement District Summary

LOCATION: The District includes properties on both sides of Ventura Boulevard from White Oak Avenue on the West and Balboa Avenue on the East.

SERVICES: Services for the Encino Commons will include Marketing, Streetscape/Beautification, Maintenance, Administration of the District and a Contingency budget. Since security is not a priority, any security needs will be handled through the streetscape and maintenance portion of the budget.

Upon completion of programs and services outlined in the five-year budget, the Board of Director, upon Advisory Board approval, may allocate up to 75% of said program line item to another program or service. For example, if streetscape improvements were completed by year 4, the Board may reallocate 75% or \$128,215.25 to other programs. This ability to reallocate funding will apply to all of the programs outlined in the Plan.

METHOD OF FINANCING:

Levy of assessments on real property that benefits from improvements and activities. This represents a “benefit assessment district” as defined in the California Streets and Highway Code. There are three basic factors in determining individual assessments. These factors include 1) linear frontage, 2) land area and 3) building floor space. The assessments are apportioned to property owners as follows: linear frontage at 25%, lot size at 25%, and building square footage at 50%.

BUDGET: The first year annual budget is anticipated to be \$277,355.36 based upon 2,265,325 sq. ft. of lot size, 1,238,196 sq. ft. of building size and 9,145 of linear feet of frontage. Anticipated contributions from sources other than assessments totals \$11,000.

COST: The costs associated with the services to be provided will be distributed among the property variables as follows. These variables will remain constant over the five-year life of the proposed district.

Linear frontage at \$7.582 per foot per year

Lot size at \$.0306 per square foot per year

Building square footage at \$ 0.112 per square foot per year

DURATION: Pursuant to State Law, the District will have a set term. The proposed district will have a five-year life commencing January 1, 2001. After five years, the petition process must be repeated for the District to remain in place.

2005 Program Overview

The commercial property owners located within the boundaries of the Encino Property Business Improvement District have combined their efforts to improve the quality of life and economic vitality of Encino. While Encino has the luxury of major anchors along Ventura Boulevard, "leakage" has been a major problem. With so many shopping and dining options, both in other areas along Ventura Boulevard and over the hill, the property owners felt the need to take action. The assessment revenues generated through the PBID will fund streetscape improvements, maintenance, marketing, and program management.

The BID believes that capital streetscape improvements are necessary to achieve the impact that will address the leakage of local spending patterns and attract new businesses and consumers. While marketing is an important component of improving a commercial district, it must first be aesthetically pleasing and vibrant before a marketing program can be truly effective.

The Encino PBID Improvement and Activity Plan

As determined by area property and business owners, the initial priorities for improvements and activities within the Encino BID boundary include:

- Marketing and Promotion of the District to create a positive retail image for Encino in the Los Angeles regional market.
- Streetscape improvements to enhance the visual appearance of the Boulevard incorporating trees, medians, decorative crosswalks, street furniture, etc. and the maintenance of such improvements.
- Flexibility for special projects and initiatives that strengthen efforts to market and maintain the area.
- Program management by a contract director that can advocate on behalf of the 'Encino Commons' businesses, advance community improvement initiatives and coordinate marketing programs and events.

2005 Operating Budget Summary

The itemized 2005 operating budget for the Encino PBID follows this narrative report. The total improvement and activity plan budget for 2005 is projected at \$277,355 in assessments and a balance of \$333,161 in unspent 2004 assessments for a total 2005 anticipated budget of \$610,516.

In late 2004 the BID applied for an annual grant offered by the Los Angeles Department of Water and Power for holiday décor. Although not received to date, we anticipate we will receive \$1,000 in early 2005 to supplement the cost of holiday decorations.

Encino Commons PBID
2005 Planning Report

Additionally, another grant was submitted in late 2004 to Operation Clean Sweep's Neighborhood Matching Fund Grant Program. This grant proposal was for \$10,000 and, if awarded, will be used to supplement the cost of pedestrian lighting/hanging baskets. Although there is no way of knowing if we will receive this grant, award notification is expected in late February or early March.

There are no changes in the assessments or boundaries and the BID does not have any benefit zones.

Marketing: This category includes a variety of improvements and activities aimed to convey and market a positive consumer identity for Encino Commons. Some of these funds will be allocated towards newsletters, banner permit fees and website maintenance. As described in the streetscape section of this report, the BID plans to install two gateway signs spanning Ventura Boulevard. A large portion of the marketing budget is allocated to fund this project, which will have a tremendous impact in "branding" the district and creating a "gated" community.

Streetscape/Beautification/Maintenance: The BID is currently working on two major capital improvements, which while costly, will improve the area for many years to come. Much of the streetscape/beautification/maintenance and marketing budgets have been allocated to fund these two projects.

The proposed gateway signs, installed at both boundaries of the BID, will have a tremendous impact on the area and distinguish Encino Commons from the rest of the Boulevard. Bids were received from various sign manufacturers and the Board is negotiating with Ultrasigns, a sign company based in San Diego. This reputable company has constructed many similar signs and most importantly came in at a very competitive price. The original budget for this project was estimated at \$225,000 however due to the magnitude of the two structures it is believed that the signs will cost over \$350,000. The Board recently agreed that it would be beneficial if Ultrasigns provided the design, engineering, and fabrication in-house, thereby limiting any outside liability.

The Bureau of Street Lighting is currently in Phase II of replacing all streetlights on Ventura Boulevard, and the BID falls within that phase. The Board hopes to install pedestrian lights with flowering, hanging baskets between each of the new streetlights. After numerous meetings with BSL, it is clear that it is more cost-effective to install these pedestrian lights simultaneously with their construction. The BID proposes to pay for all the new pedestrian lights and the affected property owners will pay the annual maintenance assessment, pending a successful Proposition 218 election. The BID has allocated over \$100,000 for this project.

Dougherty Fine Quality Landscaping continues to provide landscape maintenance services. Included in the maintenance plan is tree and planter watering and weeding as well as maintaining the medians and emptying trash from the BID's receptacles. Rite Off

Encino Commons PBID
2005 Planning Report

steamers provides quarterly pressure washing throughout the district, and monthly pressure washing at bus stops.

Special Projects/Contingency: This is allocated for any special projects and recovery costs.

Program Management: Included in the Program Management component are the costs for an Executive Director, bookkeeping, office expenses, general liability and Directors & Officers insurance, legal and accounting fees, bank charges and annual report.

ENCINO COMMONS BUSINESS IMPROVEMENT DISTRICT
Proposed 2005 Budget

Improvements	2005 Budget	2004 Rollover	%
MARKETING			
Quarterly Newsletter	400		
Banners			
Website Maintenance	1,200		
Gateway Signage	34400	30,655	
TOTAL MARKETING	36,000		10.9%
STREETSCAPE/MAINTENANCE			
Sidewalk Steam Cleaning	20,000		
Landscape Maintenance	9,600		
Planter Maintenance 39 @ \$5/each	2,340		
Trash Removal	12,480		
Tree Watering	28,350		
Pedestrian Lights	101,243		
Gateway Sign		302,506	
TOTAL STREETSCAPE/MAINTENANCE	174,013		78.1%
START-UP/CONTINGENCY			
Contingency	5,992		
County/City Recovery Costs	6,500		
TOTAL START-UP/CONTINGENCY	12,492		2.0%
PROGRAM MANAGEMENT			
Contract Program Manager	36,000		
Bookkeeping	4,200		
BID Expenses	7,800		
Audit/Finacial Report	2,850		
General Liability and D&O Insurance	4,000		
Total Program Management	54,850		9.0%
Total Assessment Revenue	277,355	333,161	
2005 Total Operating Budget		610,516	100.0%