

KAREN E. KALFAYAN
CITY CLERK

HOLLY L. WOLCOTT
EXECUTIVE OFFICER

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

OFFICE OF
CITY CLERK
ADMINISTRATIVE SERVICES

ROOM 224, 200 N. SPRING STREET
LOS ANGELES, CALIFORNIA 90012
(213) 978-1099
FAX: (213) 978-1107
TDD/TTY (213) 978-1132

GLENN R. ROBISON
DIVISION HEAD

January 9, 2009

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

Council District 9

REGARDING: THE TOY DISTRICT (PROPERTY-BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2009 FISCAL YEAR ANNUAL
PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Toy District Business Improvement District's ("District") 2009 fiscal year (CF 06-1712). The Advisory Board of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the City's Landscaping, Security, Programming and Maintenance Property Business Improvement District Ordinance [Division 6, Chapter 9, Los Angeles Administrative Code ("LSPM PBID Ordinance")], an Annual Planning Report (Attachment 1) for the District must be submitted for consideration by the City Council.

BACKGROUND

The Toy District Business Improvement District was established on August 4, 2004 by and through the City Council's adoption of Ordinance No. 176,129, 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 the LSPM PBID Ordinance.

ANNUAL REPORT REQUIREMENTS

The LSPM PBID Ordinance states that the Toy District Business Improvement District's Advisory Board shall cause to be prepared, for City Council approval, an Annual Planning 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

JOBS, BUSINESS GROWTH
& TAX REFORM

JAN 13 2009

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, which was approved by the District's Board at their November 19, 2008 meeting, complies with the requirements of the LSPM PBID Ordinance and reports that programs will continue, as outlined in the Management District Plan adopted by the Toy District Business Improvement District property owners. The City Council may approve the Annual Planning Report as filed by the District's Advisory Board or may modify any particulars 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

That the City Council:

1. FIND that the attached Annual Planning Report for the Toy District Business Improvement District's 2009 fiscal year complies with the requirements of the LSPM PBID Ordinance.
2. ADOPT the attached Annual Planning Report for the Toy District Business Improvement District's 2009 fiscal year, pursuant to the LSPM PBID Ordinance.

Sincerely,



 Karen E. Kalfayan
Interim City Clerk

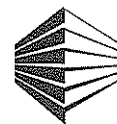
KEK:HLW:GRR:MCP:RMH:rks

Attachment: Toy District Business Improvement District's 2009 Fiscal Year Annual Planning Report

CC A

Business Improvement Districts

- Arts District
- Toy District
- Los Angeles Downtown Industrial District



Central City East Association

Board of Directors

Chairperson

Paul Vert
Young's Market Co.

Vice-Chair/Secretary

Larry Rauch
Los Angeles Cold Storage

Treasurer

Mark Shinbane
Ore-Cal Corporation

Ernest Doizaki
American Fish and Seafood

Richard Gardner
LA Wholesale Produce Market

Donald Kanner
City Sea Foods

Howard Klein
Ocean Beauty Seafood

Matt Klein
Factory Place Lofts

Michael Tansey
Peterson/Tansey

Richard Meruelo
Alameda Produce Market Inc.

Thomas Payne
Catellus Urban Development Corp.

William Shinbane
Ore-Cal Corporation

Charlie Woo
Mega Toys

Executive Director
Estela Lopez

Managing Director
Raquel King

Director of Operations
Vicky McCormick

**Director, Business
& Government Affairs**
Tara Devine

**Director, Marketing
& Community Relations**
Oathryn Brehm

Attachment 1

November 25, 2008

RECEIVED

DEC 01 2008

ADMIN. SVCS.
SPECIAL ASSESS.

Rick Scott
Office of the City Clerk
Special Assessments Section
200 N. Spring Street Room 224
Los Angeles, CA 90012

RE: The Toy District BID
2009 Annual Planning Report

Dear Mr. Scott:

As required by the City's Landscaping, Security, Programming and Maintenance Property Business Improvement District Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code), The Board of the Central City East Association has caused this Toy District Business Improvement District Annual Planning Report to be prepared on October 28, 2008.

This report covers proposed activities from January 1 through December 31, 2009.

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

Sincerely,

PAUL VERT
Chairman

**ANNUAL PLANNING
REPORT**

For

THE TOY DISTRICT
Business Improvement District

2009

THE TOY DISTRICT

Supported by a coalition of property and business owners, the Toy District is a benefit assessment district in the toy import wholesale area of Downtown Los Angeles. The district will continue its successful parcel management (public safety, trash/debris collection), stakeholder advocacy, economic development and communication services.

6.617(a) Advisory Board caused Report to be prepared

6.617(b) Specify District Name

6.617(b) Specify fiscal year to which Report applies

This Annual Planning Report for the Toy District Business Improvement District was caused to be prepared by the District's Advisory Board, and is for Fiscal Year January 1 through December 31, 2009. The 2009 Board members are contained in Attachment A. Board approval to increase the 2009 Toy District assessment by four percent took place at its monthly meeting on May 27, 2008. Minutes of this meeting are contained in Attachment B.

6.617(b)(1) Any Proposed Changes in District Boundaries or in any Benefit Zones within the District

There will be no changes in the boundaries of the District. Boundaries remain consistent with the boundaries set forth in the Management District Plan dated May 12, 2004.

6.617(b)(3) The Improvements and Activities for 2009

The improvements and activities planned for 2009 are consistent with the Management District Plan and are described in Attachment C.

6.617(b)(3) An Estimate of Cost for 2009 Improvements and Activities

The cost of providing the FY 2009 activities and improvements are contained in Attachment D.

6.617(b)(4) Method of Levying Assessments

The Toy District BID is funded through benefit assessments on real property consistent with the Management District Plan dated May 12, 2004. The basis of levying assessments in the Toy District is consistent with the Management District Plan dated May 12, 2004 and is set forth in Attachment E.

6.617(b)(5) Amount of Surplus or Deficit Revenues from a Previous Fiscal Year

There will be \$14,121.69 in surplus Toy District 2008 assessment revenue.

The approximate amount of Toy District deficit revenues (uncollected assessments) in 2008 is \$8,816.00.

6.617(b)(6) Contributions from Sources Other Than Assessments Levied

**TOY DISTRICT
OTHER INCOME OTHER THAN
ASSESSMENT
INCOME**

	2008
Interest income	2,489.99
DWP grant	2,000.00
Assessment penalty income	3,197.99
Dividend income	1,831.40
Total	9,519.38

6.617(a) Any Proposed Changes in the Classification of Property

N/A

ATTACHMENT A

ADVISORY BOARD MEMBERS

CCEA

2009 Board of Directors

Chairperson

Paul Vert
Young's Market Company

Vice-Chair

Larry Rauch
Los Angeles Cold Storage

Treasurer

Mark Shinbane
Ore-Cal Corporation

Secretary

Ernie Doizaki
American Fish & Seafood

Richard Gardner
LA Wholesale Produce Market

Donald Kanner
City Seafoods

Howard Klein
Ocean Beauty Seafood

Matt Klein
HBK Investments

Michael Tansey
Peterson/Tansey

Richard Meruelo
Alameda Produce Market Inc.

Thomas Payne
Catellus Urban Development
Corporation

William Shinbane
Ore-Cal Corporation

Charlie Woo
Mega Toys

ATTACHMENT B

ADVISORY BOARD APPROVAL

(Minutes of May 27, 2008 Board of Directors meeting)

**TOY DISTRICT/DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
MAY 27, 2008
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Howard Klein, Matt Klein, Larry Rauch, Michael Tansey and Paul Vert.

Absent: Richard Gardner, Donald Kanner, Richard Meruelo, Thomas Payne, Mark Shinbane, William Shinbane and Charlie Woo.

STAFF: Tara Devine, Raquel King, Greg Lee, Estela Lopez and Vicky McCormick.

CONSULTANTS: Gathryn Brehm, Don Steier, Steve Gibson (Urban Place Consulting)

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 12:10am.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS- None

III. APPROVAL OF MINUTES

Tansey made a motion to approve the April 29, 2008 minutes, and Klein seconded. The Board unanimously approved.

IV. RENEWAL

Gibson informed the Board that he would not be presenting budget scenarios until the boundaries are set. Regarding outreach, a meeting with the Toy District property owners is set for June 12, 2008, and a meeting with the property owner of the parcels listed as "Uncle Phil" has been rescheduled for June 9.

Assessment Methodology:

Gibson expressed to the Board that currently DID and Toy's assessment methodology is based on land square footage only,

but recommends that building square footage be added to the formula.

Gibson informed the Board that at the June Board meeting he would be discussing boundaries and assessment rates including the expansion areas. At the July Board meeting Gibson stated that he would present the first draft of the management plan; once approved, Gibson will submit the final management plan to the City Clerk's office.

Term of District:

Gibson informed the Board that although most BIDs have 5-year terms, the maximum allowed by law is 10 years. Gibson pointed out that the Chinatown and South Park BIDs have 10-year terms. Gibson stated that the advantage of a 10-year BID is that renewal will take place every 10 years instead of five; the disadvantage is predicting inflation and future costs.

Rauch stated that renewing every 5 years is a drain on staff time and resources. The Board agreed to study the possibility of proposing a longer term for the Toy and DID BIDs.

Annual Increase Cap:

Gibson reported that the current maximum assessment increase for Toy is 4% and DID 3%. He stated that the annual increase cap for many BIDs is 5%. The Board unanimously agreed to move forward with the intention to propose renewal of the BIDs with a maximum annual increase of 5%.

Non-Profit Assessments:

Lopez informed the Board that the non-profits in DID currently pay 15% of the assessment rate, and 10% in Toy. The Board unanimously agreed to keep the rates at 15% in DID and 10% in Toy for the non-profit organizations.

V. FINANCIALS

Coelho was out of town and unable to attend the meeting. Lopez reported that both Toy and DID are on track; Toy is slightly under budget, but DID is on track for year-end.

Lopez informed the Board that the current Toy budget is \$540,000, but the City billed \$554,000; Toy will capture an additional \$14,000 in revenue due to property ownership changes resulting in increases in property taxes collected. The DID 1 account is also receiving an additional \$4,000 in delinquent assessments.

Lopez also reported that the balance in the CCEA private account is \$47,000.

BID Assessment Increase:

Lopez informed the Board that the 2009 assessment rate would have to be submitted to the City by June 2, 2008. She reiterated that the maximum increase in Toy is 4% and 3% in DID. Lopez recommended the maximum increase for both BIDs in order to address the impact that inflation has had on expenses such as worker's compensation, supplies and fuel costs. In 2008, staff was given very modest increases, and there have been cutbacks on all spending. Finally, Lopez stated that that building a reserve is still a goal.

Rauch made a motion to approve a 4% assessment increase for the Toy District, and a 3% assessment increase for the Downtown Industrial District for 2009, and Klein seconded. The Board unanimously approved.

VI. OPERATIONS

McCormick reported that in April 2009 there were no significant changes in the Toy District from prior months. "Bulky items" increased slightly due to ten mattresses that were left on the sidewalk. Loitering increased slightly due to issues on Winston Street, which the LAPD has resolved.

McCormick reported that in April 2009 DID experienced a slight increase with drinking in public, loitering and health and welfare checks, possibly due to the warmer weather. McCormick stated that the BID is working with the LAPD to ensure safety.

VII. EXECUTIVE SESSION

The Board went into executive session regarding maintenance contract negotiations.

VIII. LEGISLATIVE UPDATE

Devine stated that she would send a written update to the Board members via email on non-pressing issues. Devine reported that we have received requests from stakeholders in two of the BIDs to investigate the condition of Alameda Street and its potential for resurfacing. There are an increasing number of large potholes along Alameda. Several years ago, there was a designation of \$1.8million in MTA funds for re-pavement of Alameda. Devine will continue to research whether that funding was ever spent.

IX. MARKETING

Brehm reported to the Board that there would be a Quimby Fee task force meeting on May 28, 2008. The task force will be investigating the viability of identified properties for possible park locations. One of the properties is located on the 1000 block of East Olympic Blvd.

Brehm informed the Board that the Toy-DID newsletter is available online.

X. NEW BUSINESS- None

XI. ADJOURNMENT- The meeting of the Board was adjourned at 1:25pm.

ATTACHMENT C

ACTIVITIES AND IMPROVEMENTS

“CLEAN TEAM” ACTIVITIES

- **Public Space Maintenance** Continue current street sweeping program, including daytime and nighttime trash/debris collection in a cost efficient manner. Toy District augments City services through our sidewalk cleaning and graffiti abatement program.
- **Graffiti Abatement** Continue current response to graffiti “tagging” throughout the district. For the past two years, the Toy District has participated in a cooperative effort with the Los Angeles City Attorney’s office to inform property owners of their responsibility to remove graffiti from areas of their property inaccessible to BID paint-out crews.
- **Merchant/Public Education** Work closely with City Bureau of Public Works, Los Angeles Police Department and the City Attorney’s office to inform businesses of the laws governing disposing of trash on public thoroughfares.

PUBLIC SAFETY PROGRAM

- **Crime Prevention** Continue supporting the Los Angeles Police Department and property owners in crime prevention efforts. The safety program will assist in the prevention of business burglaries, automobile-related crimes and disruptive street behavior.
- **Crime Suppression** Continue rapid response to stakeholder calls for service encompassing a range of quality of life issues including drinking in public, urinating in public, trespassing, blocking sidewalks, prostitution, drug use, scavenging and shopping cart confiscation. Teams of private security personnel on bicycles and in vehicles also provide a deterrent effect by maintaining a high-visibility presence on patrol throughout the District
- **Safer Cities Initiative** The Toy District BID continues working in partnership with the Safer Cities Initiative (SCI) in Central City East, working with various City departments to accomplish the objectives of enforcement, enhancement and outreach.
- **Homeless Services** The Toy District BID will continue providing services to the district’s homeless population through the Personal Property Check-in facility. The facility, open seven days a week, provides a secure site for homeless individuals to store personal possessions.
- **Outreach/Sensitivity Training** Continue ongoing training of Toy District

security officers by Midnight Mission personnel on the particular characteristics of the homeless population, recognizing the mentally ill and their special needs, and providing direction to service providers for those in need.

- **Skid Row Neighborhood Watch Walk** Monthly walks with residents, social service providers, law enforcement, business owners, students, media and elected/appointed officials to call for an end to drug-related criminal behavior in Central City East. In September 2007, the Walk was honored with the Merit Award by the International Downtown Association (IDA) at their annual conference in New York City.
- **DWP Lighting** Through a special program with the Department of Water and Power, the Toy District BID will continue providing targeted security lighting in the District alleys. The District will also continue connecting area stakeholders with DWP resources to increase lighting throughout the district. The DWP has assisted Toy District property owners by installing no-cost lighting on street power poles, and by offering low-cost enhanced security lighting that property owners can place on their buildings.

MARKETING, COMMUNICATIONS AND COMMUNITY RELATIONS ACTIVITIES

- **Newsletter** Create an electronic newsletter for each quarter, and inform area stakeholders via e-mail when the new edition of the newsletter is posted on the CCEA website.
- **Website** Continue upgrading the Central City East Association website (www.centralcityeast.org), which features the Toy District BID.
- **Database** Continue building a database that represents property owners and other stakeholders. The database will be used for newsletter, various mailings and e-postings.
- **Media Relations** Respond to press inquiries as well as work pro-actively to create media opportunities for the Toy District and its stakeholders.
- **Toy District Guide** Disseminate the popular map and store guide, created by the Toy District BID with sponsorship from the Community Redevelopment Agency of Los Angeles.

ADMINISTRATION/ADVOCACY ACTIVITIES

- **District Advocacy** Monitoring of proposed policies or legislation that impact planning and land use issues facing the Toy District, such as the City Planning Department's analysis of industrial land, and the Central City Community Plan update currently underway.

- **Improved Communication with City Hall** Disseminate notices from City departments regarding public hearings for proposed actions affecting properties and businesses in the District. Presently, hearing notices are sent only to those within a certain radius of the proposed project. BIDs can be highly effective in providing testimony and in monitoring activity with a direct bearing on proposed projects.

ATTACHMENT D

FY 2009 BUDGET

**TOY DISTRICT
OPERATING BUDGET**

	<u>2009</u>
Assessment Income	570,389
Per City Contract	
Contingency	11,408
City Fee @ 2%	11,408
ED&C	28,519
Security	444,903
Maintenance	-
Administration	74,151
Total Fees and Expenses	570,389

ATTACHMENT E

BASIS FOR LEVYING ASSESSMENTS

I. TOY DISTRICT BASICS

The Toy District is a BID established pursuant to the Landscaping, Security, Programming, and Maintenance Property Business Improvement District establishment law, Division 6 of the Los Angeles Administrative Code, Chapter 9, Sections 6.600-6.620. As required under that law, the Toy District is located within a "special economic incentive zone". Specifically, the Toy District is located entirely within the boundaries of two U.S. Census tracts: L.A. Country tracts 2062 and 2073. Each of these tracts are commercial/industrial tracts with poverty levels that far exceed the City's PBID establishment law's requirement of 20%. Tract 2062, encompassing the majority of the BID's area, has a poverty level of 57%. Tract 2073 has a poverty level of 47%.¹

~~Property owners within the current Toy District have been pleased with the services provided by the Toy District and created this Management District Plan to renew for an additional term. As a result of the Toy District's success, owners would like to expand the boundaries and increase the current levels of service. The renewed Toy District will provide a parcel safety program, a new maintenance program, trash and debris collection, business interest advocacy, and marketing and promotion services.~~

Location: The Toy District is a 14-block area on the east side of Downtown Los Angeles. Its boundaries can be described as follows: Starting at the intersection of Los Angeles Street and 3rd Street, the boundary line proceeds east on 3rd Street to San Pedro Street and turns right. The boundary line extends south on San Pedro Street to Boyd Street and turns left. It travels east on Boyd Street one block to Omar Avenue and turns right. It travels south on Omar Avenue one block to 4th Street and turns right. It then travels one block west on 4th Street back to San Pedro Street and turns left onto San Pedro Street. The boundary line travels south on San Pedro to 5th Street and turns right. It then travels west on 5th Street to Werdin Place and turns right. The boundary line travels north on Werdin Place until it reaches the parcel labeled "Domitila Cohn", APN 5148-001-013. The line then turns right and travels east along the property line of that parcel (APN 5148-001-013), and turns north with the boundary of the lot. At the corner where this parcel line meets APN 5148-001-015, the Toy District boundary line turns left traveling west and follows the property line separating 5148-001-013 and 5148-001-015 to the western edge of APN 5148-001-015. The boundary line then turns right and proceeds north along the western property line of APN 5148-001-015 to 3rd Street. At 3rd Street, the boundary line turns right and travels east to its starting point at the intersection of 3rd Street and Los Angeles Street.

Services: The Toy District will provide the following services: maintenance services to increase the frequency of litter and debris removal, machine

¹ See U.S. Census Data printout attached as Appendix 1:

washing of sidewalks, and graffiti removal; homelessness amelioration to reduce encampments and disorderly street behavior; advocacy to promote business interests and allow the business community to speak with one voice; and a security program to support police and property owner crime prevention efforts including a night vehicle patrol and daytime bicycle patrol.

Budget: Total maximum Toy District budget for each year of its five (5) year operation is a base of \$538,323 per year with a maximum 4% increase in the assessment rates per year.

Source of Financing: This BID will be financed through annual assessments on Toy District parcels. ~~Based upon property location and benefits received, annual assessments on property will be \$0.298 per square foot of land per year and \$14 per front foot per year. Because they do not benefit from the Toy District's marketing efforts, nonprofit and City-owned parcels will be assessed at 94% of the standard rate. See the Engineer's Report for further explanation of the assessments on nonprofit and City-owned parcels.~~

Duration: The proposed Toy District will exist for a five-year period, beginning on January 1, 2005 and ending on December 31, 2009. At the close of that period, the petition, ballot, and hearing process must be repeated for the District to be renewed.

II. TOY DISTRICT BOUNDARIES

The Toy District will deliver services to parcels in an approximately 14-block area of downtown Los Angeles. As noted above, its boundaries can be described as follows:

Starting at the intersection of Los Angeles Street and 3rd Street, the boundary line proceeds east on 3rd Street to San Pedro Street and turns right. The boundary line extends south on San Pedro Street to Boyd Street and turns left. It travels east on Boyd Street one block to Omar Avenue and turns right. It travels south on Omar Avenue one block to 4th Street and turns right. It then travels one block west on 4th Street back to San Pedro Street and turns left onto San Pedro Street. The boundary line travels south on San Pedro to 5th Street and turns right. It then travels west on 5th Street to Werdin Place and turns right. The boundary line travels north on Werdin Place until it reaches the parcel labeled "Domitila Cohn", APN 5148-001-013. The line then turns right and travels east along the property line of that parcel (APN 5148-001-013), and turns north with the boundary of the lot. At the corner where this parcel line meets APN 5148-001-015, the Toy District boundary line turns left traveling west and follows the property line separating 5148-001-013 and 5148-001-015 to the western edge of APN 5148-001-015. The boundary line then turns right and proceeds north along the western property line of APN 5148-001-015 to 3rd Street. At 3rd Street, the boundary line turns right and travels east to its starting point at the intersection of 3rd Street and Los Angeles Street.

The service area includes approximately 141 properties and 69 property owners. The map below illustrates the Toy District boundary. A larger map is attached as Appendix 2.

Toy District Map

