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CITY CLERK

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# City of Los Angeles

CALIFORNIA



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October 23, 2020

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

Council Districts 9

REGARDING:

THE SOUTH LOS ANGELES INDUSTRIAL TRACT (PROPERTY BASED) BUSINESS  
IMPROVEMENT DISTRICT'S 2020 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's ("District") 2020 fiscal year (CF 14-1072). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, an Annual Planning Report for the District must be submitted for approval by the City Council. The South Los Angeles Industrial Tract Business Improvement District's Annual Planning Report for the 2020 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

## BACKGROUND

The South Los Angeles Industrial Tract Business Improvement District was established on August 7, 2015 by and through the City Council's adoption of Ordinance No. 183787 which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The Council established the District pursuant to State Law.

## ANNUAL PLANNING REPORT REQUIREMENTS

The State Law requires that the District's owners' association shall cause to be prepared, for City Council's consideration, an Annual Planning Report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the planned District improvements and activities. The Annual Planning 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 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 an 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 meeting on December 5, 2019, 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 District's owners' association or may modify any particulars contained in the Annual Planning Report, in accordance with State Law, and approve it as modified.

### FISCAL IMPACT

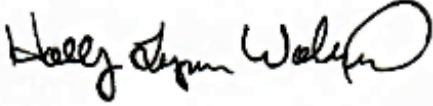
There is no impact to the General Fund associated with this action.

### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's 2020 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2020 budget concurs with the intentions of the South Los Angeles Industrial Tract Business Improvement District's Management District Plan and does not adversely impact the benefits received by assessed property owners.
3. ADOPT the attached Annual Planning Report for the South Los Angeles Industrial Tract Business Improvement District's 2020 fiscal year, pursuant to the State Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly L. Wolcott", is written over a light blue grid background.

Holly L. Wolcott  
City Clerk

Attachment:

South Los Angeles Industrial Tract Business Improvement District's 2020 Fiscal Year  
Annual Planning Report

October 23, 2020

Holly L. Wolcott, City Clerk  
Office of the City Clerk  
200 North Spring Street, Room 395  
Los Angeles, CA. 90012


Subject: South Los Angeles Industrial Tract PBID 2020 Annual Planning Report

Dear Ms. Wolcott:

As required by the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, the Board of Directors of the South Los Angeles Industrial Tract Business Improvement District has caused this South Los Angeles Industrial Tract Business Improvement District Annual Planning Report to be prepared at its meeting on December 5, 2019.

This report covers proposed activities of the South Los Angeles Industrial Tract BID from January 1, 2020 through December 31, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Susan Levi".

Susan Levi

# South Los Angeles Industrial Tract Business Improvement District

## 2020 Annual Planning Report

### **District Name**

This report is for the South Los Angeles Industrial Tract Business Improvement District (District). The District is operated by the South Los Angeles Industrial Tract Property Owners Association, a California non-profit corporation.

### **Fiscal Year of Report**

The report applies to the 2020 Fiscal Year. The District Board of Directors approved the 2020 Annual Planning Report at the December 5, 2019 Board of Director's meeting.

### **Boundaries**

There are no changes to the District boundaries for 2020.

### **Benefit Zones**

There are no changes to the District's benefit zone(s) for 2020.

### **2020 IMPROVEMENTS, ACTIVITIES AND SERVICES**

#### **Security: \$841,715.00 (80.36%)**

The South Los Angeles Industrial Tract BID security program mission is to support the property owners and tenants in overall crime prevention and reduction efforts, while offering a customer service orientation to tenants.

The security team provides services on a 24-hour basis through a combination of bicycle and vehicular patrol, to deter property theft, illegal dumping, illegal street vending, and street code violations. The patrol also deters aggressive panhandling and handles quality of life problems including: drinking in public, indecent exposure, trespassing, prostitution and scavenging.

Security personnel have access to the District's system of forty video cameras. Recordings are made and stored of criminal incidents from all cameras to use in prosecuting criminal behavior when security personnel are aware of an incident.

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In 2019, the BID has nearly completed the installation of twelve additional cameras and gated entries/exits at all points into the district. When fully operational, the gates will slow ingress and egress within the district and the cameras will assist with monitoring activity in the area.

There has been a delay in obtaining two permits for new meter service with LADWP that is required to provide electricity to both the gate arms and cameras. The BID is working diligently with LADWP, Department of Building and Safety and Bureau of Street Services to resolve the issue. Due to the current pandemic, the BID has seen additional delays as these City organizations have been focused on emergency needs and not new service.

The BID has reserved funding from 2018-2019 assessments. Approximately \$103,000 was derived in 2018 from savings associated with security patrol and other related services and will be applied to the security component of the 2020 budget. A 20% contingency amount was set aside, \$100,000, for the gate/camera project and was not expended in 2019. This will be incorporated into the security component of the 2020 budget. Additionally, we saw approximately \$33,000 in cost savings with Streetplus, our safety patrol vendor. Often the staffing positions are filled with overtime hours that we are not billed for and therefore we have seen a substantial savings.

Utilizing these savings and a portion of the 2020 security budget, the BID will be implementing two new projects this year. Many of our cameras receive power from City of Los Angeles street light poles. Due to the ever increasing vandalism to these poles, we often experience power outages to cameras or the repeaters that transmit data wirelessly to our monitoring system. In an effort to eliminate these disruptions in service, the BID will upgrade our repeaters and install more on the interior portions of the Tract.

The second project will upgrade the monitoring system at the command center. Monitoring 52 cameras is not efficient utilizing the existing system. The new 4k monitors offer a wide range of features that will enhance the current capabilities.

The BID has budgeted \$175,000 for these two projects. The BID will use all of the surplus funds from 2019 in the security component of the 2020 budget. Additional 2019 surplus funds will be allocated towards increased security patrol expenses, monthly camera maintenance and related expenditures.

**Streetscape Services: \$96,280.00 (9.19%)**

Streetscape Services includes regular programmed and response oriented sidewalk sweeping and pressure washing, graffiti abatement, removal of trash and discarded bulky items, and other streetscape related issues that may arise.

**Administration/Operations: \$109,411.93 (10.45%)**

Included in the Administration/Operations program are the costs for an Executive Director, office expenses, newsletters, legal fees, accounting/bookkeeping fees, Directors & Officers and General Liability insurance, City/County of Los Angeles collection fees and delinquent assessments.

### **Total Estimate of Cost for 2020**

A breakdown of the total estimated 2020 budget is attached to this report as **Appendix A**.

### **Method and Basis of Levying the Assessment**

The method and basis of levying the 2020 assessment remains the same as listed in the Management District Plan. The Management District Plan allows for maximum annual assessment increase of 3%. The Board voted no (0%) CPI increase for 2020.

2020 assessment rate:

Lot square footage \$0.0900

**(There is No CPI increase for 2020)**

### **Surplus Revenues: \$240,010.00**

The BID has installed and continues to maintain a state-of-the-art surveillance system that includes 52 high-definition cameras, some with specialized software and has nearly completed the installation of gates at the entry points in and out of the Tract. A contingency amount was set aside for the gate project and was not expended in 2019. Additionally, approximately \$103,000 was derived from the 2018 security component of that year's budget and was not expended in 2019. These have both been incorporated into the security component of the 2020 budget.

Finally, we saw approximately \$33,000 in cost savings with Streetplus, our safety patrol vendor. Often the staffing positions are filled with overtime hours that we are not billed for and therefore we have seen a substantial savings.

Utilizing these savings and a portion of the 2020 security budget, the BID is implementing two new projects this year. Many of our cameras receive power from City of Los Angeles street light poles. Due to the ever increasing vandalism to these poles, we often experience power outages to cameras or the repeaters that transmit data wirelessly to our monitoring system. In an effort to eliminate these disruptions in service, the BID has allocated funding to upgrade our repeaters and install more on the interior portions of the Tract.

The second project will upgrade the monitoring system at the command center. Monitoring 52 cameras is not efficient utilizing the existing system. The new 4k monitors offer a wide range of features that will enhance the current capabilities.

The BID will use all of the surplus funds in the security component of the 2020 budget. Additional 2018 and 2019 surplus funds will be allocated towards increased security patrol expenses, monthly camera maintenance and related expenditures.

Due to the pandemic, the BID has encountered delays in completing the gated entry point and surveillance systems. There are two locations that LADWP has not yet provided power to. The BID hopes to resolve this by year's end.

During the process of the CPA provided financial review and City's review, there were a couple of journal entries made that increased the amount of the actual surplus by \$365 from the amount stated in the CPA's financial review.

Finally, the 2019 4th Quarter Report inaccurately reported a deficit because the 2019 budget did not reflect the full rollover amount from the prior BID year.

### **Anticipated Deficit Revenues**

There are no deficit revenues that will be carried over to 2020.

### **Contribution from Sources other than assessments: \$15,830.78**

General Benefit



**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE South Los Angeles Industrial Tract BID- FY 2020**

<u>2020 Assessments</u>	<u>\$791,538.93</u>	
<u>Estimated Carryover from 2019</u>	<u>\$240,010.00</u>	
<u>Other Income</u>	<u>\$15,858.00</u>	
<u>Total Estimated Revenues</u>	<u>\$1,047,406.93</u>	
<u>2020 Estimated Expenditures</u>		<u>Pct.</u>
<u>Security</u>	<u>\$841,715.00</u>	<u>80.36%</u>
<u>Streetscape Services</u>	<u>\$96,280.00</u>	<u>9.19%</u>
<u>Administration/Operations</u>	<u>\$109,411.93</u>	<u>10.45%</u>
<u>Total Estimated Expenditures</u>	<u>\$1,047,406.93</u>	<u>100%</u>