

APPROVED
JUL 08 2015

REPORT OF GENERAL MANAGER

NO. 15-152

DATE July 8, 2015

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARKING GARAGE – ANNUAL STATUS REPORT FOR FISCAL YEAR 2013-2014; TRANSFER OF APPROPRIATIONS

R. Adams _____
R. Barajas _____
H. Fujita _____

V. Israel _____
*K. Regan _____
*N. Williams NDW



General Manager

Approved
AS AMENDED

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Note and file the Pershing Square Parking Garage Annual Status Report for Fiscal Year 2013-2014 (Attachment A);
2. Authorize the Department's Chief Accounting Employee to transfer garage operations revenue between accounts and funds within Recreation and Parks as follows:

From:	Fund No./ Department No./ Account No.	Fund Amount
<u>Funding Source</u>	<u>Account No.</u>	<u>Amount</u>
Pershing Square Garage Operation	302/89/89810M	\$1,863,227
Total Funding		\$1,863,227

To:	Fund No./ Department No./ Account No.	Fund Amount
<u>Funding Source</u>	<u>Account No.</u>	<u>Amount</u>
Pershing Square Capital Improvements and Equipment Fund	302/89/89812M	\$ 150,000
Pershing Square Park Operations and Programming	301/88/88015M	\$ 400,000

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Pershing Square - Facility Repair/ Maintenance	301/88/88012M	\$ 100,000
Pershing Square - Mobile Youth Programming	301/88/88012M	\$ 213,227
Revenue Source 4147 - Metro Ranger Program	302/88/4147	\$1,000,000
Total Transfers		\$1,863,227

3. Authorize the General Manager, or his designee, to make technical corrections, as necessary, to those transactions included in this Report.

BACKGROUND

Pershing Square Park is one of the City of Los Angeles, Department of Recreation and Parks' (RAP) oldest parks. Park operations are funded by garage revenues. The Pershing Square Parking Garage (Garage) is a three-story underground public parking facility, located directly under Pershing Square Park. The garage, constructed in 1950, was leased for fifty (50) years to a private operator. In September 2000, at the end of the long-term lease, RAP assumed self-operation of the parking garage.

The Department of General Services (GSD), under a Memorandum of Understanding with RAP, carries out daily garage management and operations. In addition to funding garage operations, Garage revenues (Revenues) provide enhanced funding for park maintenance, park programs, and special events, and capital improvements. Revenues also provide funding for youth programming for youth and families within a five (5) mile radius of the park. Beginning in Fiscal Year 2015-16, Revenues will also fund rangers in the Metro area. The following summary reviews Pershing Square Garage operations for the Fiscal Year 2013-2014 (July 2013 to June 2014).

SUMMARY:

Parking Garage Operation

Minor capital improvements and projects in the Garage during Fiscal Year 2013-2014 included flooring replacement and painting. Staff also began the parking automation project which will eliminate some GSD personnel costs. GSD carried out daily operations, maintenance and repairs in the Garage and continued to make concerted efforts to attract movie crews and special event parking in order to increase net revenue by approximately \$246,000. Garage staff worked in cooperation with RAP to support and accommodate parking needs related to RAP park programs.

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Pershing Square Park Operations and Programming

Garage revenues provided enhanced recreation programming. Pershing Square Park programming highlights included the annual Downtown on Ice Outdoor Ice Skating Rink and participation in the City's Holiday Lights/Downtown Program. During the Ice Rink operation, the park is decorated with enhanced winter holiday lighting. Approximately seventy-five thousand (75,000) attended the events and visited the Ice Rink. An energized winter program included an exciting Broom Ball Ice Hockey League which included ten (10) community and business teams where a pseudo Stanley Cup was awarded to the championship team.

Daytime and evening concerts in the park were presented during Ice Rink operations, on St. Patrick's Day, and at other times during the summer. The summer concert series offers six (6) weeks of free concerts, films and special events from July through August. Attendance at concerts averaged approximately four thousand (4,000) patrons. Awards were received for best free summer concert series for the past three (3) years. Community movies provided an opportunity for friends and neighbors to gather on the lawn at the park for movies under the stars. Additionally, the Art Squared Outdoor Gallery presents temporary art installations at the venue. Community response to RAP programs was enthusiastic, and Pershing Square has become "LA's Downtown Living Room."

Mobile Youth Programming

Various youth programs including concerts, cultural performances, recreational activities and special events, including the annual Winter Holiday Festival for youth and families, held in December at Pershing Square during the Downtown on Ice Outdoor Winter Ice Skating Rink, attract thousands of youth and their families throughout the year.

The Mobile Youth Recreation Program serves youth who may not have access to a recreation center nearby, by setting up regular programming at selected pocket parks within a five (5) mile radius of Pershing Square. The program offers sports, puppet shows and arts and crafts, tutoring, and a snack, and serves Pico-Union Park, Julian C. Dixon Park, Prospect Park, Hope and Peace Park, and Unidad Park.

During the summer, approximately two hundred and fifty (250) underserved youth were enrolled in day camps which provided daily recreational activities, field trips, and other opportunities for enrichment. During the school year, approximately thirty (30) youth each day at seven (7) locations in underserved areas participate in after-school programming including: homework help, cultural activities, arts and crafts projects and sports.

Pershing Square Facility Repair, Maintenance and Park Improvements

Garage revenues provided enhanced park and facility maintenance and provided funding for park

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improvements. During Fiscal Year 2013-2014 Pershing Square garage funds enabled the maintenance personnel to continue enhanced maintenance services including the steam cleaning of the park twice a day, replacement of aging electrical components and construction of a new community room.

Parking Garage Revenue and Expenditures

The gross revenue for Fiscal Year 2013-2014 for Pershing Square Garage was \$4,212,819. After utility encumbrances of \$204,859, and parking tax liability of \$323,424 transferred to the City's Office of Finance, the net revenue was \$3,626,685. The operating expenses and capital expenditures for Fiscal Year 2013-2014 were \$1,531,440. Net income for Fiscal Year 2013-2014 after all related expenses was \$1,863,227.

Funds Available to be Allocated

2013-2014

At fiscal year end, the net income from Fiscal Year ~~2012-2013~~ and adjustments (changes in funding for projects and resulting transfers) are available to be re-allocated. The total amount of funds available to be re-allocated as described below for Fiscal Year ~~2012-2013~~ is \$1,863,227.

2013-2014

Fiscal Year 2013 Allocation of Funds

Revenues from the Garage provide funding for capital improvements for the garage and for the park level, for enhanced park operations and park programming and for facility repair and maintenance. It is recommended that available funds to be allocated as follows:

Pershing Square Capital Improvement and Equipment (CIP) Fund - Recommendation to transfer \$150,000 to Fund 302, Department 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund. The funds will be used to upgrade and install the Security Systems/cameras in the garage and the park.

Pershing Square Park-Operations and Programming - Recommendation to transfer \$400,000 to Fund 301, Department 88, Account 88015M, Pershing Square Park Operations and Programming. The funds will provide for enhanced park operations and park programming.

Pershing Square Facility-Repair and Maintenance - Recommendation to transfer \$100,000 to Fund 301, Department 88, Account 88012M, Pershing Square Facility Repair and Maintenance. The funds will be used to provide facility repair and maintenance at Pershing Square Park.

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Pershing Square Mobile Youth Programming - Recommendation to transfer \$213,227 to Fund 301, Department 88, Account 88015M, Mobile Youth Programming. The funds will be used to provide youth programming to youth who may not have access to a recreation center nearby.

Metro Ranger Program - Recommendation to transfer \$1,000,000 to Revenue Source 4147. These funds will be used to re-establish the Ranger Program in the downtown area of Los Angeles.

Garage Operation Reserve - The Operation Reserve Account (Reserve) was established in order to safeguard operations and provide interim funding for both Garage and park operations in the event of unexpected needs, problems and emergencies. The Reserve is funded with a minimum of three (3) months anticipated gross revenue, with adjustments as needed. The current Reserve funding balance is \$917,607. No additional adjustments to the operating reserve are necessary at this time.

Additional details regarding expenditures and allocation of excess revenue over expenditures for Fiscal Year 2013-2014 are included in Attachment A.

FISCAL IMPACT STATEMENT:

Pershing Square Garage continues to generate a positive fiscal impact for the Department by providing funds for Garage operation, security for the garage and the park, facility improvements, park and facility maintenance, enhanced park programming and youth programming.

This Report was prepared by Kevin Regan, Assistant General Manager and Noel D. Williams, Chief Financial Officer.

City of Los Angeles
 Department of Recreation and Parks
 Pershing Square Parking Garage Annual Status Report
 Fiscal Year 2013-2014

	Actual Revenue/ Expenditures as of 6/30/2014
Revenue	
Actual Revenue Earned	4,212,819
Transfer - Utilities Payment for Pershing Square	(204,859)
Tax Liability(Transferred to City's Office of Finance)	(381,275)
Net Actual Revenue	3,626,685
Expenses	
General Services Department/Parking Garage	
Parking Operating Expenses	525,025
Building Maintenance Expense	85,301
Below Ground Security	366,942
Total Expenses - General Services	977,268
Department of Recreation and Parks	
Above Ground/Surface Security	343,744
Facility Administration	210,428
Total Expenses - Recreation and Parks	554,172
Total Expenses	1,531,440
Net Income	2,095,245
Less: Adjustment in Designated Fund Balance to tally with Account 89812M - Pershing Square Capital Improvement	232,018
Available for Allocation	1,863,227
FY 14 Allocation of Net Income	
Fund 302, Dept 89, Account 89812M, Pershing Square Capital Improvement	150,000
Fund 302, Dept 88, Account 88015M, Pershing Square Park Operations and Programming	400,000
Fund 302, Dept 88, Account 88012M, Pershing Square Facility Repair and Maintenance	100,000
Fund 302, Dept 88, Account 88012M, Mobile Youth Programming	213,227
Fund 302, Dept 88, Account 88012M, Downtown on Ice	-
Transfer to Fund 302, Department 88, Revenue Sources 4147	1,000,000
Total Allocations	1,863,227
Final Net Income	0