

APPROVED

MAY 13 2013

REPORT OF GENERAL MANAGER

NO. 13-135

DATE May 13, 2013

**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 2011-2012 – TRANSFER OF APPROPRIATIONS

R. Adams _____
H. Fujita _____
V. Israel _____
K. Regan _____
M. Shull _____
*N. Williams *[Signature]*

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

- Note and file the Pershing Square Parking Garage Annual Status Report for Fiscal Year 2011-2012 (Attachment A);
- 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	\$1,363,508.00
Total Funding		\$1,363,508.00
To:	Fund No./ Department No./ Account No.	Fund Amount
<u>Funding Source</u>	<u>Account No.</u>	<u>Amount</u>
Pershing Square Capital Improvements - Lighting and Electrical Improvement	302/89/89812M	\$ 153,508.00
Pershing Square - Park Operations and Programming	301/88/88015M	\$ 280,000.00
Pershing Square - Facility Repair/ Maintenance	301/88/88012M	\$ 200,000.00

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Pershing Square - Mobile Youth Programming	301/88/88012M	\$ 370,000.00
Pershing Square - Downtown on Ice	301/88/88012M	\$ 360,000.00
Total Transfers		\$1,363,508.00

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. 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. The following summary reviews Pershing Square Garage operations for the Fiscal Year 2011-2012 (July 2011 to June 2012).

SUMMARY:

Parking Garage Operation

Major improvements and projects in the garage during Fiscal Year 2011-2012 included completion of upgrades to and replacement of selected garage lighting and electrical equipment, upgrade of garage entrances and exits, and replacement of selected garage signing. 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 mitigate the impact of the poor economy on parking customer revenue. Garage staff worked in cooperation with RAP to support and accommodate parking needs related to RAP park programs.

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

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(Ice Rink) and participation in the City's Holiday Lights/Downtown Program. The park is decorated with enhanced winter holiday lighting during these events. Approximately 56,000 attended the events and visited the Ice Rink. Daytime and evening concerts in the park were presented during the Ice Rink, on St. Patrick's Day, and during the summer. The Art Squared Gallery provided art throughout the park. Community movies provided an opportunity for friends and neighbors to gather on the lawn at the park for movies under the stars. Community response to RAP programs was enthusiastic.

Mobile Youth Programming - 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 Dixon Park, Prospect Park, Hope & Peace Park, and Unidad Park.

Various mobile 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 Ice Skating Rink, attracts thousands of youth and their families throughout the year.

Pershing Square Facility Repair, Maintenance and Park Improvements

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

Parking Garage Revenue and Expenditures

The gross revenue for Fiscal Year 2011-2012 for Pershing Square Garage was \$3,343,153.00. After utility encumbrances of \$175,362.00, and parking tax liability of \$301,884.00 transferred to the City's Office of Finance, the net revenue was \$2,865,907.00. The operating expenses and capital expenditures for Fiscal Year 2011-2012 were \$1,502,399.00. Net income for Fiscal Year 2011-2012 after all related expenses was \$1,363,508.00.

Funds Available to be Allocated

At fiscal year end, the net income from Fiscal Year 2011-2012, other remaining balances (designated fund balances) 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 2011-2012 is \$1,363,508.00.

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Fiscal Year 2012 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. Recommendation Number 2 of this Report for Fiscal Year 2011-2012 recommends available funds to be allocated as follows:

Pershing Square Capital Improvement and Equipment (CIP) Fund - Lighting and Electrical Improvement - Recommendation to transfer \$153,508.00 to Fund 302, Department 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund. The funds will be used for lighting and electrical improvements.

Pershing Square Park Operations and Programming - Recommendation to transfer \$280,000.00 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 \$200,000.00 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.

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 \$917,607.00. No additional adjustments to the operating reserve are necessary at this time.

Mobile Youth Programming - Recommendation to transfer \$370,000.00 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.

Downtown on Ice - Recommendation to transfer \$360,000.00 to Fund 301, Department 88, Account 88015M, Downtown on Ice. The funds will be used for the annual Downtown on Ice Outdoor Ice Skating Rink.

Additional details regarding expenditures and allocation of excess revenue over expenditures for Fiscal Year 2011-2012 are included in Attachment A.

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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 Carol Jacobsen, Sr. Management Analyst, Finance Division, and approved by Noel D. Williams, Chief Management Analyst and Kevin Regan, Assistant General Manager.

City of Los Angeles
 Department of Recreation and Parks
 Pershing Square Parking Garage

Pershing Square Parking Garage	Actual Revenue/ Expenditures as of 6/30/2012
Revenue	
Actual Revenue Earned	3,343,153
Transfer- Utilities Payment for Pershing Square	(175,362)
Tax Liability (Transferred to City's Office of Finance)	(301,884)
Net Actual Revenue	2,865,907
Expenses	
General Services Department/Parking Garage	
Parking Operating Expense	539,471
Building Maintenance Expense	54,883
Capital Improvement and Equipment Fund - Garage	
Below Ground Security	368,272
Total Expenses - General Services	962,626
Department of Recreation and Parks	
Above Ground Security	344,777
Facility Administration	194,996
Surface Maintenance	
Capital Improvement and Equipment Fund - Park	
Recreation Programming	
Total Expense - Recreation and Parks	539,773
Total Expenses	1,502,399
Net Income	1,363,508
FY 12 Allocation of Net Income	
Fund 302, Dept 89, Account 89812M, Pershing Square Capital Improvement - Lighting & Electrical Improvement	153,508
Fund 301, Dept 88, Account 88015M, Pershing Square Park Operations and Programming	280,000
Fund 301, Dept 88, Account 88012M, Pershing Square Facility Repair and Maintenance	200,000
Fund 301, Dept 88, Account 88012M, Mobile Youth Programming	370,000
Fund 301, Dept 88, Account 88012M, Downtown on Ice	360,000
Total Allocation of Net Income	1,363,508
Final Net Income	0