

APPROVED
APR 17 2006

REPORT OF GENERAL MANAGER

NO. 06-89

DATE April 5, 2006

BOARD OF RECREATION
AND PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE-TRANSFER OF YOUTH PROGRAM FUNDS FROM
PERSHING SQUARE PARKING GARAGE MRP ACCOUNT TO PERSHING
SQUARE YOUTH PROGRAM MRP ACCOUNT

J. Combs _____
H. Fujita _____
S. Huntley _____
B. Jensen _____

J. Kolb _____
F. Mok _____
*K. Regan [Signature]
M. Shull _____

Robert H. Jensen (G)
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board approve the transfer of \$978,783.11 within the Municipal Recreation Program (MRP)

From: Pershing Square Garage MRP W15, Account 1702, Fund 301, Department 88

To: Pershing Square MRP W10, Account 1705, Fund 301, Department 88.

SUMMARY:

On January 19, 2000, the Board approved (Report No. 00-42), outlining the concept of City self-operation of the Pershing Square Parking Garage. Staff was directed to negotiate and execute a Memorandum of Understanding (MOU) between the City's Department of General Services (GSD) and the Department of Recreation and Parks (RAP) for the management of the parking garage.

In accordance with the above action, staff formed the Pershing Square Task Force, consisting of both RAP and GSD staff to implement the transition from the private operator (Maguire Partners) to the City. The Task Force successfully completed the transition and the City took over garage operations on September 22, 2000.

GSD's original annual revenue estimate was \$3.6 million, based on market information available at the time. This estimate was also made with the assistance of a parking consultant. The revenue

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estimate included parking occupancy taxes. All revenue was deposited into the Municipal Recreation Program Fund (MRP) Account. MRP reports determine actual net revenue and expenses are based on net revenue.

The original estimate of \$3.6 million in annual revenue is not being realized. Staff used actual revenue collections to create realistic budget projections for Budget Years 2 through 5 (Fiscal Years 2001-02 through 2004-05). The garage is subject to local market conditions and revenue will rise and fall in response to those conditions. Pershing Square Garage provides a benefit to the community by offering reduced parking for RAP park events, which affect garage revenues.

Pershing Square currently operates through the use of an MRP Account (MRP W15), established for the Pershing Square Garage project. Revenue is collected and expenditures are made from this account, with the exception of youth program funds. Youth program funds are transferred to MRP W10, the MRP account originally established for Pershing Square program operations. The annual youth program transfer estimate of \$505,900 included in the revenue and expenditure plan approved by the Board, was based on projected annual net revenue of \$3,600,000. The formula for determining the youth program allocation was prorated to allow for partial years and actual revenue. Attachment A details the formula used in determining the approved annual youth program transfer amounts. Funds already transferred to the youth program account in Fiscal Years 2003-04 and 2004-05 total \$1,011,800. Remaining funds in the amount of \$978,783.11 for Fiscal Years 2000-01, 2001-02, and 2002-03 should be transferred from Pershing Square Garage MRP W15 into MRP W10 to bring the youth program transfers current. The total transferred for youth programs will then be \$1,990,583.11. Out of the \$1,011,800 already transferred, approximately \$355,800 has been spent. The balance of funds will be used specifically for youth programming. Program options and additional information regarding usage of these funds will be provided in a subsequent Board Report.

FISCAL IMPACT STATEMENT:

There will be no fiscal impact as a result of this transfer. The transfer will move designated youth program funds from the Pershing Square Garage MRP Account to the designated Pershing Square MRP Program Account, for use in funding RAP youth programming.

Report Prepared by Carol Jacobsen, Senior Management Analyst, Pershing Square Facility Management, Griffith Region.

City of Los Angeles
 Department of Recreation and Parks
 Pershing Square Parking Operations Annual Funds
 As of June 30, 2005

Formula for Youth Program Allocation							Attachment A	
Revenue Description	Fiscal Year 2000-2001	Fiscal Year 2001-2002	Fiscal Year 2002-2003	Fiscal Year 2003-2004	Fiscal Year 2004-2005	Total transfer due to Youth Recreation Programming	Amount transferred to Youth Rec. Programming in Fiscal Year 2003-2004 and Fiscal Year 2004-2005	Total balance due to be transferred to Youth Recreation Programming
Actual Revenue Earned	\$2,212,789.40	\$2,840,007.48	\$2,928,623.37	\$3,210,694.15	\$2,934,638.45			
*Transfer to Fund 302 for Operating Revenue	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)			
Net Actual Revenue Earned	\$1,712,789.40	\$2,340,007.48	\$2,428,623.37	\$2,710,694.15	\$2,434,638.45			
Revenue Projected per RAP Board Report No. 00-42 (for 12 mos.)	\$3,600,000.00	\$3,600,000.00	\$3,600,000.00	\$3,600,000.00	\$3,600,000.00			
Transfer to Fund 302 for Operating Revenue	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)	\$ (500,000.00)			
Net Revenue Projected per RAP Board No. 00-42 (for 12 mos.)	\$3,100,000.00	\$3,100,000.00	\$3,100,000.00	\$3,100,000.00	\$3,100,000.00			
Pro-rated Projected Revenue (for 9 out of 12 mos.)	\$2,325,000.00							
	\$505,900.00	\$505,900.00	\$505,900.00	\$505,900.00	\$505,900.00			
Pro-rated Percentage based on Actual Revenue	73.67%	75.48%	78.34%	87.44%	78.54%			
Youth Program Pro-rated Transfer per Actual Revenue	\$372,688.24	\$381,874.12	\$396,335.67	\$442,367.80	\$397,317.29	\$1,990,583.11	\$1,011,800.00	\$978,783.11

*Note 1: As required by RAP, regardless of the level of revenue, the \$500,000 must be transferred to The Department's Fund 302, Recreation and Parks General Fund for RAP Operating Revenue.