

APPROVED

REPORT OF GENERAL MANAGER

NO. 10-334

DEC 08 2010

DATE December 8, 2010

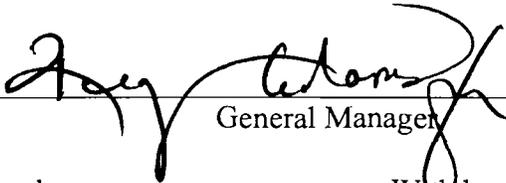
BOARD OF RECREATION
and PARK COMMISSIONERS

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARKING GARAGE – ANNUAL STATUS REPORT
FOR FISCAL YEAR 2009-2010 – TRANSFER OF APPROPRIATIONS

R. Adams _____	*F. Mok <u>Now</u>
H. Fujita _____	K. Regan _____
S. Huntley _____	M. Shull _____
V. Israel _____	



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Note and file the Pershing Square Parking Garage Annual Status Report for Fiscal Year 2009-2010 (Attachment A);
2. Authorize the Department's Chief Accounting Employee to transfer appropriations between accounts in Recreation and Parks Fund 302, Department 89 and transfer funds to Recreation and Parks Fund 301, Department 88 as follows:

From:	Fund No./	Fund
	Department No./	Amount
<u>Funding Source</u>	<u>Account No.</u>	
Pershing Square Garage Operation	302/89/810M	\$748,958
To:	Fund No./	Fund
	Department No./	Amount
<u>Funding Source</u>	<u>Account No.</u>	
Pershing Square Program– Mobile Youth Programming	301/88/012M	\$307,511
Pershing Square Program– Downtown on Ice	301/88/012M	\$ 22,372
Pershing Square – Facility Repair/ Maintenance	301/88/012M	\$ 81,623
Pershing Square Capital Improvements	302/89/812M	\$ 80,631

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Pershing Square Capital Improvements (Garage Improvements/Equipment)	302/89/812M	\$ 115,145
Pershing Square Capital Improvements (Park Improvements/Equipment)	302/89/812M	\$ 141,676
Total Transfers		\$ 748,958

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

SUMMARY:

Pershing Square Park is one of the City of Los Angeles, Department of Recreation and Parks' (RAP) oldest parks. Park operation is funded by budgeted funds. 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 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 provide an annual contribution to the RAP General Operating Fund toward other costs not covered directly by Pershing Square garage funds. Revenues also provide funding for youth programming for youth and families within a five mile radius of the park.

The following summary reviews Pershing Square Garage operations for the Fiscal Year 2009-2010 (July 2009 to June 2010):

Parking Garage Operation

Major projects in the garage included the completion of lighting upgrades on all garage levels to existing lighting and upgrades and repairs to the garage exhaust fan system. GSD carried out daily operations, maintenance and repairs in the garage and made concerted efforts to attract movie crew 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.

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Pershing Square Maintenance and Programming

Garage revenues provided enhanced park and facility maintenance, pest control and recreation programming. Pershing Square Park participated in the City's Holiday Lights/Downtown Program, decorating the park with enhanced winter holiday lighting during the annual Downtown on Ice Outdoor Ice Skating Rink. Garage revenues provided enhanced funding for park concerts and events, and funded the purchase of park equipment to replace damaged tables, chairs, umbrellas and canopies used in the park on a daily basis and used to accommodate park visitors during programs and concerts.

Parking Garage Revenue and Expenditures

The gross revenue for Pershing Square Garage was \$3,467,982. After the annual transfer of \$800,000 to the RAP General Fund, utility encumbrances of \$199,760 and parking tax liability of \$313,198 transferred to the City's Office of Finance, the net revenue was \$2,155,024. The operating expenses and capital expenditures for Fiscal Year 2008-2009 were \$1,768,912. Net income for Fiscal Year 2009-2010 after all related expenses was \$386,112.

Funds Available to be Allocated

At fiscal year end, the net income from Fiscal Year 2009-2010, other remaining balances (designated fund balances and youth program funding) 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 2009-2010 is \$748,958.

Fiscal Year 2009-2010 Allocation of Funds

Fiscal Year 2009-2010 Available Funds are recommended to be allocated as follows:

Youth Recreation Program Funding from Fiscal Year 2009-2010 – Garage revenues provided funding for various youth programs including concerts, cultural performances, recreational activities and special events. 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, attracted thousands of youth and their families as well as local organizations serving youth in Los Angeles.

The Mobile Youth Recreation Program served youth who may not have access to a recreation center nearby, by setting up regular programming at selected pocket parks within a five-mile radius of Pershing Square. The program served nine sites in Fiscal Year 2009-2010 including Prospect Park, Pico Union Park, Vermont Square Park, Hope and Peace Park, Julian Dixon Park, Alvarado Terrace Park, Broadway Park, Central Jazz Park and Gladys Park, with an average daily attendance of 18 youth per location. Special events were organized during Spring Break, Halloween and Winter Holidays.

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Funding for Youth Recreation Programs is calculated at five percent (5%) of annual net revenue. The youth program funding from Fiscal Year 2009-2010 garage net revenue is \$107,751 (which is five percent (5%) of \$2,155,024). It is recommended that the entire amount of \$107,751 be allocated to the Mobile Youth Program. Additional funds in the amount of \$199,760, initially budgeted but reimbursed through RAP's General Fund for Pershing Square utilities payment, are available and recommended for transfer as one-time additional funding specifically for Mobile Youth Recreation Programming. The recommended funding allocations will help the program continue to serve as many youth as possible. The total allocation from Fiscal Year 2009-2010 to be transferred for the Mobile Youth Programming is \$307,511.

Various Transfers – Various transfers include the transfer of unexpended prior year funds designated for Concerts, Programs and Special Events in the amount of \$22,372 to Account 012M, Pershing Square, for Downtown on Ice Winter Concerts and the transfer of \$81,623 in unexpended prior year funds designated for Park Facility Repair and Maintenance to Account 012M, Park Programs, for more efficient use by field staff and for proper classification and reporting.

Capital Improvement and Equipment (CIP) Fund – Revenues from the Garage provide funding for capital improvements for the garage and for the park level. Recommendation Number 2, of this report, requests the transfer of \$80,631 in unexpended prior year funds designated for Lighting and Electrical Improvements to Account 812M, Pershing Square Capital Improvement and Equipment Fund, the transfer of \$115,145 in unspent Fiscal Year 10 capital funds, intended for future garage capital improvements and the transfer of \$141,676 in unspent Fiscal Year 10 capital funds, intended for future park capital improvements from Account 810M Pershing Square Garage Operation to Account 812M Pershing Square Capital Improvements, for proper classification and reporting.

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 months anticipated gross revenue, with adjustments as needed. The original Reserve funding of \$661,590 was based on Fiscal Year 2004-2005 revenues. Board Report 10-060 approved the increase of the Reserves to \$917,607, equal to three month's gross revenue based on Fiscal Year 2008-2009 revenues. 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 2009-2010 are included in Attachment A.

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FISCAL IMPACT STATEMENT:

Pershing Square Garage generates 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, and by providing \$800,000 annually for the RAP General Operating Fund.

This report was prepared by Carol Jacobsen, Sr. Management Analyst, Finance Division, and approved by Noel D. Williams, Chief Management Analyst.

Pershing Square Garage

**Actual Revenue/
 Expenditures
 as of
 6/30/10**

Revenue

Actual Revenue Earned	3,467,982
Transfer to Recreation and Parks General Revenue Fund	-800,000
Transfer - Utilities Payment for Pershing Square	-199,760
Tax Liability (Transferred to City's Office of Finance)	-313,198
Net Actual Revenue Total	2,155,024

Expenses

General Services Department/Parking Garage	
Parking Operating Expense	573,005
Building Maintenance Expense	54,116
Capital Improvement and Equipment Fund - Garage	40,478
Below Ground Security	354,475
Total Expenses - General Services	1,022,074

Department of Recreation and Parks

Above Ground Security	384,369
Facility Administration	222,988
Surface Maintenance	8,856
Capital Improvement and Equipment Fund - Park	11,699
Recreation Programming	
Downtown On Ice Outdoor Ice Rink/Holiday Lighting	85,037
Concerts, Programs, Special Events	24,829
Pest Control - Above Ground	5,770
Maintenance and Replacement of Program Equipment	3,290
Total Recreation Programming	118,926
Total Expenses - Recreation and Parks	746,838

Total Expenses 1,768,912

Net Income 386,112

Funds Available to be Allocated

Fiscal Year (FY) 2010 Net Income	386,112
FY 10 concert expenditures covered by prior year Designated Funds, resulting in an increase in FY 10 Funds	12,805
FY 10 concert expenditures encumbered in FY 10 and paid in FY 11	-16,900
FY 10 expenditures for replacement of program equipment encumbered in FY 10 and paid in FY 11	-17,445
FY 10 funds encumbered for utilities; utilities paid from RAP General Fund	199,760
Prior year funds designated for Concerts, Programs and Special Events	22,372
Prior year funds designated for Park Facility Repair and Maintenance	81,623
FY 07 funds allocated by Board Report 07-219 for Lighting and Electrical Improvements	80,631
Total Funds Available to be Allocated	748,958

FY 10 Allocation of Funds

Account 012M, Pershing Square Program, funding from FY 10 for Mobile Youth Recreation Programming	107,751
Account 012M, Pershing Square Program, additional funds for Mobile Youth Programming (from Accrued Utilities not to be expended)	199,760
Account 012M, Pershing Square Program, for Downtown on Ice	22,372
Account 012M, Pershing Square Program, for Facility Repair and Maintenance	81,623
Account 812M, Pershing Square Capital Improvements	80,631
Account 812M, Pershing Square Capital Improvements, for Garage Capital Improvement and Equipment Fund	115,145
Account 812M, Pershing Square Capital Improvements, for Park Capital Improvement and Equipment Fund	141,676
Total	748,958

Final Net Income 0