

APPROVED

REPORT OF GENERAL MANAGER

NO. 12-099

DATE April 4, 2012

APR 04 2012

C.D. 9

**BOARD OF RECREATION
and PARK COMMISSIONERS**

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARKING GARAGE – ANNUAL STATUS REPORT
FOR FISCAL YEAR 2010-2011 – TRANSFER OF APPROPRIATIONS

R. Adams _____
H. Fujita _____
V. Israel _____

K. Regan _____
M. Shull _____
*N. Williams *cy for*

[Signature]

General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Note and file the Pershing Square Parking Garage Annual Status Report for Fiscal Year 2010-2011 (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	<u>\$1,017,823</u>
Total Funding		\$1,017,823

To:	Fund No./ Department No./ Account No.	Fund Amount
<u>Funding Source</u>	<u>Account No.</u>	<u>Amount</u>
Pershing Square Capital Improvements (Garage Improvements/Equipment) - Automation of Garage Parking System	302/89/89812M	\$ 300,000
Pershing Square Capital Improvements - Upgrade of Security System	302/89/89812M	\$ 300,000

Pershing Square Park Operations and

REPORT OF GENERAL MANAGER

PG. 2

NO. 12-099

Programming	301/88/88015M	\$ 150,000
Pershing Square - Facility Repair/ Maintenance	301/88/88012M	\$ 150,000
Department of Recreation and Parks General Operating Fund	302/88/4147*	<u>\$ 117,823</u>
Total Transfers		\$1,017,823
* Revenue source		

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 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 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 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 2010-2011 (July 2010 to June 2011).

SUMMARY:

Parking Garage Operation

Major improvements and projects in the garage during Fiscal Year 2011 included completion of upgrades to the garage exhaust system, and improvements to the garage lighting and electrical equipment. GSD carried out daily operations, maintenance and repairs in the garage and continued to make 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.

REPORT OF GENERAL MANAGER

PG. 3

NO. 12-099

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, when the park is decorated with enhanced winter holiday lighting during the Ice Rink (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 - 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, attracted 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-mile radius of Pershing Square. The program offers sports, puppet shows and arts and crafts, and tutoring and serves Pico Union Park, Julian Dixon Park, Prospect Park, Alvarado Terrace Park, Hope & Peace Park, Broadway Park, and Gladys Park.

Pershing Square Facility Repair, Maintenance and Park Improvements

Garage revenues provided enhanced park and facility maintenance and provided funding for park improvements. During Fiscal Year 2010-2011 Pershing Square garage funds enabled the purchase of new and improved trash cans for the park level, the repair of the terrazzo stars feature in the park, and the replacement of sod following the winter ice rink operation. Improvements were made to the outdoor sound stage to upgrade the safety and appearance of the stage area, including replacement of decomposed granite areas on the stage with matching colored concrete, installation of large tree wells with flush tree lighting and construction of a gated masonry wall on the east side of the stage. Additional improvements to the stage area created a new state of the art sound and lighting infrastructure for the park.

Parking Garage Revenue and Expenditures

The gross revenue for Fiscal Year 2010-2011 for Pershing Square Garage was \$3,287,508. After utility encumbrances of \$190,096, and parking tax liability of \$296,508 transferred to the City's Office of Finance, the net revenue was \$2,800,904. The operating expenses and capital expenditures for Fiscal Year 2008-2009 were \$1,790,075. Net income for Fiscal Year 2009-2010 after all related expenses was \$1,017,823.

REPORT OF GENERAL MANAGER

PG. 4

N.J. 12.099

Funds Available to be Allocated

At fiscal year end, the net income from Fiscal Year 2010-2011, 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 2009-2010 is \$1,017,823. This amount includes an allocation for transfer of \$117,823 to the Department of Recreation and Parks' General Operating Fund.

Fiscal Year 2011 Allocation of Funds

Revenues from the Garage provide funding for capital improvements for the garage and for the park level. Recommendation Number 2 of this 2011 Report recommends available funds to be allocated as follows:

Capital Improvement and Equipment (CIP) Fund / Garage - Recommendation to transfer \$300,000 to Fund 302, Department 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund. The funds will be used for the automation of the garage parking system.

Capital Improvement and Equipment (CIP) Fund - Recommendation to transfer \$300,000 to Fund 302, Department 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund. The funds will be used to upgrade Pershing Square security systems.

Pershing Square Park Operations and Programming - Recommendation to transfer \$150,000 to Fund 301, Department 88, Account 88015M, Pershing Square Park Operations and Programming.

Pershing Square Facility Repair and Maintenance - Recommendation to transfer \$150,000 to Fund 301, Department 88, Account 88012M, Pershing Square Facility Repair and Maintenance. The funds will be used to provide enhanced park operations, facility repair and maintenance at Pershing Square Park.

Department of Recreation and Parks General Fund - Recommendation to transfer \$117,823 to Account 302/88, Department of Recreation and Parks General Fund, Department Revenue Source 4147.

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

REPORT OF GENERAL MANAGER

PG. 5

NO. 12-099

needed. The current Reserve funding balance is \$917,607. No additional adjustments to the operating reserve are necessary at this time.

Mobile Youth Programming - Funding from previous fiscal years is sufficient at this time to support future programming; therefore, no additional funding is recommended to be allocated from Fiscal Year 2010-2011 revenues.

Additional details regarding expenditures and allocation of excess revenue over expenditures for Fiscal Year 2010-2011 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 Carol Jacobsen, Sr. Management Analyst, Finance Division, 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

Attachment A

Pershing Square Garage	Actual Revenue/ Expenditures as of 6/30/11
Revenue	
Actual Revenue Earned	3,287,508
Transfer - Utilities Payment for Pershing Square	-190,096
Tax Liability (Transferred to City's Office of Finance)	-296,508
Net Actual Revenue Total	2,800,904
Expenses	
General Services Department/Parking Garage	
Parking Operating Expense	507,328
Building Maintenance Expense	64,672
Capital Improvement and Equipment Fund - Garage	85,921
Below Ground Security	358,575
Total Expenses - General Services	1,016,496
Department of Recreation and Parks	
Above Ground Security	345,015
Facility Administration	199,615
Surface Maintenance	82,959
Capital Improvement and Equipment Fund - Park	14,793
Recreation Programming	131,197
Total Expenses - Recreation and Parks	773,579
Total Expenses	1,790,075
Net Accounting Adjustments and Transfers	6,994
Net Income	1,017,823
FY 11 Allocation of Net Income	
Fund 302, Dept. 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund - Automation of Garage Parking System	300,000
Fund 302, Dept. 89, Account 89812M, Pershing Square Capital Improvement and Equipment Fund - Upgrade of Security System	300,000
Fund 301, Dept. 88, Account 88015M, Pershing Square Park Operations and Programming	150,000
Fund 301, Dept. 88, Account 88012M, Pershing Square Facility Repair and Maintenance	150,000
Fund 302, Dept. 88, Department Revenue Source 4147	117,823
Total Allocation of Net Income	1,017,823
Final Net Income	0