


10 YEARS

LA FASHION DISTRICT BUSINESS IMPROVEMENT DISTRICT

2006 ANNUAL REPORT



It's easy to celebrate a ten year anniversary with an impressive retrospective of where we started in 1996 when property values were low and the number of graffiti tags was high. Now in 2006, it is exciting to see how the LA Fashion District Business Improvement District (BID) has helped transform the business community into the creative center of the apparel industry on the West Coast. Property values are at an all time high and the district is a national success story. At the same time, it is also important to celebrate the day-to-day effort everyone makes to improve the LA Fashion District.

Clean and Safe Teams work every day to maintain the public environment of the district. And our award-winning marketing programs draw attention to the excitement of the area.

Property owners show confidence in the BID by continuing to invest in the community with new projects and new property uses. Members of the LA Fashion District BID Board of Directors contribute expertise and leadership required to ensure the success of the LA Fashion District now and in the future.

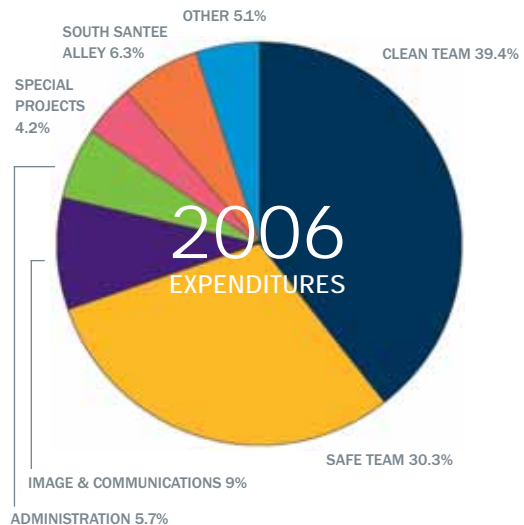
Making the LA Fashion District a better place to work, shop, do business, and now live, remains the core of our mission.



Finance

In 2006 the budget for the LA Fashion District BID was \$3,620,000. Expenses were less than budgeted and revenues were better than budgeted, mainly due to the collection of old outstanding assessments owed by the Los Angeles Unified School District (LAUSD) in late 2006 (see table). The assessment funds go directly to the BID to pay for public space management programs, developed by property owners and the BID Board of Directors that benefit the 94-block district. Annual budgets are carefully developed by BID committees and approved by the Board of Directors.

For 2006, the Board of Directors voted to increase the 2006 assessments by 1%. The property owner



DOWNTOWN PROPERTY OWNERS ASSOCIATION Summary of Audited Financial Information As of December 31, 2006		
	2006	2005
ASSETS		
Total Current Assets	\$ 1,686,089	1,443,737
Net Property & Equipment	110,974	137,340
Total Assets	1,797,063	1,581,077
LIABILITIES & NET ASSETS		
Current Liabilities	\$ 305,117	257,944
Net Assets Unrestricted	1,491,946	1,323,133
Total Liabilities & Net Assets	1,797,063	1,581,077
REVENUE		
Assessment Revenue	\$ 3,006,914	2,986,140
Assessments Revenue South - Santee Alley	212,653	210,548
Investment Income	98,833	56,092
Collection of Writen-off Assessments - LAUSD	239,651	
Other Revenue	14,716	300
Total Revenue	3,572,767	3,253,080
EXPENSES		
Maintenance	\$ 1,342,096	1,279,568
Security	1,029,666	971,644
Image & Communications	307,452	274,567
Administration	195,252	189,414
Special Projects	142,931	130,631
City Collection Costs	24,441	22,557
South Santee Alley	212,653	210,548
Uncollected Assessments Allowance	81,636	90,642
Depreciation & Equipment Disposal	67,827	67,011
Total Expenses	3,403,954	3,236,582
NET ASSETS		
Increase (Decrease)	\$ 168,813	16,498

A complete set of audited financial statements is available upon request.

approved district management plan allows for consumer price index (CPI) increases up to 3%. The additional funds raised are planned to be used to partially offset the costs of renewing the BID in 2007 and 2008.

Operations

BID assessments fund services that provide the day-to-day Clean & Safe Team services that maintain the public environment in the LA Fashion District.

CLEAN TEAM:

The BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

	2006	2005	% Change
Grffiti Tag Removals	8,219 tags	5,627 tags	46% increase
Trash Tonnage	2,719 tons	3,020 tons	10% decrease

2006 Accomplishments

- Trash tonnage reduced through merchant collaboration and BID recycling effort
- 31.6 million square feet of sidewalk cleaned
- Tree trimming for 300 trees in the district (there are over 700 trees in the 94-block district)

Ongoing Challenges to Address

- Illegal dumping and increasing costs of trash removal
- Dump fee increases
- Grffiti tag removal

SAFE TEAM:

BID Safe Team members patrol the streets of the LA Fashion District 24-hours a day, seven days a week. In 2006, over 72,000 incidents were recorded where Safe Team members contacted and assisted merchants and the public with issues from problems with nuisance behavior to property location checks.

2006 Accomplishments

- Contact numbers increased 26% over 2005
- Mediating disorderly conduct increased 29% over 2005
- Location checks increased 81% compared with 2005
- Surveillance cameras helped decrease crime in the district by 17% in the first quarter

Ongoing Challenges to Address

- Illegal vending
- Disorderly conduct in public spaces



Image and Communications

Promoting the LA Fashion District to the world is an important part of the BID's mission. The LA Fashion District is now a recognized destination on the map and on the web. In 2006, monthly website hits averaged over 2.3 million. Over 400 million media impressions appeared in print and visual media during the year, translating into \$8 million worth of free advertising.

Free Advertising Leveraged	\$8 million
Media Impressions	442 million
Website Hits	28 million
Map Guides Distributed	32,000

2006 Accomplishments

- Special Achievement Award for Marketing & Communications from the International Downtown Association for the Downtown LA Walks Marketing Campaign
- Holiday tours collaboration with Urban Shopping Adventures
- Market research study



Partnerships, Advocacy and Special Projects

The BID Board of Directors addressed important issues during 2006 that affect not only the LA Fashion District but also the future of downtown Los Angeles. Partnerships forged with city, state and federal agencies continue to benefit the district.

- Planning department tour
- Industrial zoning issues
- Walk audit
- \$10,000 Community Beautification Grant Award from Los Angeles Board of Public Works
- Safer City Initiative
- Drug crime penalties
- Illegal dumping and illegal vending investigations
- Increased illegal vending enforcement
- Los Angeles Department of Transportation DASH re-route plan



2006 District Improvement Awards

New developments and renovations have proved to be an important gauge of confidence in the LA Fashion District. The BID District Improvement Award program was started in 1996 to recognize property owner investment in the business community. The BID has awarded 100 District Improvement Awards to property owners since the first two awards were presented in 1996. The LA Fashion District has evolved into a model neighborhood of urban density where business and residential converge in the creative hub of the West Coast apparel industry and 2006 was no exception.

NEW CONSTRUCTION

525 S. Los Angeles Street, Maple Union

ADAPTIVE REUSE

The Textile Building

RENOVATION

223 E. 9th Street, 833 S. Spring Street, ANJAC Fashion Buildings, California Market Center, L'Angolo Café, Tiara Café, Wood Spoon

BID Renewal

The LA Fashion District Business Improvement District provides a unique, accessible, clean and safe environment for the hub of the Los Angeles apparel industry. Our business community is thriving.

The LA Fashion District has not always been the clean and safe environment that it is today. Just a few years ago trash lined the streets and alleys of our business community. Tenants and employees considered the Fashion District a risky place to work, and property values were falling to all time lows – it was time to take action. Property owners voted to start a special assessment district in 1996 to manage daily clean and safe programs to ensure vibrant, clean and safe streets. Today the success of the program is clearly evident.

Help us continue the momentum by voting to renew the BID. The current BID ends on December 31, 2008, and important issues are being considered by a steering committee comprised of members of the Board of Directors and interested property owners. If you are interested in participating in the process please contact the BID administration office at 213.488.1153.

Leadership

Members of the BID Board of Directors are elected by LA Fashion District property owners in an annual election. Board Members meet eight times a year and also serve on committees that oversee finance, operations, image & communications and advocacy/legislative issues that impact the community.

2006 Board of Directors

Steve Hirsh, CHAIR, *Cooper Design Space*

Ethan Eller, VICE CHAIR, *The New Mart*

Laura Aflalo, TREASURER, *A & H Management*

John van den Akker, SECRETARY, *1127 Maple LLC*

Mark Chatoff, *MAC Holdings LLC*

Barry Gold, *DAK Enterprises*

Sina Kangavari, *KI Group*

John Kim, *California Market Center*

Lance Kluger, *Maple BK Properties*

Alexander Moradi, *ICO Development LLC*

Steve Needleman, *ANJAC Fashion Buildings*

George Peykar, *Peykar Wall Street Real Estate Investments*

Justin Remeny, *Remy Leather Fashions*

Laurie Sale, *SCS Building Fund*

Mark Weinstein, *MJW Investments*

2006 Committees

OPERATIONS

Laura Aflalo, CHAIR, Dave Braverman, Ethan Eller, Peter Fleming, Lance Kluger, Alex Moradi, Steve Needleman, Laurie Sale, John van den Akker,

IMAGE & COMMUNICATIONS

Sharen Emrani-Bekhrad, CHAIR, Mark Chatoff, Ethan Eller, Steve Hirsh, Larry Hudson, Sina Kangavari, John Kim, Laurie Sale, Sam Sale, John van den Akker

FINANCE

Raquel Bensimon, CHAIR, Laura Aflalo, Barry Gold, John van den Akker

PERSONNEL

Laura Aflalo, CHAIR, Barry Gold, Steve Hirsh, Steve Needleman, Laurie Sale

LEGISLATIVE

Mark Chatoff, Steve Hirsh, Justin Remeny, Mark Weinstein

STAFF

Kent Smith, Executive Director

Joanna Cheatham, Administrative Assistant

Jose Gonzalez, Finance Manager

Lynn Myers, Managing Director

Jackie Sanchez, Operations Coordinator

Katherine Schmidt, Marketing Director

Randall Tampa, Operations Director