

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT



Los Angeles, California

MANAGEMENT DISTRICT PLAN

Presented by:
North Figueroa Association
Council District 1
Misty Iwatsu

**FINAL
VERSION 2.1
APRIL 19, 2019**

Highland Park Business Improvement District

SECTION 1 3
MANAGEMENT DISTRICT PLAN 3
EXECUTIVE SUMMARY 3
SECTION 2 5
HIGHLAND PARK PBID BOUNDARY 5
 Detailed Boundary Description 5
 District Boundary Rationale 6
 Boundary Summation 7
SECTION 3 7
DISTRICT IMPROVEMENT AND ACTIVITY PLAN 7
PROCESS TO ESTABLISH THE IMPROVEMENT AND ACTIVITY PLAN 7
SIDEWALK OPERATIONS & BEAUTIFICATION (78%) 8
SAFE PROGRAM 8
CLEAN PROGRAM 8
BEAUTIFICATION PROGRAM 9
DISTRICT IDENTITY, ORGANIZATION & CONTINGENCY/RESERVE (22%) 10
CITY BASELINE SERVICES 10
GENERAL BENEFIT 10
5 YEAR OPERATING BUDGET (SPECIAL AND GENERAL BENEFIT COSTS) 10
IMPLEMENTATION TIMETABLE 11
BUDGET ADJUSTMENTS 11
DISTRICT ROLLOVER 11
CAP 12
SECTION 4 12
ASSESSMENT METHODOLOGY 12
CALCULATION OF ASSESSMENTS 12
LINEAR STREET FRONTAGE DEFINED 12
BUILDING AREA SQUARE FOOTAGE DEFINED 12
LOT AREA SQUARE FOOTAGE DEFINED 12
ASSESSMENT CALCULATION FORMULA 12
MAXIMUM ANNUAL ASSESSMENT ADJUSTMENTS 12
TOTAL ASSESSABLE FOOTAGE 13
FUTURE DEVELOPMENT 13
TIME AND MANNER FOR COLLECTING ASSESSMENTS 13
PUBLIC AGENCY ASSESSMENTS 13
RESIDENTIAL ASSESSMENTS 14
SECTION 5 15
DISTRICT RULES AND REGULATIONS 15
RENEWAL 15
BONDS 15
DISTRICT FORMATION 15
DURATION 15
GOVERNANCE 15
DISESTABLISHMENT 15
APPENDIX A 16
APPENDIX B 18

Section 1

Management District Plan

Executive Summary

The name of the assessment district is the Highland Park Property Business Improvement District (HPPBID). The district is being established pursuant to the Property and Business Improvement District Law of 1994 as amended (Streets & Highways Code Section 36600 et seq.; hereinafter the "State Law"). The HPPBID is the successor to the "Alpha BID," formed in 2011 and expired December 31, 2019. This document is the Management District Plan (MDP) required by Section 36622 of the State Law. It proposes improvements and activities that revitalize and enhance the area and convey special benefits to assessed properties located within the boundaries of the HPPBID.

Services and improvements provided by the HPPBID are designed to convey special benefits to the assessed parcels within the district in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the district. HPPBID programs provide special benefits to assessed parcels with retail, mixed use commercial, parking, restaurant, art, industrial and office uses.

The HPPBID will provide improvements and activities, including but not limited to street cleaning, security, beautification, marketing, administration and other special programs like the Old L.A. Certified Farmers Market within the district boundaries. All of the services and activities provided are over and above the City of Los Angeles (City) baseline of services, are not provided by the City, and are not provided outside of the District.

The City of Los Angeles (LA), is a major property owner in the district. The City parcels will be deriving special benefits since the peripheral cleaning of parking lots will attract more visitor and vehicular traffic, which creates additional sales tax and parking revenue for the City, which will in turn provide greater economic prosperity for the district. In addition, the current base level of services that exists in and around City parcels will be supplemented by the assessment district and will ensure a system of cleanliness, beautification and reduction of criminal activity around many of these vacant or underutilized City owned parcels. Only special benefits can be assessed and the inclusion of City parcels into the HPPBID will result in a cleaner, more attractive and inviting parking experience, which helps increase the number of visitors to the shopping areas, and directly relates to fulfilling its public service mission. Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency ... shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

Boundary Setting

Highland Park is a community that developed in the latter part of the nineteenth century along the axis provided by the Arroyo Seco and Figueroa Street, the principal transportation route between downtown Los Angeles, South Pasadena, and Pasadena to the north and east. Highland Park was the earliest artist colony in the emerging metropolis and a vibrant center of the Arts and Crafts movement in the early Twentieth Century. This history is represented by a rich architectural heritage. It includes a well-developed low-rise commercial strip on Figueroa Boulevard.

Highland Park contains some of the oldest traces of urban development in Northeast Los Angeles, dating from the 1870's. This is a result of the proximity to the center of Los Angeles, it has a special historic designation as one of the final legs of Route 66, which served as the first east-west freeway in the United States. It remains a major thoroughfare and is the anchor for the HPPBID boundaries. The district is located directly to the west of and running parallel to the historic Arroyo Seco freeway, (110).

The Highland Park Property Business Improvement District is being established for a five (5) year term. The proposed District is located in the northeast section of Los Angeles on North Figueroa. Generally, the District extends along North Figueroa from York Blvd east to Avenue 50 west. This area includes commercially and industrially zoned

Highland Park Business Improvement District

parcels that encompass a dynamic traditional shopping and dining business center surrounded by charming historic neighborhoods.

Highland Park PBID Boundaries

General Boundary Description

The Highland Park PBID encompasses 13 blocks centered along N. Figueroa Street in Los Angeles between Avenue 50 on the south (west) and York Boulevard on the north (east). See section 2 for detailed boundary description.

Benefit Zones

There is one benefit zone within the proposed District.

Budget

The total District budget for the first year of operation is approximately \$599,613 and is composed of the following elements:

Sidewalk Operations & Beautification (78%)

Security (Safe), Street Maintenance (Clean), Beautification, Design Elements and any Right-of-Way consulting, etc.

Corporate Identity, Organization and Contingency/Reserve (22%)

Organization, marketing and promotions and contingency/reserve

Programs	% of Budget	Annual Cost (Year 1)
Sidewalk Operations & Beautification	78%	\$467,698
District Identity, Organization & Contingency/Reserve	22%	\$131,915
Total	100%	\$599,613

Source or Method of Financing

The basis of funding shall be through special benefit assessments levied on real property based on building square footage, parcel square footage and parcel front linear footage.

Benefit Zones

The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. There is one benefit zone.

Cost

Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Three property assessment variables, linear frontage, lot square footage, building square footage, will be used in the calculation.

District Formation

District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration

The District will have a 5-year life beginning January 1, 2020 and ending December 31, 2024.

Governance

The North Figueroa Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The North Figueroa Association will oversee the day to day implementation of services as defined in the Management District Plan.

Section 2

Highland Park PBID Boundary

Detailed Boundary Description

The proposed HPPBID includes all parcels fronting along both sides of the N. Figueroa Street corridor between Avenue 50 and York Boulevard as well as 30 parcels (identified below) with non - N. Figueroa Street frontage. It is noted that the proposed HPPBID boundaries and the general grid street system within, lie at an angle of approximately 30 degrees to the northeast of north. For simplicity in describing the boundaries herein, the terms of north, east, south and west are used instead of northeast, southeast, southwest and northwest, respectively. This means that N. Figueroa Street will be assumed to lie on a "north/south" axis.

Northern Boundary

The northern boundary of the proposed HPPBID coincides with the centerline of York Boulevard.

Eastern Boundary

The eastern boundary of the proposed HPPBID is irregular and generally lies along the eastern boundaries of those parcels fronting along the east side of N. Figueroa Street between York Boulevard and Avenue 50 and also includes the following parcels starting from north to south:

York Blvd. to Marmion Way – one parcel deep plus, APN 5492-034-901

Marmion Way to Avenue 61 – one parcel deep only

Avenue 61 to Avenue 60 – one parcel deep plus, APN 5492-024-014

Avenue 60 to Avenue 59 – one parcel deep plus, APN 5492-015-007

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-011-900 & 901

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-002-008, 013, 028, 900 & 901

Avenue 57 to Avenue 56 – one parcel deep plus APNs 5468-032-901, 902 & 903

Avenue 56 to Roselawn Place – one parcel deep plus APNs 5468-025-017, 900 & 901

Roselawn Place to Avenue 50 – one parcel deep only

Southern Boundary

The southern boundary of the proposed HPPBID coincides with the centerline of Avenue 50.

Western Boundary

The western boundary of the proposed HPPBID is irregular and generally lies along the western boundaries of those parcels fronting on the west side of N. Figueroa Street between York Boulevard and Avenue 50 and also includes the following parcels starting from north to south:

York Blvd. to Avenue 59 – one parcel deep only

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-012-900

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-001-007, 900, 901 & 902

Avenue 57 to Avenue 56 – one parcel deep plus, APNs 5468-033-015, 900, 901, 902 & 903

Avenue 56 to Avenue 55 – one parcel deep plus APN 5468-024-006

Avenue 55 to Avenue 54 – one parcel deep plus APNs 5468-021-024 & 030

Avenue 54 to Avenue 50 – one parcel deep only

Highland Park Business Improvement District

The boundary of the proposed HPPBID and parcels within it are shown on the map of the HPPBID attached as Appendix 2 to this Report.

District Boundary Rationale

The HPPBID boundaries encompass the commercial core parcels where the main economic activity of Historic Highland Park is centered along N. Figueroa Street (Old Route 66). These parcels showcase a unique array of uses - retail, restaurant, service, office, art studios, light industrial and commercial parking that form the "cohesive commercial fabric" of Highland Park.

The District boundaries were chosen to include all of the general commercial parcels that comprise the commercial core that attracts customers and visitors to the area centered along N. Figueroa Street between York Boulevard and Avenue 50.

As described earlier, for description simplicity, N. Figueroa Street will be assumed to lie on a "north/south" axis.

Northern Boundary

The northern boundary of the HPPBID is the centerline of York Boulevard (east side of N. Figueroa Street) and the centerline of Piedmont Avenue (west side of N. Figueroa Street).

The area to the north of York Boulevard along N. Figueroa Street (east side) is comprised of commercial parcels with businesses that have different marketing needs and focus than the parcels within the HPPBID. It was determined during the boundary feasibility phase that HPPBID programs and services such as Sidewalk Operations, District Identity and Place Making, Administration and Contingency, Reserve & Uncollected Funds would not specially benefit the parcels and business north of York Boulevard (east side). Therefore commercial parcels and businesses north of the northern boundary (east side of N. Figueroa Street) are not included in the HPPBID. (See "Western Boundary" rationale for discussion regarding the west side of N. Figueroa Street between Piedmont Avenue and York Boulevard.)

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided north of the northern District boundary.

Eastern Boundary

The eastern HPPBID boundary is irregular but includes all commercial parcels and uses along the east side of N. Figueroa Street generally only one parcel deep but inclusive of adjacent commercial parking lots and extended commercial uses. Parcels to the east of the eastern boundary are either zoned residential and/or parcels with residential uses. These parcels will not specially benefit from the HPPBID programs, improvements and services which are designed to improve commerce and economic vitality of assessed parcels within the HPPBID. Further, the Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, "Properties zoned solely for residential use..... are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment". For these reasons, no residentially zoned parcels or residential uses east of the HPPBID eastern boundary are included in the District.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided east of the eastern District boundary.

Southern Boundary

The southern boundary of the HPPBID is the centerline of Avenue 50. The area to the south of Avenue 50 along N. Figueroa Street is comprised of commercial parcels with businesses that have different marketing needs and focus than the parcels within the HPPBID. It was determined during the boundary feasibility phase that HPPBID programs and services such as Sidewalk Operations, District Identity and Place Making, Administration and

Highland Park Business Improvement District

Contingency, Reserve & Uncollected Funds would not specially benefit the parcels and business south of Avenue 50. Therefore commercial parcels and businesses south of the southern boundary are not included in the HPPBID.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided south of the southern District boundary.

Western Boundary

The western HPPBID boundary is irregular but includes all commercial parcels and uses along the west side of N. Figueroa Street generally only one parcel deep but inclusive of adjacent commercial parking lots and extended commercial uses. Parcels to the west of the western boundary are either zoned residential and/or parcels with residential uses. These parcels will not specially benefit from the HPPBID programs, improvements and services which are designed to improve commerce and economic vitality of assessed parcels within the HPPBID. Further, the Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, "Properties zoned solely for residential use..... are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment". For these reasons, no residentially zoned parcels or residential uses west of the HPPBID western boundary are included in the District. It is also noted that the Gold Line Metro Tracks form a natural boundary in parts along the eastern District Boundary.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided west of the western District boundary.

Boundary Summation

All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this report. All HPPBID funded services, programs and improvements provided within the above described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the HPPBID will proportionately specially benefit from the District funded programs and services (i.e. Sidewalk Operations, District Identity and Place Making, Administration and Contingency, Reserve & Uncollected Funds). These services, programs and improvements are intended to improve commerce, employment, occupancy rates and investment viability of assessed parcels and businesses within the HPPBID. The HPPBID confers special benefits on each and every individually assessed parcel by reducing crime, improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses on them within the District, all considered necessary in a competitive properly managed business district. All District funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the proposed renewed HPPBID.

The District includes 150 parcels identified as assessable within one Benefit Zone and which are listed in the Assessment Roll included as Appendix 1. It is noted that one parcel, APN 5492-024-015, is split into two property tax statements, but is still only one parcel for the purposes of this Report and all ensuing discussion and calculations. For further information, a District Boundary Map is included as Appendix B.

Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a series of property owner meetings, the Highland Park Business Improvement District Steering Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were:

Highland Park Business Improvement District

- Right of Way programs, includes but is not limited to: Security (Safe), Street Maintenance (Clean) and Beautification, Design Elements and any Right-of-Way consulting, etc.
- District Identity, Organization & Contingency, includes but is not limited to: branding, organization operation, communication, image and contingency.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Highland Park HPPBID shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. Any change will be approved by the Highland Park HPPBID board of directors and submitted to the City of Los Angeles within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this MDP.

Services and improvements provided by the Highland Park HPPBID are designed to provide special benefits in the form of improving the economic vitality while preserving and strengthening the historical nature of the District. Highland Park HPPBID programs provide special benefits to assessed parcels with retail, mixed use commercial, parking, restaurant, art, industrial and office each benefit specifically from the District's sidewalk operations and beautification which incorporate the clean and safe programs for assessed parcels.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessments, improvements and services will only be provided to each individually assessed parcel within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the Highland Park HPPBID will only provide services to each individually assessed parcel within the District and will not provide services outside of District boundaries nor will Highland Park HPPBID promotional efforts, which are designed to increase economic activity for businesses within the assessed parcels, promote activities outside of District boundaries.

Special Benefit Definition- Please refer to Engineers Report page 7
General Benefit Definition Please refer to Engineers Report page 7

The service provider shall allocate the special benefit services based upon the assessments generated in each Benefit Zone. The percentages listed in Table 1.

**TABLE 1
PROGRAMS & ACTIVITIES FUNDED (SPECIAL BENEFITS ONLY)**

Program or Activity funded by Highland Park HPPBID	Percent of Budget 2020	Annual Costs 2020
Sidewalk Operations & Beautification	78%	\$ 467,698
District Identity, Organization & Contingency/Reserve	22%	\$ 131,915
Total	100%	\$ 599,613

SIDEWALK OPERATIONS & BEAUTIFICATION (78%)

Safe Program

Private security will be provided based upon the proportionate amount assessed on parcels within each benefit zone. Examples of these special benefit services include but are not limited to regular security patrols on foot, etc. These services are over and above those services currently provided by the Los Angeles Police Department.

Clean Program

Cleaning services, such as trash pickup and removal from the district; landscape services; and equipment expenses are included in this program. Clean services will be provided to assessed parcels within District boundaries. In order to consistently deal with cleaning issues, a multi-dimensional approach has been developed consisting of the following elements:

Highland Park Business Improvement District

- **Sidewalk Cleaning:** Uniformed personnel sweep litter, debris and refuse from sidewalks, along fence lines, the public right of way, and gutters of the District. District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provide a special benefit to each individually assessed parcel in the district.
- **Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles.
- **Graffiti Removal:** Painters remove graffiti tags by painting, using solvent and pressure washing. The District maintains a zero-tolerance graffiti tag policy.
- **Weed Abatement:** Weeds are removed as they become unsightly or as needed.
- **Landscape Maintenance:** Landscape maintenance is an important program that works to attract increased customers to the district. Landscape maintenance includes maintaining tree wells, planters and weed abatement. A well-landscaped district supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.
- Parcels that are under construction and/or vacant within the BID will be monitored for maintenance and security problems. For example, a broken security fence allowing access to the site would be reported to the property owner.
- **Paper Sign and Handbill Removal:** Paper signs and handbills scotch taped or glued on public and private property are removed by hand within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive this special benefit.
- **Special Collections:** Collector truck personnel are dispatched to collect large bulky items illegally dumped within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive this special benefit.
- **Maintenance Problems Requiring Third Party Intervention:** Blighted or unsafe conditions created within the District but that are not within the authority/jurisdiction of the BID to address will be monitored. Service requests are made to the responsible party/agency for service. Types of conditions include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc., within the HPPBID boundaries. The above services will only be provided to the individual assessed parcels within the HPPBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Beautification Program

- **Design, Streetscape Strategies & Consulting:** Design, installation and maintenance of gateway signs; design, installation and maintenance of banner brackets and banner production; design and branding of logo; design, purchase, install and maintain street furniture and streetscape; purchase, installation, removal and maintenance of holiday decoration program. The above services will only be provided to the individual assessed parcels within the HPPBID boundaries and therefore parcels outside of the boundaries will not receive special benefit. Develop strategies for economic development and possible expansion; develop plan of action for the implementation of and strategies for traffic calming and pedestrian safety related to business attraction and retention, and promotion of the area to prospective businesses; seek private and public grant funds to facilitate the work of the HPPBID. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.
- **Special Projects:** Special projects are designed to enhance the assets and the image of the HPPBID, for example the Old LA Certified Farmers Market within the HPPBID boundaries. Special project funds will only be used to specially benefit parcels within the District. The benefit to individual parcels within the District from these services is increased commercial activity and increase in the attraction of pedestrians from transit ridership, which directly relates to increases in lease rates and enhanced commerce. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

DISTRICT IDENTITY, ORGANIZATION & CONTINGENCY/RESERVE (22%)

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The benefit to property owners from these services is increased commercial activity.

- **District Identity & Communications-** Advertising, Marketing and Promotions strategies such as website maintenance and maintenance, Communications like newsletters, signage, holiday decorations, phones, fax, internet and email & social media marketing will create an environment that provides a unique shopping experience for customers, tenants and employees. The special benefit to assessed parcels from these services is an increased likelihood of lease rates, increased sales, parking revenue and higher tenant occupancy because of an increase in commercial activity, and an overall increase in district activity.
- **Organization-** A professional management staff oversees the HPPBID services, which are delivered seven days per week. Management staff actively works on behalf of the HPPBID to insure City and County services and policies support the District. Included in this line item are management labor, corporate operations, office expenses and organizational expenses such as insurance and the cost to conduct a yearly financial review and tax filing. A well-managed District provides necessary HPPBID program oversight and guidance that produces higher quality and more efficient programs. The special benefit to assessed parcels from these services is an improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and residential serving businesses in part due to the work of the management staff as stated above.
- **Contingency/Reserve/City Costs-** Included in this budget item are City fees, delinquencies, no pays included are costs to renew the BID. Delinquencies- Up to ten percent (10%) of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties. City Fees- Assessments are budgeted in order to fund the expenses charged by the City of Los Angeles and County of Los Angeles for collection and distribution of HPPBID revenue. These reserves may be carried forward from year to year for a specific purpose or shall be reallocated to the designated budgetary categories found within the MDP.

City Baseline Services

All of the services provided to assessed parcels within the HPPBID are over and above the city baseline services.

General Benefit

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

The property uses within the boundaries of the District that will receive special benefits from District funded programs and services are currently a mix of general commercial, retail, office, entertainment, industrial, parking, residential, education and government facilities. Services, programs and improvements provided and funded by the District (i.e. Sidewalk Operations & Beautification; District Identity, Organization & Contingency) are primarily designed to provide special benefits to identified assessed parcels and the array of land uses within the boundaries of the HPPBID as described in the District Improvement and Activity Plan.

5 Year Operating Budget (Special and General Benefit Costs)

A projected five-year operating budget for the HPPBID is provided in Table 2. The projections are based upon a 5% maximum annual assessment rate increase: Revenues for specific programs may be reallocated from, year-to-year, among District activities within a 10% range. Budget reallocations above 10% must be approved by the City of Los Angeles. However, the overall budget shall remain consistent with this Management District Plan.

*Assumes 5% yearly increase on all budget items.

Note: Any accrued interest or delinquent payments will be expended in the above categories.

Highland Park Business Improvement District

**TABLE 2
PROJECTED BUDGET FOR 2020-2024**

Projected Budget	% of Budget	2020	2021*	2022*	2023*	2024*
Sidewalk Operations & Beautification	78	\$467,698	\$491,083	\$515,637	\$541,419	\$568,490
District ID, Organization, Contingency/Reserve	22	\$131,915	\$ 138,511	\$145,437	\$152,709	\$160,344
Total Assessment	100	\$599,613	\$ 629,594	\$661,074	\$694,128	\$728,834

**TABLE 3
PROJECTED ANNUAL ASSESSMENT SCHEDULE**

Assessment Variable	2020	2021*	2022*	2023*	2024*
Lot Size (per square foot)	\$.137	\$.144	\$.151	\$.159	\$.167
Building Size (per square foot)	\$.22	\$.231	\$.243	\$.255	\$.268
Street Frontage (per linear foot)	\$11.95	\$12.55	\$13.18	\$13.84	\$14.53

**TABLE 4
ASSESSABLE BENEFIT UNITS**

Assessment Variable	Lot sq/ft	Building sq/ft	Frontage by Linear ft
Total	2,077,949	836,518	10,954

**TABLE 5
AMOUNT GENERATED BY PROPERTY VARIABLE**

Assessment Variable	2020	2021*	2022*	2023*	2024*
Lot Size (per square foot)	\$284,679	\$298,913	\$313,859	\$ 29,552	\$346,029
Building Size (per square foot)	\$184,034	\$ 193,236	\$ 202,897	\$213,042	\$223,694
Street Frontage (per linear foot)	\$130,900	\$137,445	\$144,318	\$151,533	\$159,110
Total	\$599,613	\$629,594	\$661,074	\$694,127	\$728,834

Implementation Timetable

The HPPBID is expected to be established and begin implementation of the MDP on January 1, 2020. Pursuant to State Law the HPPBID will have a five-year life beginning January 1, 2020 through December 31, 2024.

Budget Adjustments

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the MDP to adjust for surpluses that are carried forward.

District Rollover

Any unexpended funds at the end of the current HPPBID will be rolled over into the Highland Park HPPBID. A portion of remaining funding may be used for HPPBID renewal activities. Parcels that were not in the current Highland Park HPPBID but are in the proposed Highland Park HPPBID will not receive any services paid for by rolled over funds.

Parcels that are in the current HPPBID, but are not in the proposed HPPBID will receive a refund if any, unexpended funds that remain after paying all expenses of the current Highland Park HPPBID.

Cap

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments may be subject to annual increases not to exceed the assessment rates in Table 2 for any given year. Increases will be determined and approved by the North Figueroa Association and will vary between 0% and 5% in any given year. Any change will be submitted to the City within the annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

Section 4

Assessment Methodology

The methodology to levy assessments upon real property that benefit from the improvements and activities of the Highland Park Business Improvement District are Street Front Footage, Parcel Square Footage and Building Square Footage as the three assessment variables. See Attachment I, the Assessment Engineers Report, for a complete analysis of the assessment methodology.

Calculation of Assessments

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but only programs that provide special benefit to parcels can result in its assessment.

No assessment shall be imposed on any parcel, which exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits.

A general benefit is defined as a benefit to properties in the surrounding community or a benefit to the public in general resulting from improvement, activity or service to be provided by the assessment levied.

Linear Street Frontage Defined

Properties are assessed for Figueroa frontage only. Street frontage footage was obtained from the County Assessor's parcel maps and is a direct measure of the static utilization of each parcel and its corresponding impact or draw on HPPBID funded activities, many of which are linear in nature (i.e. Sidewalk Operations).

Building Area Square Footage Defined

Building square footage is defined as gross building square footage as determined by the outside measurements of a building. Building square footage is obtained from the County Assessor's parcel maps. It is relevant to the interim use of a property and is a direct measure of the static utilization of each parcel and its corresponding impact or draw on HPPBID funded activities.

Lot Area Square Footage Defined

Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are obtained from the County Assessor parcel maps and is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on HPPBID funded activities.

Assessment Calculation Formula

Please refer to Engineers Report

Maximum Annual Assessment Adjustments

Assessment annual increases cannot exceed 5% per year. Increases will be determined and approved by the Owners' Association and will vary between zero and 5% in any fiscal year. The cost of providing programs and

Highland Park Business Improvement District

services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services.

The District shall adhere to the budget and Management District Plan. While some variation is permissible to account for unexpected circumstance, the funding allocated to each funding category expressed as a percentage in the Management District Plan. Any proposed variation that exceeds 10% of total budget shall be subject to review and approval of the City of Los Angeles City Clerk office, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this MDP.

Total Assessable Footage

There is one benefit zones within the proposed district. All private, public and non-profit properties, residential, shall be assessed.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable commercial footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes. Pursuant to Government Code section 53750.

Time and Manner for Collecting Assessments

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office may direct bill the first year's assessment for all property owners and will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. However, assessments may be billed directly by the City for any fiscal year of operation and then by the County for subsequent years. Any delinquent assessments owed for a year for which the City billed will be added to the County property tax roll for the following year. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

Public Agency Assessments

The City of Los Angeles is a major property owner in the District. The City parcels will derive special benefits from the peripheral cleaning of City parking lots, which may attract more visitors and pedestrian traffic, and, in turn, generate additional parking revenue for the City. The additional parking usage and revenues may also yield greater sales tax revenues and provide greater economic prosperity for the City. In addition, HPPBID programs and services will supplement the current base level of services that exists in and around the City parcels to ensure a system of cleanliness and order around many of these vacant or underutilized City owned parcels. The HPPBID will convey a cleaner, more attractive and inviting environment, which will enhance the parking experience to visitors to the District shopping areas.

Each publicly owned parcel within the District will proportionately benefit from the District funded supplemental sidewalk operations (clean and safe) and beautification, district identity (newsletter and website) and organization (management). Each of these parcels specially benefit from District funded programs and services from cleaner and safer entrances and perimeters. In addition, the District funded marketing and district identity programs benefit publicly owned parcels by announcing public events and activities held at these public facilities and apprise employees of important District news, security issues and alerts and crime statistics. These services and programs are designed to improve the safety and cleanliness and usability of each publicly owned assessed parcel and facility

Highland Park Business Improvement District

within the District by reducing crime, litter and debris, all considered detractors to employment, visitation and use of public facilities.

APN	Public Agency Owner	Site Address	Use	2020 Assessment	% of Total
5468-025-900	L A CITY		Parking Lot	\$1,815.25	0.303%
5468-025-901	L A CITY		Parking Lot	\$586.36	0.098%
5468-032-901	L A CITY		Parking Lot	\$1,938.55	0.323%
5468-032-902	L A CITY	115 S AVE 56	Community Garden	\$1,438.50	0.240%
5468-032-903	L A CITY		Community Garden	\$569.92	0.095%
5468-033-900	L A CITY	119 N AVE 56	Parking Lot	\$1,395.76	0.233%
5468-033-901	L A CITY		Parking Lot	\$1,395.76	0.233%
5468-033-902	L A CITY	117 N AVE 56	Parking Lot	\$630.20	0.105%
5468-033-903	L A CITY		Parking Lot	\$1,356.30	0.226%
5468-033-905	L A CITY	5601 N FIGUEROA ST	Office	\$3,901.80	0.651%
5492-001-900	L A CITY	5712 MARMION WAY	Parking Lot	\$2,996.88	0.500%
5492-001-901	L A CITY		Parking Lot	\$1,027.50	0.171%
5492-001-902	L A CITY		Parking Lot	\$1,284.38	0.214%
5492-002-900	L A CITY		Parking Lot	\$1,246.70	0.208%
5492-002-901	L A CITY		Parking Lot	\$163.03	0.027%
5492-011-900	L A CITY	117 S AVE 58	Parking Lot	\$959.00	0.160%
5492-011-901	L A CITY	113 S AVE 58	Parking Lot	\$959.00	0.160%
5492-012-900	L A CITY	5826 MARMION WAY	Parking Lot	\$1,849.50	0.308%
5492-013-900	L A CITY	5921 N FIGUEROA ST	LA City Fire Dept	\$4,595.00	0.766%
5492-024-900	L A CITY	6000 N FIGUEROA ST	Office	\$8,857.80	1.477%
5492-025-900	L A CITY		LA City Playground	\$43,494.01	7.254%
5492-025-901	L A CITY	6145 N FIGUEROA ST	LA City Library	\$9,095.49	1.517%
5492-034-900	L A CITY		Triangle Park	\$1,115.10	0.186%
5492-034-901	L A CITY	6152 N FIGUEROA ST	Senior Citizen Center	\$17,442.67	2.909%
5492-034-902	L A CITY		Senior Citizen Center	\$13,017.87	2.171%
SUBTOTAL LA CITY				\$123,132.33	20.535%
5492-025-902	LACMTA		Transit Corridor	\$1,672.20	0.279%
SUBTOTAL LACMTA				\$1,672.20	0.279%
GRAND TOTAL PUBLIC AGENCIES				\$124,804.53	20.814%

Residential Assessments

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for single family residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed.

Section 5

District Rules and Regulations

Pursuant to the Property and Business Improvement law of 1994, as amended, a business improvement district may establish rules and regulations that uniquely apply to the District. The District has adopted the following rules: Competitive Procurement Process

The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.

Renewal

District funds may be used for renewing the district.

Bonds

The District will not issue any bonds to finance any services or improvements in the district.

District Formation

District formation requires submission of petitions from property owners representing *over* 50% of the total weighted assessments. Once the petitions have been submitted to the City Clerk's office, the Los Angeles City Council will adopt an Ordinance of Intention to establish the district and mail out ballots to all affected property owners. The district is formed if the weighted majority of returned ballots support the district formation.

Duration

The HPPBID shall have a five-year term, which shall commence on January 1, 2020 and expire on December 31, 2024.

Governanc

The Owner's Association will administer and implement improvements and activities described in the Management District Plan. The Owner's Association will prepare an annual report with respect to District operations as required by Section 36650 of the State Law. The Owner's Association may consider appeals of parcel assessments for appropriate adjustment. Annual and quarterly reports will be filed with the City Clerk's office.

Disestablishment

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660 (b). If disestablished, unexpended funds will be returned to property owners based upon each parcel percentage contribution.

Appendix A

Property Owner Parcel Information

APN	2020 Assessment	% of Total
5468003004	\$643.50	0.107%
5468003005	\$624.36	0.104%
5468003007	\$2,151.63	0.359%
5468003008	\$2,209.95	0.369%
5468003020	\$5,162.66	0.861%
5468003021	\$2,020.72	0.337%
5468004006	\$5,412.46	0.903%
5468004009	\$4,875.68	0.813%
5468004022	\$8,917.00	1.487%
5468005032	\$3,080.70	0.514%
5468005042	\$4,622.30	0.771%
5468005044	\$7,071.27	1.179%
5468005045	\$38,237.03	6.377%
5468014001	\$1,758.35	0.293%
5468014002	\$1,689.58	0.282%
5468014003	\$2,659.78	0.444%
5468014028	\$9,058.49	1.511%
5468015001	\$2,990.09	0.499%
5468015002	\$2,653.97	0.443%
5468015003	\$2,465.43	0.411%
5468015015	\$1,712.59	0.286%
5468015016	\$3,421.46	0.571%
5468015033	\$2,275.26	0.379%
5468016001	\$6,397.56	1.067%
5468016002	\$1,787.50	0.298%
5468016040	\$2,706.91	0.451%
5468016044	\$3,713.54	0.619%
5468017001	\$1,654.20	0.276%
5468017023	\$2,548.47	0.425%
5468017024	\$2,058.55	0.343%
5468017025	\$1,782.57	0.297%
5468017027	\$2,030.10	0.339%
5468017028	\$712.80	0.119%
5468017031	\$2,543.94	0.424%
5468020002	\$2,229.70	0.372%
5468020003	\$2,362.35	0.394%
5468020013	\$2,976.40	0.496%
5468020014	\$2,020.94	0.337%
5468020015	\$6,435.55	1.073%
5468020025	\$4,333.26	0.723%
5468021014	\$2,586.62	0.431%

5468021024	\$2,107.23	0.351%
5468021025	\$6,118.26	1.020%
5468021030	\$5,684.11	0.948%
5468021031	\$20,569.13	3.430%
5468024006	\$892.54	0.149%
5468024007	\$5,593.85	0.933%
5468024008	\$7,468.68	1.246%
5468024009	\$4,076.80	0.680%
5468024010	\$6,134.40	1.023%
5468025001	\$3,056.63	0.510%
5468025002	\$988.30	0.165%
5468025003	\$3,506.78	0.585%
5468025004	\$1,290.06	0.215%
5468025005	\$1,770.37	0.295%
5468025016	\$3,195.43	0.533%
5468025017	\$586.36	0.098%
5468025027	\$1,846.47	0.308%
5468025900	\$1,815.25	0.303%
5468025901	\$586.36	0.098%
5468026001	\$1,942.39	0.324%
5468026012	\$5,119.69	0.854%
5468026021	\$1,688.28	0.282%
5468026023	\$2,813.67	0.469%
5468026030	\$7,730.79	1.289%
5468032001	\$8,018.12	1.337%
5468032014	\$3,039.99	0.507%
5468032015	\$2,159.58	0.360%
5468032016	\$2,291.99	0.382%
5468032017	\$2,831.24	0.472%
5468032018	\$5,024.11	0.838%
5468032901	\$1,938.55	0.323%
5468032902	\$1,438.50	0.240%
5468032903	\$569.92	0.095%
5468033015	\$830.72	0.139%
5468033017	\$1,906.00	0.318%
5468033018	\$1,420.87	0.237%
5468033019	\$5,469.66	0.912%
5468033020	\$3,763.44	0.628%
5468033021	\$4,379.00	0.730%
5468033023	\$3,399.50	0.567%
5468033900	\$1,395.76	0.233%
5468033901	\$1,395.76	0.233%
5468033902	\$630.20	0.105%

Highland Park Business Improvement District

5468033903	\$1,356.30	0.226%
5468033905	\$3,901.80	0.651%
5492001007	\$856.25	0.143%
5492001012	\$2,725.00	0.454%
5492001013	\$2,615.00	0.436%
5492001014	\$1,302.00	0.217%
5492001015	\$3,275.00	0.546%
5492001016	\$3,165.00	0.528%
5492001017	\$2,786.60	0.465%
5492001018	\$1,931.20	0.322%
5492001900	\$2,996.88	0.500%
5492001901	\$1,027.50	0.171%
5492001902	\$1,284.38	0.214%
5492002008	\$86.53	0.014%
5492002013	\$68.50	0.011%
5492002025	\$5,048.18	0.842%
5492002026	\$3,060.18	0.510%
5492002027	\$927.18	0.155%
5492002028	\$690.48	0.115%
5492002029	\$2,036.30	0.340%
5492002900	\$1,246.70	0.208%
5492002901	\$163.03	0.027%
5492011002	\$1,941.20	0.324%
5492011019	\$3,078.54	0.513%
5492011020	\$2,340.00	0.390%
5492011021	\$2,370.58	0.395%
5492011024	\$3,432.37	0.572%
5492011900	\$959.00	0.160%
5492011901	\$959.00	0.160%
5492012025	\$17,988.25	3.000%
5492012900	\$1,849.50	0.308%
5492013020	\$3,239.30	0.540%
5492013021	\$2,196.06	0.366%
5492013022	\$2,322.40	0.387%

5492013023	\$2,729.62	0.455%
5492013024	\$2,355.40	0.393%
5492013900	\$4,595.00	0.766%
5492014017	\$7,485.66	1.248%
5492014019	\$9,080.69	1.514%
5492014020	\$3,865.55	0.645%
5492015002	\$1,611.30	0.269%
5492015003	\$2,407.32	0.401%
5492015004	\$2,780.00	0.464%
5492015005	\$2,416.12	0.403%
5492015006	\$1,135.50	0.189%
5492015009	\$2,835.00	0.473%
5492015010	\$7,315.38	1.220%
5492015027	\$7,809.04	1.302%
5492015028	\$4,028.50	0.672%
5492024004	\$5,243.66	0.875%
5492024014	\$5,926.20	0.988%
5492024015	\$8,535.88	1.424%
5492024900	\$8,857.80	1.477%
5492025001	\$806.52	0.135%
5492025900	\$43,494.01	7.254%
5492025901	\$9,095.49	1.517%
5492025902	\$1,672.20	0.279%
5492026005	\$2,275.87	0.380%
5492026007	\$2,586.47	0.431%
5492026022	\$1,657.33	0.276%
5492026024	\$2,485.99	0.415%
5492026025	\$6,537.94	1.090%
5492026027	\$5,657.34	0.943%
5492034900	\$1,115.10	0.186%
5492034901	\$17,442.67	2.909%
5492034902	\$13,017.87	2.171%
8900763599	\$448.80	0.075%
Total	\$599,613.27	100.00%

Appendix B

Map of Highland Park PBID

Highland Park PBID

