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November 7, 2017
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 1

REGARDING:

THE LINCOLN HEIGHTS INDUSTRIAL ZONE (PROPERTY BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2018 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Lincoln Heights Industrial Zone Business Improvement District's ("District") 2018 fiscal year (CF 14-0562). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code, an Annual Planning Report for the District must be submitted for approval by the City Council. The Lincoln Heights Industrial Zone Business Improvement District's Annual Planning Report for the 2018 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Lincoln Heights Industrial Zone Business Improvement District was established on May 29, 2011 by and through the City Council's adoption of Ordinance No. 181684 which confirmed the assessments to be levied upon properties within the District, as described in the District's Management District Plan. The Council established the District pursuant to Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code.

ANNUAL PLANNING REPORT REQUIREMENTS

Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code requires that the District's Board shall cause to be prepared, for City Council's consideration, an Annual Planning Report for each fiscal year for which assessments are to be levied and collected to pay for the costs of the planned District improvements and activities. The Annual Planning Report shall be filed with the City Clerk and shall refer to the district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following: any proposed changes in the boundaries of the district or in any

benefit zones within the district; the improvements and activities to be provided for that fiscal year; an estimate of the cost of providing the improvements and activities for that fiscal year; the method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year; the amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and the amount of an contributions to be made from sources other than assessments levied.

The attached Annual Planning Report, which was approved by the District's Board at their meeting on November 6, 2017, complies with the requirements of the Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code and reports that programs will continue, as outlined in the Management District Plan adopted by the District property owners. The City Council may approve the Annual Planning Report as filed by the District's owners' association or may modify any particulars contained in the Annual Planning Report, in accordance with Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code, and approve it as modified.

FISCAL IMPACT

There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Lincoln Heights Industrial Zone Business Improvement District's 2018 fiscal year complies with Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code.
2. ADOPT the attached Annual Planning Report for the Lincoln Heights Industrial Zone Business Improvement District's 2018 fiscal year, pursuant to Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Lincoln Heights Industrial Zone Business Improvement District's 2018 Fiscal Year Annual Planning Report

November 7, 2017

Holly L. Wolcott, City Clerk
Office of the City Clerk
200 North Spring Street, Room 224
Los Angeles, CA. 90012

Subject: Lincoln Heights Industrial Zone PBID 2018 Annual Planning Report

Dear Ms. Wolcott:

As required by Division 6, Chapter 9, Sections 6.600 to 6.620 of the Los Angeles Administrative Code (LAAC), the Board of Directors of the Lincoln Heights Industrial Zone Business Improvement District has caused this Lincoln Heights Industrial Zone Business Improvement District Annual Planning Report to be prepared at its meeting on November 6, 2017.

This report covers proposed activities of the Lincoln Heights Industrial Zone BID from January 1, 2018 through December 31, 2018.

Sincerely,

Shirley Zawadzki

Shirley Zawadzki
Accountant
New City America

Lincoln Heights Industrial Zone Business Improvement District

2018 Annual Planning Report

District Name

This report is for the Lincoln Heights Industrial Zone Business Improvement District (District). The District is operated by the Historic Lincoln Heights Industrial Zone Economic Development Corporation, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2018 Fiscal Year. The District Board of Directors approved the 2018 Annual Planning Report at the November 6, 2017 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2018.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2018.

2018 IMPROVEMENTS, ACTIVITIES AND SERVICES

Sidewalk Operations and Beautification: \$55,255.31 (70.61%)

Sidewalk Operations and Beautification includes all sidewalk cleaning services, graffiti removal, beautification and management of these services Monday through Friday, not including holidays include, but are not limited to:

- Private security services; (if needed);
- Regular sidewalk and gutter sweeping
- Enhanced landscaping
- Enhanced trash emptying
- Graffiti removal, within 24 hours as necessary
- Equipment, supplies, tools, Vehicle maintenance and insurance, storage and equipment rental location, general liability insurance
- Maintenance personnel and supervisor oversight costs

Administration and Corporate Operations and Contingency: \$23,000.00 (29.39%)

Administration and Corporate Operations and Contingency special benefit services include, but are not limited to:

- Staff and administrative costs
- Directors and Officers Insurance
- Office related expenses

- Financial reporting
- Legal and accounting
- Delinquencies*
- City Fees**
- Reserves***

Reserve for Slow Payments (Delinquencies)* Five percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private assessed 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 District revenue. This line item expense shall be found in the “Contingency/City Fees/Reserve” portion of the budget.

Reserves:***

Reserves are budgeted for those funds that remain from the 5% set aside, that are over and above those that have not been collected and are over and above the city fees. These reserves shall be carried forward from year to year, or may be reallocated to the designated budgetary categories found within the Management District Plan

Total Estimate of Cost for 2018

A breakdown of the total estimated 2018 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2018 assessment remains the same as listed in the Management District Plan. Annual assessments are based upon an allocation of program costs and a calculation of linear front footage and lot square footage. The Management District Plan allows for maximum annual assessment increase of 5%. The Board voted a 5% CPI increase for 2018.

2018 assessment rates:

Lot per square foot: \$0.021

Frontage per foot: \$1.05

(There is a 5.0% CPI increase for 2018)

Surplus Revenues: \$1,000.00

Carry forward from previous year.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2018.

Contribution from Sources other than assessments: \$0.00

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Lincoln Heights Industrial Zone BID- FY 2018

2018 Assessments	\$77,255.31	
Estimated Carryover from 2017	\$1,000.00	
Other Income	\$0.00	
Total Estimated Revenues	\$78,255.31	
2018 Estimated Expenditures		Pct.
Sidewalk Operations and Beautification	\$55,255.31	70.61%
Administration and Corporate Operations and Contingency	\$23,000.00	29.39%
Total Estimated Expenditures	\$78,255.31	100%

** Non-regular budget item, not calculated as part of budget percentage.