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April 1, 2020

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

Council Districts 14

REGARDING:

**THE HISTORIC CORE (PROPERTY BASED) BUSINESS IMPROVEMENT
DISTRICT'S 2020 FISCAL YEAR ANNUAL PLANNING REPORT**

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Historic Core Business Improvement District's ("District") 2020 fiscal year (CF 18-0429). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, an Annual Planning Report for the District must be submitted for approval by the City Council. The Historic Core Business Improvement District's Annual Planning Report for the 2020 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Historic Core Business Improvement District was established on August 9, 2018 by and through the City Council's adoption of Ordinance No. 185684 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 State Law.

ANNUAL PLANNING REPORT REQUIREMENTS

The State Law requires that the District's owners' association 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 January 22, 2020, complies with the requirements of the State Law 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 State Law, and approve it as modified.

FISCAL IMPACT

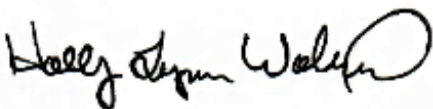
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Historic Core Business Improvement District's 2020 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2020 budget concurs with the intentions of the Historic Core Business Improvement District's Management District Plan and does not adversely impact the benefits received by assessed property owners.
3. ADOPT the attached Annual Planning Report for the Historic Core Business Improvement District's 2020 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

Historic Core Business Improvement District's 2020 Fiscal Year Annual Planning Report

April 1, 2020

Holly L. Wolcott, City Clerk
Office of the City Clerk
200 North Spring Street, Room 395
Los Angeles, CA. 90012

Subject: Historic Core PBID 2020 Annual Planning Report

Dear Ms. Wolcott:

As required by the Property and Business Improvement District Law of 1994, California Streets and Highways Code Section 36650, the Board of Directors of the Historic Core Business Improvement District has caused this Historic Core Business Improvement District Annual Planning Report to be prepared at its meeting on January 22, 2020.

This report covers proposed activities of the Historic Core BID from January 1, 2020 through December 31, 2020.

Sincerely,

Blair Besten

Blair Besten

Historic Downtown LA BID Prop Owners Assn

Historic Core Business Improvement District

2020 Annual Planning Report

District Name

This report is for the Historic Core Business Improvement District (District). The District is operated by Historic Core Business Improvement District Property Owners Association, Inc., a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2020 Fiscal Year. The District Board of Directors approved the 2020 Annual Planning Report at the January 22, 2020 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2020.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2020.

2020 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean & Safe Programs: \$1,851,212.00 (72.20%)

Clean encompasses all sidewalk, curb and other right-of-way services for each assessed parcel in the District and includes: sweeping, litter removal, enhanced emptying of trash cans, pressure washing/steam cleaning, graffiti/flyer/sticker/gum removal, tree trimming and weeding. Clean also includes the cost of equipment necessary to provide these services. Clean may also include property owner notification of conditions on private property that are unsafe or unfavorable to creating and preserving a clean and safe environment in the District (e.g. broken window/gate, vandalism, accumulated debris/garbage, etc.) Clean may also include notification to the City or other entities as appropriate (e.g. utilities) of any damage to public infrastructure or utilities.

Safe encompasses all patrol/ambassadorial services for each assessed parcel in the District and includes: personnel on foot, bike, or other vehicles (e.g. Segways, trucks, etc.), ambassadors (specially trained personnel able to provide directions, transit information, business information, event information, social service referrals, etc.), on-call assistance, crowd control, crime prevention activities (e.g. Neighborhood Watch), escort services and distribution of special bulletins (e.g. street closures, emergency alerts.) Safe also includes the cost of equipment necessary to provide these services.

Administration & Corporate Operations: \$461,547.44 (18.00%)

Administration & Corporate Operations includes activities such as: personnel, operations, overhead costs such as office equipment and supplies, professional services (e.g. legal, accounting, insurance), production of the Annual Planning Report and Budget and quarterly reports, facilitation of meetings of the Owners' Association, Brown Act compliance, outreach to District property and business owners, and participation in professional peer/best practice forums such as the LA BID Consortium, the California Downtown Association or the International Downtown Association. It also covers the costs associated with District renewal, as well as City and/or County fees associated with their oversight and implementation of the District, the Owners' Association's compliance with the terms of its contract with the City, and the implementation of the Management District Plan and the Engineer's Report. Lastly, it includes reserve funds to cover any contingencies and/or slow pay/late pay of assessments.

Communications & Development: \$251,393.00 (9.80%)

Communications & Development includes activities designed to enhance the attractiveness and marketability of these identified assessed parcels through the following activities: production of a quarterly (minimum frequency) newsletter that shall be distributed to property owners in the District, efforts to cultivate and recognize the satisfaction, retention and attraction of businesses, employees and customers/visitors, advertising, response to media inquiries, cultivation of media exposure, and promotion of the District as a great place to live, work or visit through a website and/or social media. To the extent that funds are available, it could also include additional efforts such as a District-wide marketing strategy, holiday lighting, street banners, wayfinding activities, art installation or development of special events (e.g. festival) or other community identity and branding efforts that promote the assessed parcels in the District.

Total Estimate of Cost for 2020

A breakdown of the total estimated 2020 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the District's 2020 assessment remains the same as described in the Management District Plan and is based on one (1) zone of benefit, an allocation of program costs and a calculation of assessable footage. Three property assessment variables, parcel square footage, building square footage and linear front footage will be used in the calculation. Condos are assessed at a flat rate of unit square footage.

Parcel type / 2020 assessment rate:

Non-gov Parcels
Frontage \$32.6810
Lot \$0.1817

Bldg \$0.0662

Publicly Owned Parcels

Frontage \$29.7397

Lot \$0.1653

Bldg \$0.0602

Residential Condominium

Unit Area only \$0.3444

(There is a 5.0% CPI increase for 2020)

Surplus Revenues: \$178,960.00

Our 2019 surplus of \$178,960 represents 7.88% of the total 2019 budget. It is comprised of costs that were \$197,880 less than planned, and assessments collected that were \$18,764 less than planned.

Our budget surplus is primarily due to unexpected savings in labor costs due to security position vacancies. Our security contract guarantees a minimum level of service, so services levels were not impacted. Due to the increase in minimum wage, we anticipate labor costs increasing in 2020. In addition, we postponed expenditures on trash cans and tree trimming, which we anticipate will take place in 2020.

We anticipate a sizable increase in our insurance costs this year; we have allocated \$33,000 for additional premiums above what we currently pay. This will be spent throughout the year, beginning in May when our policies renew.

Other 2020 anticipated expenditures and approximate timing include \$40,000 for additional power washing, \$5,000 for trashcans, \$8,000 for technology upgrades, \$7,000 for a pet pilot project and \$35,000 for tree trimming during the summer months. In the fall, we anticipate spending \$8,000 for website upgrades, \$35,000 for holiday decorations, and \$7,000 for additional maps and marketing. All of the above is in accordance with our management plan. We anticipate that substantially all of the 2019 surplus revenue will be spent in 2020.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2020.

Contribution from Sources other than assessments: \$35,777.88

General benefit amount that we bill LA city as outlined in our management plan.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Historic Core BID- FY 2020

2020 Assessments	\$2,349,414.56	
Estimated Carryover from 2019	\$178,960.00	
Other Income	\$35,777.88	
Total Estimated Revenues	\$2,564,152.44	
2020 Estimated Expenditures		Pct.
Clean & Safe Programs	\$1,851,212.00	72.20%
Administration & Corporate Operations	\$461,547.44	18.00%
Communications & Development	\$251,393.00	9.80%
Total Estimated Expenditures	\$2,564,152.44	100%