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January 17, 2019

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

Council Districts 4,13

REGARDING:

**THE EAST HOLLYWOOD (PROPERTY BASED) BUSINESS IMPROVEMENT
DISTRICT'S 2019 FISCAL YEAR ANNUAL PLANNING REPORT**

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the East Hollywood Business Improvement District's ("District") 2019 fiscal year (CF 13-0199). 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 East Hollywood Business Improvement District's Annual Planning Report for the 2019 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The East Hollywood Business Improvement District was established on July 20, 2011 by and through the City Council's adoption of Ordinance No. 181881 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 November 19, 2018, 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

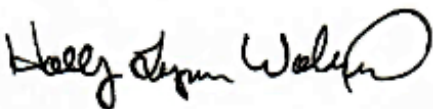
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the East Hollywood Business Improvement District's 2019 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2019 budget concurs with the intentions of the East Hollywood 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 East Hollywood Business Improvement District's 2019 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

East Hollywood Business Improvement District's 2019 Fiscal Year Annual Planning Report

January 14, 2019

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

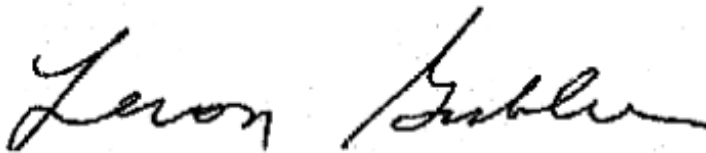
Subject: East Hollywood PBID 2019 Annual Planning Report

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 East Hollywood Business Improvement District has caused this East Hollywood Business Improvement District Annual Planning Report to be prepared at its meeting on November 19, 2018.

This report covers proposed activities of the East Hollywood BID from January 1, 2019 through December 31, 2019.

Sincerely,

A handwritten signature in black ink that reads "Leron Gubler". The signature is written in a cursive style and is positioned to the left of a vertical line.

Leron Gubler
President and CEO
Hollywood Chamber of Commerce

East Hollywood
Business Improvement District

2019 Annual Planning Report

District Name

This report is for the East Hollywood Business Improvement District (District). The District is operated by the Hollywood Chamber of Commerce, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2019 Fiscal Year. The District Board of Directors approved the 2019 Annual Planning Report at the November 19, 2018 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2019.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2019.

2019 IMPROVEMENTS, ACTIVITIES AND SERVICES

Streetscape/Landscape: \$119,490.59 (37.00%)

Streetscape and landscape projects include tree planting, and weed removal throughout the District, maintaining aesthetic quality, painting streetlight poles, and landscaping.

Maintenance: \$100,113.74 (31.00%)

Maintenance services include tree trimming, sidewalk cleaning, median landscape maintenance, trash receptacle cleaning and litter removal.

Administration/Advocacy: \$58,130.55 (18.00%)

The District's administrative staff will represent the area in support of policies, initiatives and legislative actions that enhance the District's ability to develop as a vibrant commercial area.

Marketing and Promotion: \$35,524.22 (11.00%)

The District has a unified marketing and promotion program that includes marketing, promotions and business advocacy. Goals of this program include increased customer traffic and sales.

Contingency: \$9,688.43 (3.00%)

The purpose of Contingency is to provide an accounting cushion for any revenue shortfall that might be created in any particular year for assessments that are not paid timely through the County of Los Angeles.

Total Estimate of Cost for 2019

A breakdown of the total estimated 2019 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method for levying the 2019 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 assessable footage for three (3) Benefit Zones. Assessments are determined by lot square footage and linear frontage.

The management plan allows for a maximum annual CPI increase of 3%. The Board voted for a 3% CPI increase for 2019.

The assessment rates for 2019 are as follows:

Zone 1

Lot: \$0.0729 per square foot

Frontage: \$0.0683 per linear foot

Zone 2

Lot: \$0.0365 per square foot

Frontage: \$ 0.0341 per linear foot

Zone 3

Lot: \$0.0197 per square foot

Frontage: \$ 0.0184 per linear foot

(There is a 3.0% CPI increase for 2019)

Surplus Revenues: \$79,000.00

At the end of 2018, the District will have an estimated \$79,000 of surplus revenue that will be rolled over into the 2018 budget. The rollover stems from the EHBID's on-going planning efforts for the grant awarded during the 2009 Metro Call for Projects, to fund street medians along Vermont Avenue in hopes of calming traffic and enhancing the pedestrian experience in this highly traveled area of the city. Since renewal, the BID's annual budget has included funding for the eventual maintenance and upkeep of the completed median project, which has

been heretofore delayed by the City. A total of six medians will ultimately stretch from Hollywood Blvd. to Santa Monica Blvd. The first phase of the Vermont Median installation was completed at the end of 2016 with four of the six medians being installed. The additional two medians are expected to break ground by the end of the year. Once the Medians are on-line, the BID's programming will include maintenance and upkeep of all six medians. Rollover funds for this purpose are expected to be utilized in 2019.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2019.

Contribution from Sources other than assessments: \$0.00

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE East Hollywood BID- FY 2019

| | Zone 1 | Zone 2 | Zone 3 | Total | |
|--------------------------------------|---------------------|---------------------|--------------------|---------------------|---------------|
| 2019 Assessments | \$128,706.72 | \$89,211.61 | \$26,029.20 | \$243,947.53 | |
| Estimated Carryover from 2018 | \$41,680.40 | \$28,890.30 | \$8,429.30 | \$79,000.00 | |
| Other Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Total Estimated Revenues | \$170,387.12 | \$118,101.91 | \$34,458.50 | \$322,947.53 | |
| 2019 Estimated Expenditures | | | | | Pct. |
| Streetscape/Landscape | \$63,043.23 | \$43,697.71 | \$12,749.65 | \$119,490.59 | 37.00% |
| Maintenance | \$52,820.01 | \$36,611.59 | \$10,682.14 | \$100,113.74 | 31.00% |
| Administration/Advocacy | \$30,669.68 | \$21,258.34 | \$6,202.53 | \$58,130.55 | 18.00% |
| Marketing and Promotion | \$18,742.58 | \$12,991.21 | \$3,790.43 | \$35,524.22 | 11.00% |
| Contingency | \$5,111.62 | \$3,543.06 | \$1,033.75 | \$9,688.43 | 3.00% |
| Total Estimated Expenditures | \$170,387.12 | \$118,101.91 | \$34,458.50 | \$322,947.53 | 100% |

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