

HOLLY L. WOLCOTT
CITY CLERK

SHANNON D. HOPPE
EXECUTIVE OFFICER

City of Los Angeles

CALIFORNIA



ERIC GARCETTI
MAYOR

OFFICE OF THE
CITY CLERK

Neighborhood and
Business
Improvement District
Division
200 N. Spring Street,
Room 224
Los Angeles, CA. 90012
(213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
DIVISION MANAGER

clerk.lacity.org

October 28, 2016
Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 1

REGARDING:

THE LINCOLN HEIGHTS BUSINESS AND COMMUNITY BENEFIT DISTRICT
(PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S 2017 FISCAL YEAR
ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Lincoln Heights Business and Community Benefit District Business Improvement District's ("District") 2017 fiscal year (CF 14-0963). The owners' association of the District has caused to be prepared the Annual Planning Report for City Council's consideration. In accordance with Section 36600 et seq. of the California Streets and Highways Code ("State Law"), an Annual Planning Report for the District must be submitted for approval by the City Council. The Lincoln Heights Business and Community Benefit District Business Improvement District's Annual Planning Report for the 2017 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Lincoln Heights Business and Community Benefit District Business Improvement District was established on July 29, 2008 by and through the City Council's adoption of Ordinance No. 180117 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 October 21, 2016, 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 Lincoln Heights Business and Community Benefit District Business Improvement District's 2017 fiscal year complies with the requirements of the State Law
2. ADOPT the attached Annual Planning Report for the Lincoln Heights Business and Community Benefit District Business Improvement District's 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer

Attachment:

Lincoln Heights Business and Community Benefit District Business Improvement District's
2017 Fiscal Year Annual Planning Report

November 9, 2016

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

Subject: Lincoln Heights Business and Community Benefit District PBID 2017 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 Business and Community Benefit District Business Improvement District has caused this Lincoln Heights Business and Community Benefit District Business Improvement District Annual Planning Report to be prepared at its meeting on October 21, 2016.

This report covers proposed activities of the Lincoln Heights Business and Community Benefit District BID from January 1, 2017 through December 31, 2017.

Sincerely,



Misty Iwatsu
Executive Director
Lincoln Heights Benefit Assoc. of L.A.

Lincoln Heights Business and
Community Benefit District
Business Improvement District

2017 Annual Planning Report

District Name

This report is for the Lincoln Heights Business and Community Benefit District Business Improvement District (District). The District is operated by Lincoln Heights Benefit Association of Los Angeles, Inc., a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2017 Fiscal Year. The District Board of Directors approved the 2017 Annual Planning Report at the October 21, 2016 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2017.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2017.

2017 IMPROVEMENTS, ACTIVITIES AND SERVICES

Sidewalk Operations and Beautification: \$484,147.07 (74.00%)

This category of the District's special benefit services and costs include, but are not limited to:
-Private security over and above those services currently provided by the Los Angeles Police Department;

- Regular sidewalk and gutter sweeping,
- Regular sidewalk steam cleaning
- Spot steam cleaning as necessary
- Beautification
- Enhanced trash emptying
- Removal of bulky items as necessary
- Graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance
- Parking assistance;
- Maintenance personnel and supervisor/oversight costs

For 2017...Maintenance: The maintenance supplied to the District in 2016 to the District will continue in 2017. The sidewalks will be swept and pressure washed for zones 1,2 & 3. The Lincoln Heights Benefit Assn. of Los Angeles has entered into a contract for 2017 with Chrysalis to provide service. In addition to sidewalks, sidewalk furniture will also be cleaned on an as needed basis. Graffiti will be removed upon notification and identification. Trash

will be removed and replaced with new liners. Bulky item will be called into 311 and removed as necessary. Plants and trees will receive watering, trenching and cleaning from an independent contractor. Gum removal can be done on as needed basis.

Security: The security supplied to the District in 2016 will continue in 2017. Armed security guards will patrol the district. Reports will be made by patrol and generated monthly. The Lincoln Heights Benefit Assn. of Los Angeles has entered into a contract with General Security Services to provide this service.

District Identity: \$39,255.16 (06.00%)

This category of the District's special benefit services and costs include, but are not limited to:

- Special events
- Marketing and Promotions strategies
- Holiday decorations
- Web site development and maintenance
- Advertising
- Communications

For 2017...The District Identity marketing provided for the District in 2016 will continue in 2017. Maintenance of the website is ongoing. Promotion of the District is ongoing. The District will also hold special events during the year and produce 4 newsletter publications per year. The District will continue holiday decoration in 2017.

Administration and Corporate Operations: \$91,595.40 (14.00%)

This category of the District's special benefit services and costs include, but are not limited to:

- Staff and administrative costs
- Insurance
- Office related expenses
- Financial reporting

For 2017...The District will continue to work in 2016 with the contracted BID management company, the Lincoln Heights Benefit Assn of LA (LHBA) for administration of the District services. It maintains all contracts for Sidewalk Operations & Beautification and District Identity services with various companies and ensures that all work is completed. Additionally, the LHBA works with the City of Los Angeles and handles all financial and administrative requirements.

Contingency/City Fees/Reserve: \$39,255.16 (06.00%)

This category of the District's special benefit services and costs include, but are not limited to:

- Delinquencies*

-City Fees**
-Reserves***

*Reserve for Slow Payments:

A percent 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 LSPM PBID 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 10% 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.

For 2017...The contingency for 2017 will continue and will be used to cover slow and no pay assessments and unexpected expenditures as well as City Fees charged by the City of Los Angeles and County of Los Angeles for collection and distribution of revenue.

Total Estimate of Cost for 2017

A breakdown of the total estimated 2017 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2017 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 linear street frontage, lot square footage, building square footage & assessable single-family residential building square footage with differing rates for each zone according to frequency and type of service and benefit received. The Board voted a 3% CPI increase for 2017.

Asmt Year: 2017

Zone 1

Frontage \$10.93

Lot \$0.1093

Bldg \$0.0547

Zone 2

Frontage \$5.47

Lot \$0.0328

Bldg \$0.0328

Zone 3

Broadway Frontage \$10.93

Single Family Residential Units (Zone 1 & 2 only)
(built on commercial zoned parcels)

Bldg \$0.3279

(There is a 3% CPI increase for 2017)

Surplus Revenues: \$0.00

There are no surplus revenues that will be carried over to 2017.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2017.

Contribution from Sources other than assessments: \$0.00

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Lincoln Heights Business and Community Benefit District BID- FY 2017

	Zone 1	Zone 2	Zone 3	Total	
2017 Assessments	\$471,062.01	\$170,105.72	\$13,085.06	\$654,252.79	
Estimated Carryover from 2016	\$0.00	\$0.00	\$0.00	\$0.00	
Other Income	\$0.00	\$0.00	\$0.00	\$0.00	
Total Estimated Revenues	\$471,062.01	\$170,105.72	\$13,085.06	\$654,252.79	
2017 Estimated Expenditures					Pct.
Sidewalk Operations and Beautification	\$348,585.89	\$125,878.24	\$9,682.94	\$484,147.07	74.00%
District Identity	\$28,263.72	\$10,206.34	\$785.10	\$39,255.16	06.00%
Administration and Corporate Operations	\$65,948.68	\$23,814.80	\$1,831.92	\$91,595.40	14.00%
Contingency/City Fees/Reserve	\$28,263.72	\$10,206.34	\$785.10	\$39,255.16	06.00%
Total Estimated Expenditures	\$471,062.01	\$170,105.72	\$13,085.06	\$654,252.79	100%