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January 23, 2024

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

Council Districts 14

REGARDING:

**THE DOWNTOWN INDUSTRIAL DISTRICT (PROPERTY BASED) BUSINESS
IMPROVEMENT DISTRICT'S 2024 FISCAL YEAR ANNUAL PLANNING REPORT**

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Downtown Industrial District Business Improvement District's ("District") 2024 fiscal year (CF 12-0931). 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 Downtown Industrial District Business Improvement District's Annual Planning Report for the 2024 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Downtown Industrial District Business Improvement District was established on June 8, 2021 by and through the City Council's adoption of Ordinance No. 187074 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 9, 2023, 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

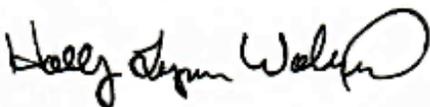
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Downtown Industrial District Business Improvement District's 2024 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2024 budget concurs with the intentions of the Downtown Industrial District 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 Downtown Industrial District Business Improvement District's 2024 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

Downtown Industrial District Business Improvement District's 2024 Fiscal Year Annual Planning Report

January 20, 2024

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

Subject: Downtown Industrial District PBID 2024 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 Downtown Industrial District Business Improvement District has caused this Downtown Industrial District Business Improvement District Annual Planning Report to be prepared at its meeting on November 9, 2023.

This report covers proposed activities of the Downtown Industrial District BID from January 1, 2024 through December 31, 2024.

Sincerely,

A handwritten signature in cursive script that reads "Estela Lopez".

Estela Lopez

Central City East Association

Downtown Industrial District Business Improvement District

2024 Annual Planning Report

District Name

This report is for the Downtown Industrial District Business Improvement District (District). The District is operated by the Central City East Association, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2024 Fiscal Year. The District Board of Directors approved the 2024 Annual Planning Report at the November 9, 2023 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2024.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2024.

2024 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean and Safe: \$3,128,599.44 (82.50%)

Safe Team Program

The Safety Program will provide safety services in the form of patrolling bicycle personnel and vehicle patrols. The purpose of the Safe Team Program is to deter and report illegal activities taking place on the streets, sidewalks, storefronts, and parking lots. The presence of the Safe Team Program is intended to deter such illegal activities as vandalism, graffiti, narcotic use or sales, public urination, trespassing, drinking in public, prostitution, illegal panhandling, and illegal dumping.

Clean Team Program

The Clean Team will only provide a multi-dimensional approach consisting of the following elements: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. Paper signs and handbills that are taped or glued on property, utility boxes, poles and telephones are removed. District personnel may pressure wash sidewalks. Collector truck personnel collect trash from sidewalk trash receptacles. Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero-tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays. Street tree trimming is important to keep the District looking attractive and will be considered when the budget allows. Clean sidewalks support an increase in commerce and provides a special benefit to each individually

assessed parcel in the district.

Economic Development/Communication: \$284,418.14 (7.50%)

The program will communicate the changes that are taking place in the Downtown Industrial District Business Improvement District and to enhance the positive perception of the Downtown Industrial District parcels. Programs currently in place include:

- ? Media and Communication Programs
- ? Economic Development Activities
- ? Planning Activities
- ? District stakeholder communications
- ? Website

Management/City Fees/Contingency: \$379,224.16 (10.00%)

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered six days a week. Management staff actively works and advocates on behalf of the District parcels to ensure that City and County services and policies support the District. Management/City Fees are for administration items such as office expenses, professional services, organizational expenses such as insurance, the cost to conduct a yearly financial review, City fees to collect and process the assessments. Additionally, a contingency of 3% of the total assessment income for unexpected expenses and/or revenue shortfall is included in this budget item.

Total Estimate of Cost for 2024

A breakdown of the total estimated 2024 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2024 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 with differing rates depending on type and frequency of special benefit services provided for properties in each zone. The management plan allows for a maximum annual CPI increase of 7%. The Board voted for a (3%) increase in 2024.

2024 assessment rates
Standard
Zone 1
Lot 0.4224
Building 0.1172
Zone 2

Lot 0.1252
Building 0.0328
Zone 3
Lot 0.1534
Non-Profit
Zone 1
Lot 0.1138
Building 0.0163

(There is a 3.0% CPI increase for 2024)

Surplus Revenues: \$240,000.00

LADID anticipates an estimated 2023 year-end carryover of \$240,000. This is primarily due to the inability to consistently fill all officer vacancies among BID safety team due to the extreme challenges of hiring security officers in and around Skid Row. Our Security expenses were under budget by approx. \$285,000 which was offset by increased Maintenance costs resulting in approximately \$240,000 underbudget for Clean & Safe, which represents 82.5% of the total LADID budget. Despite having fewer security officers in total, shifts were filled on an overtime basis by existing personnel without service interruption to the District. To reduce the surplus and attract security officers to Skid Row, the BID has negotiated an increase in pay with the vendor and will continue to recruit and hire officers to fill existing vacant positions. We anticipate 80% of the surplus will be used for increased security personnel with increased compensation. The remaining 20% of surplus funds will be used to increase Maintenance services for which the BID has already contracted with the maintenance vendor, specifically to increase pressure washing activities throughout the District. Therefore, the entire 2023 surplus which originated from Clean & Safe activities will be used for Clean & Safe activities in 2024.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2024.

Contribution from Sources other than assessments: \$111,185.17

General Benefit Income

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Industrial District BID- FY 2024

	Zone 1	Zone 1 Non-Profit	Zone 2	Zone 3	Total	
2024 Assessments	\$2,612,183.12	\$83,379.67	\$745,493.78	\$0.00	\$3,441,056.57	
Estimated Carryover from 2023	\$182,189.38	\$5,815.40	\$51,995.22	\$0.00	\$240,000.00	
Other Income	\$84,403.15	\$2,694.11	\$24,087.91	\$0.00	\$111,185.17	
Total Estimated Revenues	\$2,878,775.65	\$91,889.18	\$821,576.91	\$0.00	\$3,792,241.74	
2024 Estimated Expenditures						Pct.
Clean and Safe	\$2,366,949.62	\$91,889.18	\$669,760.64	\$0.00	\$3,128,599.44	82.50%
Economic Development/Communication	\$219,354.02	\$0.00	\$65,064.12	\$0.00	\$284,418.14	7.50%
Management/City Fees/Contingency	\$292,472.01	\$0.00	\$86,752.15	\$0.00	\$379,224.16	10.00%
Total Estimated Expenditures	\$2,878,775.65	\$91,889.18	\$821,576.91	\$0.00	\$3,792,241.74	100%