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CITY CLERK

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CALIFORNIA



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January 31, 2023

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

Council Districts 1

REGARDING:

THE CHINATOWN 2021-2025 (PROPERTY BASED) BUSINESS IMPROVEMENT
DISTRICT'S 2023 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Chinatown 2021-2025 Business Improvement District's ("District") 2023 fiscal year (CF 12-0489). 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 Chinatown 2021-2025 Business Improvement District's Annual Planning Report for the 2023 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Chinatown 2021-2025 Business Improvement District was established on October 1, 2020 by and through the City Council's adoption of Ordinance No. 186795 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 December 8, 2022, 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

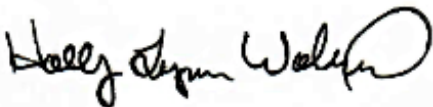
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Chinatown 2021-2025 Business Improvement District's 2023 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2023 budget concurs with the intentions of the Chinatown 2021-2025 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 Chinatown 2021-2025 Business Improvement District's 2023 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

Chinatown 2021-2025 Business Improvement District's 2023 Fiscal Year Annual Planning Report

January 31, 2023

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

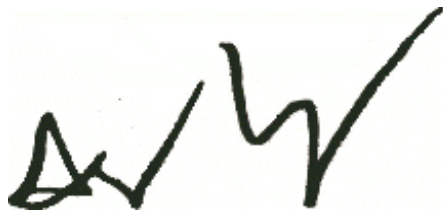
Subject: Chinatown 2021-2025 PBID 2023 Annual Planning Report

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 Chinatown 2021-2025 Business Improvement District has caused this Chinatown 2021-2025 Business Improvement District Annual Planning Report to be prepared at its meeting on December 8, 2022.

This report covers proposed activities of the Chinatown 2021-2025 BID from January 1, 2023 through December 31, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read 'George Yu', is written over a light green rectangular background.

George Yu
President
Chinatown BID

Chinatown 2021-2025 Business Improvement District

2023 Annual Planning Report

District Name

This report is for the Chinatown Property Business Improvement District (District). The District is operated by the Los Angeles Chinatown Business Council, Incorporated, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2023 Fiscal Year. The District Board of Directors approved the 2023 Annual Planning Report at the December 8, 2022 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2023.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2023.

2023 IMPROVEMENTS, ACTIVITIES AND SERVICES

Sidewalk Operations: \$1,615,292.08 (66.68%)

Sidewalk Operations special benefit services include but are not limited to a landscaping, sanitation and a beautification work plan component encompassing services, personnel, trash disposal, sidewalk cleaning, graffiti removal and tree planting, maintenance and trimming.

- Sidewalk cleaning entails regular sidewalk sweeping based upon the parcel's location within one of the three Benefit Zones. This would include periodic pressure washing of all sidewalks throughout the District at a frequency determined by the Owners' Association.
- Landscaping services includes landscaping care, tree planting, watering and weed removal services throughout the entire District at the discretion based upon a frequency determined by the Owners' Association.
- Graffiti removal entails quick removal of graffiti throughout the District.

District Identity and Placemaking: \$363,586.28 (15.01%)

The District Identity and Placemaking component of the Special Benefits services strive to build the identity of the "Chinatown" district from where it is today. The District Identity and Placemaking services would include, but not be limited to:

- Underwriting events that bring customers and business to the district.
- Maintaining street furniture and amenities in key public spaces within the boundaries of the CTPBID.

- Funding public relations and social media to benefit the businesses and property owners in the district.
- Maintaining and updating the website to promote available retail opportunities, identify properties for lease or for sale and promote the new programs that the PBID will fund.
- Fund and install holiday decoration and banners.
- Other programs to bring a positive light to the Chinatown PBID to specially benefit the parcels in the district which shall include, but not be limited to public art, historical markers throughout the community and extraordinary events that promote the positive image of the district.

Administrative Services and Contingency: \$443,411.74 (18.31%)

The Administration Services component includes activities such as: personnel, operations, professional services (e.g. legal, accounting, insurance), production of the Annual Planning Report and Budget, preparation for the regular and Annual Board meetings, preparation of taxes, City required 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.

Total Estimate of Cost for 2023

A breakdown of the total estimated 2023 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method for levying the 2023 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, building square footage and linear frontage. The assessment rates for 2023 are as follows:

Zone 1

Lot: \$0.2205 per square foot

Building: \$0.3087 per square foot

Linear Frontage: \$22.1382 per linear foot

Zone 2

Lot: \$0.1764 per square foot

Building: \$0.24255 per square foot

Linear Frontage: \$19.481175 per linear foot

Zone 3

Frontage: \$19.481175 per linear foot

(There is a 5.0% CPI increase for 2023)

Surplus Revenues: \$0.00

There are no surplus revenues that will be carried over to 2023.

Anticipated Deficit Revenues

The anticipated deficit of approximately \$83,000 was due to the increase in underwriting costs associated with producing 3 events, the deployment of personnel as additional contact to assist with visitors and vendors, and the additional site clean up before, during and after each event.

The plan to make up the deficit of \$83,000 is by reducing 2023 event production spending by roughly \$20,000 per event without sacrificing guests experiences for the 2023 Chinese New Year Festival, 2 Chinatown Summer Nights events and Moon Festival. That's approximately \$80,000 savings across the four events. The difference of \$3,000 can be off set by 2-3 filming requests given revenue from each film is \$1,700 (average revenue per film in 2022) or \$3,400 for 2 films, which is well within our forecast. Therefore, savings from the event production costs of \$80,000 plus the \$3,400 additional revenue in filming, would be sufficient to off set the \$83,000 deficit.

Contribution from Sources other than assessments: \$151,524.35

Includes General Benefits Assessments (45,179.35), Voluntary Assessment Contributions (\$77,345.00), Filming Income (\$25,000) and Other Income (\$4000.00).

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Chinatown 2021-2025 BID- FY 2023

| | Zone 1 | Zone 2 | Zone 3 | Total | |
|---|--------------|----------------|--------------|----------------|--------|
| 2023 Assessments | \$705,526.91 | \$1,282,074.34 | \$283,164.49 | \$2,270,765.74 | |
| Estimated Carryover from 2022 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Other Income | \$47,078.62 | \$85,550.65 | \$18,895.09 | \$151,524.36 | |
| Total Estimated Revenues | \$752,605.53 | \$1,367,624.99 | \$302,059.58 | \$2,422,290.10 | |
| 2023 Estimated Expenditures | | | | | Pct. |
| Sidewalk Operations | \$501,871.25 | \$911,993.90 | \$201,426.93 | \$1,615,292.08 | 66.68% |
| District Identity and Placemaking | \$112,966.26 | \$205,280.81 | \$45,339.21 | \$363,586.28 | 15.01% |
| Administrative Services and Contingency | \$137,768.02 | \$250,350.28 | \$55,293.44 | \$443,411.74 | 18.31% |
| Total Estimated Expenditures | \$752,605.53 | \$1,367,624.99 | \$302,059.58 | \$2,422,290.10 | 100% |