



HIGHLAND PARK
Property & Business Improvement District
(HPBID)

MANAGEMENT DISTRICT PLAN
FINAL PLAN

*Being Renewed for a 10-year Term Pursuant to
California Streets and Highways Code Section 36600 et seq.
Property & Business Improvement District Act of 1994, as amended*

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MANAGEMENT DISTRICT SUMMARY

The Highland Park Property and Business Improvement District (HPBID) is being renewed for a 10-year period by the Owners Association of the North Figueroa Association PBID and business owners within the current PBID area. The current district will end its five-year term on December 31st, 2024. For the sake of consistency, this Property Business Improvement District will be referred to as “HPBID,” throughout this document.

The purpose of renewing and expanding this BID is to provide and manage supplemental services and improvements for this historic district which is in the process of tremendous renewal. The services to be provided by the renewed HPBID will include sidewalk operations, district identity, and administration services. The renewed HPBID is a special benefits assessment district that will enable the property owners and businesses to continue to work as a unit, to fund needed property, business-related and residentially oriented improvement programs, and services above what is provided by the City of Los Angeles.

This will be the third renewal of this district, originally formed in 2003. The original BID was formed in 2003 under the then local enabling ordinance and then renewed in 2015 and then 2020 under the PBID act. The renewed district will be formed under the California Streets and Highway Code which may be renewed for up to ten years at a time.

Name: The name of the renewed HPBID is the Highland Park Business Improvement District (HPBID). It will be referred to as the “*renewed HPBID*” throughout this document.

Location: The renewed HPBID is in the heart of the historic Highland Park community. The key streets in the BID area include North Figueroa, between Avenue 50 on the south (west) and York Boulevard on the north (east) and the various cross streets on North Broadway and Pasadena Avenue.

Benefit Zones: The HPBID consists of one benefit zone with one assessment methodology for commercial properties and single-family residential units built on commercially zoned parcels in the district.

Services: The two key special benefit services by category will include:

1. Sidewalk Operations and
2. District Identity/Administration Services/Contingency Reserves.

Finance: Benefit assessment of 151 real property parcels, of which all are identified as assessable, with a total of 107 individual property owners. No bonds shall be issued to fund the renewed HPBID programs.

Budget: BID assessment revenue for Year 1 is projected to be \$890,618. It is noted that the Assessment Engineer has determined that general benefits equate to 2.5% of the total adjusted BID programs of a

total of \$913,454 in total revenue, with \$22,836 considered to the General Benefit portion. General benefit revenue shall be derived from non-assessment revenue sources.

Year 1 – Renewed Budget (Assessment Revenues/Special Benefit)

	Sidewalk Operations	District Identity /Administrative Services/Contingency	Total
% of annual budget	80%	20%	100%
Special Benefits	\$712,494	\$178,124	\$890,618
General Benefits	\$18,269	\$4,567	\$22,836
Total Budget	\$730,763*	\$182,691*	\$913,454*

***Numbers have been rounded.**

Benefits: General Benefit is defined as: a benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied. Special Benefit as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the renewed HPBID or to the public at large.

Formula/Benefit Zones Costs: There is one benefit zone in the proposed renewed HPBID.

YEAR 1 –Annual Assessment Rates for the Renewed HPBID

Building Per Square Foot	Linear Frontage	Land Area (parcel) Per Square Foot
\$0.221 per	\$8.00 per year	\$0.25 per year

Cap: Assessment increases are capped at a maximum of 5% per year, subject to approval by the renewed HPBID Owner Association/Board of Directors.

Establishment: The renewed HPBID formation is a two-step process. First, petitions signed by HPBID property owners representing at least 50% of the total assessment to be levied must be secured. Second, property owners will be sent a ballot to vote on the renewed HPBID. Returned ballots in support of the renewed HPBID must outweigh those in opposition based on the amount of assessment to be levied.

Duration: As allowed by State PBID Law, the renewed HPBID will have a maximum ten (10) year operational term from January 1, 2025, to December 31, 2034. The renewed District operations are expected to begin services on January 1, 2025.

II. RENEWED HPBID BOUNDARIES

General:

In general, the renewed HPBID is in the northeast section of Los Angeles on North Figueroa. The renewed BID has 151 assessable parcels, with 107 property owners.

Boundary Description:

The renewed HPBID encompasses approximately 13 blocks (in varying sizes and shapes) along N. Figueroa Street in Los Angeles between Avenue 50 on the south (west) and York Boulevard on the north (east) and is divided by Interstate 5 Freeway on the east and west and includes retail, industrial, manufacturing, and residential land uses.

District Boundary Rationale:

The renewed HPBID boundaries are comprised of the commercial core parcels where the historic economic activity of North Figueroa Boulevard in Highland Park is centered. All commercial parcels that are included in the general boundaries' description of the current HPBID are included in the renewed HPBID. Residentially zoned parcels, consistent with Streets and Highway Code Section 36600, are not included in the boundaries of the renewed HPBID.

In general, the boundaries of the renewed HPBID will include all the same assessed parcels within the former BID approved in 2020. The renewed HPBID will provide special benefit services to the individual assessed parcels which need and will benefit from the system of special benefit services that have been provided to the existing HPBID.

The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states:

"Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part."

Northern Boundary:

The northern boundary of the proposed HPBID coincides with the centerline of York Boulevard.

Eastern Boundary:

The eastern boundary of the proposed HPBID is irregular and generally lies along the eastern boundaries of those parcels fronting along the east side of N. Figueroa Street between York Boulevard and Avenue 50 and includes the following parcels starting from north to south:

York Blvd. to Marmion Way – one parcel deep plus, APN 5492-034-901

Marmion Way to Avenue 61 – one parcel deep only

Avenue 61 to Avenue 60 – one parcel deep plus, APN 5492-024-014

Avenue 60 to Avenue 59 – one parcel deep only

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-011-900 & 901

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-002-008, 013, 028, 900 & 901

Avenue 57 to Avenue 56 – one parcel deep plus APNs 5468-032-901, 902 & 903

Avenue 56 to Roselawn Place – one parcel deep plus APNs 5468-025-017, 900 & 901

Roselawn Place to Avenue 50 – one parcel deep only

Southern Boundary:

The southern boundary of the proposed HPBID coincides with the centerline of Avenue 50.

Western Boundary:

The western boundary of the proposed HPBID is irregular and generally lies along the western boundaries of those parcels fronting on the west side of N. Figueroa Street between York Boulevard and Avenue 50 and also includes the following parcels starting from north to south:

York Blvd. to Avenue 59 – one parcel deep only

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-012-900

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-001-007, 900, 901 & 902

Avenue 57 to Avenue 56 – one parcel deep plus, APNs 5468-033-015, 900, 901, 902 & 903

Avenue 56 to Avenue 55 – one parcel deep plus APN 5468-024-006

Avenue 55 to Avenue 54 – one parcel deep plus APNs 5468-021-024 & 030

Avenue 54 to Avenue 50 – one parcel deep only

A list of all parcels included in the renewed HPBID are shown as Appendix 1, attached to this Report identified by their respective Los Angeles County assessor parcel number. The boundary of the renewed HPBID and benefit zones are shown on the map as Appendix 2 to this Report.

All HPBID funded services, programs and improvements provided within the described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the renewed HPBID will proportionately specially benefit from the District funded programs and services (i.e., Sidewalk Operations & Beautification/District Identity/Administrative Services/Contingency). These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates and investment return of individually assessed parcels and businesses on them within the renewed HPBID.

The renewed HPBID confers special benefits on each and every individually assessed parcel by deter crime, improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses on them within the District, all considered necessary in a competitive properly managed mixed-use business district. All District funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the renewed HPBID.

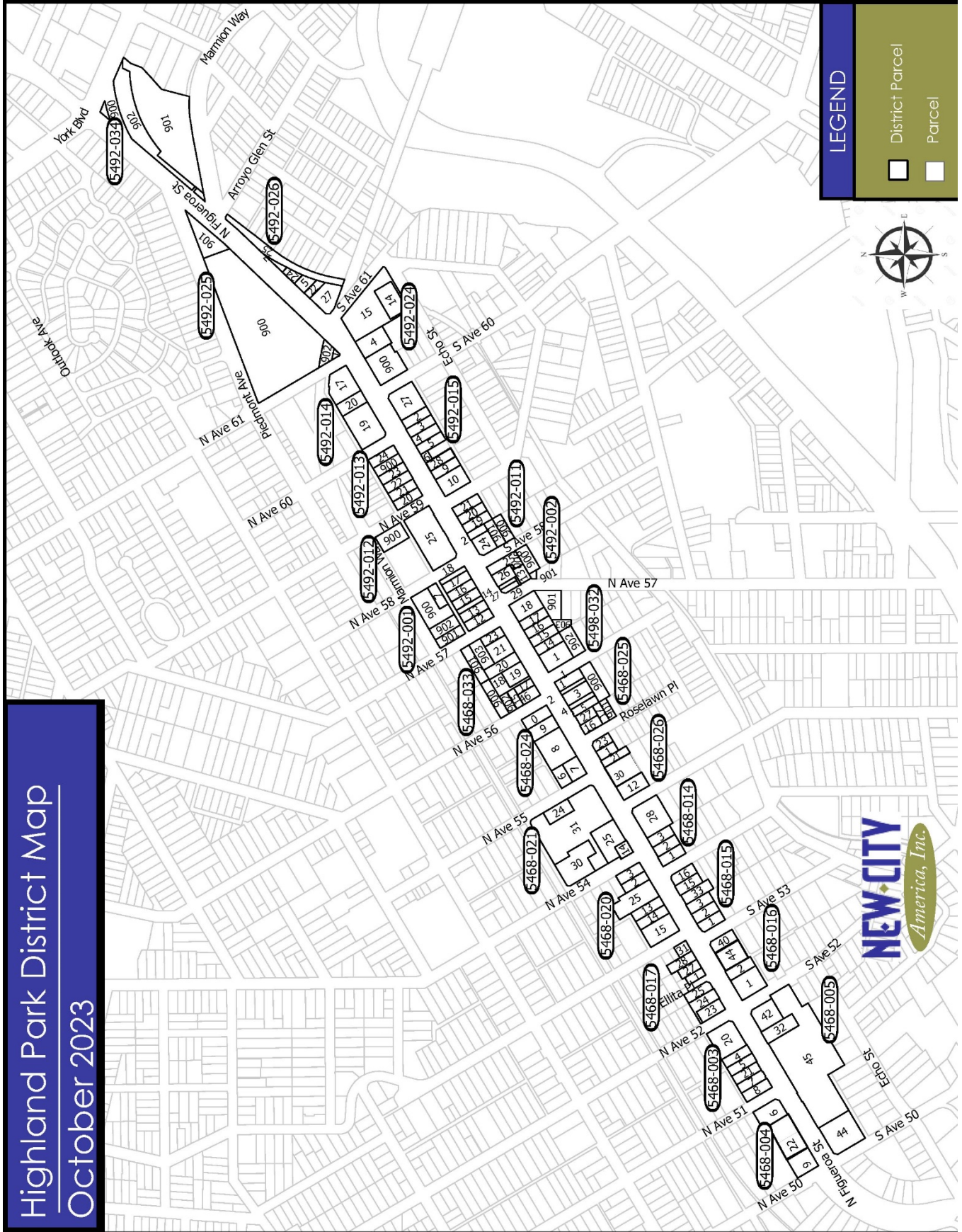
Summation

A list of all parcels included in the renewed HPBID is shown as Appendix 1, attached to this report identified by their respective Los Angeles County assessor parcel number. The boundary of the renewed HPBID map is on page 8 of this report. All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this report and in the Management District Plan. All BID funded services, programs and improvements provided within the described boundaries shall confer special benefit to identified assessed parcels inside the District

boundaries and none will be provided outside of the District. Each assessed parcel within the BID will proportionately and especially benefit from the District funded programs and services (i.e., Sidewalk Operations/District Identity/Administration Services/Contingency).

Highland Park District Map

October 2023



III. RENEWED TEN-YEAR PBID WORK PLAN AND BUDGET

Overview:

The programs and activities to be funded by the renewed HPBID will include Sidewalk Operations, District Identity/Administration Services/Contingency. The property uses within the boundaries of the District that will receive special benefits from District funded programs, services and improvements are currently a unique mix of retail, municipal, office, grocery, educational, studio, and residential with mixed use housing developments, auto service, parking lots and other neighborhood serving uses. District funded activities are primarily designed to provide special benefits as described below to identify assessed parcels and array of land uses within the boundaries of the District.

These benefits are distinct to each identified assessed parcel within the renewed HPBID and are not provided to non-assessed parcels outside of the District. These programs, services and improvements will only be provided to each individually assessed parcel within the District boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

In the case of the renewed HPBID, the very nature of the purpose of this District is to fund supplemental programs, services, and improvements to assessed parcels within the District boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Los Angeles does not provide these supplemental programs and services.

The projected program special benefit cost allocation of the District assessment revenues for the 10-year District term assuming a possible 5% maximum annual assessment rate increase is shown in the Table on pages 13 and 14 of this Plan.

Work Plan Details:

The services to be provided by the renewed HPBID are all designed to contribute to the cohesive commercial and mixed-use residential fabric and to ensure economic success and vitality of the District. The assessed parcels in the HPBID will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the BID goals: to improve sanitation and beautification, minor landscaping, and to attract new and retain existing businesses and services, and ultimately to increase commerce and improve the economic viability of each individual assessed parcel.

The following programs, services and improvements funded by the renewed HPBID to specially benefit each individually assessed parcel within the District boundaries. HPBID services, programs and improvements will not be provided to parcels outside the District boundary. Assessment funds generated in each benefit zone shall only be used to provide services which especially benefit individual assessed parcels within that benefit zone.

Year 1 – RENEWED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT)

Sidewalk Operations:

\$ 712,494 (Special Benefit) + \$ 18,269 (General Benefit) = \$ 730,763 (80%)

The special benefit services related to Sidewalk Operations respond to issues between the curb and property line of each parcel fronting onto a public street. Such special benefit services include but are not limited to cleaning personnel, vehicles, sidewalk power washing, security, trash disposal, sidewalk sweeping, landscaping services, graffiti removal and tree planting, sanitation, and trimming.

- Landscaping services includes landscaping care, watering and weed removal services throughout the entire District at the discretion of the property owners, at a frequency determined by the Owners' Association. These services will be provided in the renewed HPBID as needed.
- Sanitation personnel will work on a regular basis sweeping up trash and litter from the sidewalks and gutters of the District at a frequency determined by the Owners' Association. The frequency of sidewalk sweeping is projected to be 5 – 6 days per week, year-round.
- Graffiti removal entails receiving reports of and then removal of graffiti throughout the District.
- A safety team working with the sanitation crew will provide on-site services to ensure the safety of business, residents, customers, and property owners throughout the district.

The goal of the Sidewalk Operations work plan component is to ensure that the frontage for all identified assessed parcels are clean and well maintained, thereby creating an attractive District for the special benefit of every assessed District parcel. These supplemental services will assist in creating a clean and orderly environment for the special benefit of each assessed parcel in the District. A dirty environment deters commerce and may fail to attract patrons and visitors and reduce commercial rents and commercial occupancies.

For the array of land uses within the District (i.e. retail, office, grocery, restaurants, parking, mixed-use residential), this work plan component is designed to increase pedestrian traffic to and from the City owned parking lots as well as the Gold Line mass transit stops throughout the district. Each assessed parcel will specially benefit from the Sidewalk Operations programs which will only be provided to, and for the direct benefit of, each identified assessed parcel within the District boundaries.

District Identity/Administration Services/Contingency:

\$ 178,124 (Special Benefit) + \$4,567 (General Benefit) = \$182,691 (20%)

The District Identity/Administration/Contingency component of the Special Benefits services strive to build the identity of the Highland Park district from where it is today. Furthermore, this section of the Plan will provide staffing to oversee the special benefit services and provide a fund for delinquencies in the district annual assessment schedule. The District Identity services would include, but not be limited to:

- Maintaining and updating the website to promote available retail opportunities, identify properties for lease or for sale and promote the new programs that the HPBID will fund.
- Funding banner programs for the main commercial corridors.
- Funding social media/public relations, website enhancement and outreach to the public.
- Funding other programs that bring a positive light to the Highland Park BID to benefit the individual parcel owners in the district.
- Employing strategies to increase “demand” on local retailers, commercial office space and residential units throughout the district.
- Staff and administrative services including rent, insurance, accounting, legal, utilities.
- Contingency and reserve funds for delinquencies as well as a reserve fund for beautification/capital improvement projects in the district for example, planters, trash receptacles, banners, and benches. In addition, any annual budget surplus will be incorporated into the subsequent year’s HPBID budget in accordance with City policy. Within the constraints of the annual adjustment, annual assessments will be set to account for surpluses carried forward in accordance with City policy.

With the District Identity special benefit services, the Owners’ Association will continue to use its current website to promote the assessed renewed HPBID parcels in an effort to increase awareness of the District as a destination for consumers and tenants and increase occupancy and commerce on the assessed parcels. The website is designed to provide visitors with information about the renewed HPBID and comply with the open meetings and records provisions of the Brown Act.

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, newsletters, 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.

The Administration Services component is key to the proper expenditure of District assessment funds and the administration of District programs and activities for the special benefit of all parcels

and land uses within the renewed HPBID. The Administration work plan component exists only for the purposes of the District, and directly relates to the implementation of cleaning and beautification, district identity and improvement programs and services, which specially benefit each identified assessed parcel within the District boundaries.

In summary, all HPBID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the renewed HPBID will proportionately benefit from the Sidewalk Operations and District Identity/Administration Services/Contingency components of the Management Plan.

All District funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of each assessed parcel within the boundaries of the renewed HPBID.

PROGRAM & ACTIVITY BUDGET

Each identified assessed parcel within the renewed HPBID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of District funded services provided.

To carry out the District programs outlined in the previous section, a Year 1 assessment budget of \$ 890,618 is projected. Since the renewed HPBID is planned for a 10-year term, projected program costs for future years (Years 2-10) are set at the inception of the District. While future inflationary pressures, new development assessments and other program cost increases are unknown at this point, a built-in maximum increase of 5% per annum, commensurate to special benefits received by each assessed parcel, is incorporated into the projected program costs and assessment rates for the 10-year District term. The District shall adhere to the category budget as listed in the Management District Plan. While some variation is permissible to account for unexpected circumstances, the funding allocated to each funding category expressed as a percentage of the total budget, shall not vary by more than 10% of total budget from each year's percentage in the Management District Plan.

Any renewed variation that exceeds 10% of the total budget shall be subject to review and approval of the City Clerk's office. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the Annual Planning Report each year. District funds may be used for renewal. Funds from an expired District shall be rolled over into the new District if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

10 Year Special + General Benefits
(Assumes max of 5% Annual Increase, assessment numbers have been rounded year to year)

YR	PROGRAM CATEGORY	SPECIAL BENEFIT ASSESSMENT COSTS	GENERAL BENEFIT NON- ASSESSMENT COSTS	TOTAL ADJUSTED COSTS	% OF TOTAL
1	Sidewalk Operations	\$712,494	\$18,269	\$730,763	80%
2025	District Identity/Admin/Cont.	\$178,124	\$4,567	\$182,691	20%
	Total	\$890,618	\$22,836	\$913,454	100%
2	Sidewalk Operations	\$748,119	\$19,182	\$767,301	80%
2026	District Identity/Admin/Cont.	\$187,030	\$4,795	\$191,825	20%
	Total	\$935,149	\$23,977	\$959,126	100%
3	Sidewalk Operations	\$785,525	\$20,141	\$805,666	80%
2027	District Identity/Admin/Cont.	\$196,382	\$5,035	\$201,417	20%
	Total	\$981,907	\$25,176	\$1,007,083	100%
4	Sidewalk Operations	\$824,801	\$21,148	\$845,949	80%
2028	District Identity/Admin/Cont.	\$206,201	\$5,287	\$211,488	20%
	Total	\$1,031,002	\$26,435	\$1,057,437	100%
5	Sidewalk Operations	\$866,041	\$22,205	\$888,246	80%
2029	District Identity/Admin/Cont.	\$216,511	\$5,551	\$222,062	20%
	Total	\$1,082,552	\$27,756	\$1,110,308	100%
6	Sidewalk Operations	\$909,343	\$23,315	\$932,658	80%
2030	District Identity/Admin/Cont.	\$227,337	\$5,829	\$233,166	20%
	Total	\$1,136,680	\$29,144	\$1,165,824	100%
7	Sidewalk Operations	\$954,810	\$24,481	\$979,291	80%
2031	District Identity/Admin/Cont.	\$238,704	\$6,120	\$244,824	20%
	Total	\$1,193,514	\$30,601	\$1,224,115	100%
8	Sidewalk Operations	\$1,002,551	\$25,705	\$1,028,256	80%
2032	District Identity/Admin/Cont.	\$250,639	\$6,426	\$257,065	20%
	Total	\$1,253,190	\$32,131	\$1,285,321	100%
9	Sidewalk Operations	\$1,052,679	\$26,990	\$1,079,669	80%
2033	District Identity/Admin/Cont.	\$263,171	\$6,747	\$269,918	20%
	Total	\$1,315,850	\$33,737	\$1,349,587	100%

10	Sidewalk Operations	\$1,105,313	\$28,340	\$1,133,653	80%
2034	District Identity/Admin/Cont.	<u>\$276,330</u>	<u>\$7,084</u>	<u>\$283,414</u>	<u>20%</u>
	Total	\$1,381,643	\$35,424	\$1,417,067	100%

The Assessment Engineer (see attached Engineer's Report) has found that the general benefits (i.e. general benefits to assessed parcels within the District), the general public and surrounding parcels outside the renewed HPBID services and improvements (i.e. Sidewalk Operations, District Identity/Administration Services/Contingency) represent 2.5% of the total benefits generated and, in turn, 2.5% (\$22,836) of the total adjusted costs of the renewed HPBID funded improvements, activities and services provided.

Total Year 1 adjusted costs are estimated at \$913,454. General benefits are factored at 2.5% of the total adjusted costs (**see Finding 2 in the attached Engineer's Report**) with special benefits set at 97.5% of the total annual budget. Article XIID Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 2.5% general benefit cost is computed to be \$22,836 with a resultant 97.5% special benefit limit computed at \$890,618.

Based on current property data and land uses, this is the maximum amount of Year 1 revenue that can be derived from property assessments from the subject District.

All programs associated with general benefits will be derived from sources other than District assessments. Sample "other" revenue sources are shown in the following Table:

Special and General Benefit Revenue Sources

Revenue Source	Revenue	% of Total
District Assessments/Special benefit	\$890,618	97.5%
General Benefit	\$22,836	2.5%
TOTAL	\$ 913,454	100%

The renewed HPBID assessments may increase for each individual parcel each year during the 10-year effective operating period, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners' Association Board of Directors, included in the Annual Planning report, and adopted by the City of Los Angeles City Council.

Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners' Association Board of Directors, of the current HPBID shall continue to serve in this capacity and will determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The Owners' Association Executive Director or staff shall communicate the annual increase to the City each year in which the District operates at a time determined in the Administration Contract held between the Owners' Association and the City of Los Angeles.

No bonds are to be issued in conjunction with the renewed HPBID District.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 10th year of operation will be rolled over into the renewed budget or returned to stakeholders. District assessment funds may be used to pay for expenditures related to the following District renewed term. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners in the same proportion in which they were collected.

Manner of Collection:

Assessments for the County of Los Angeles Property shall be collected at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles. The District assessments shall appear as a separate line item on the property tax bills issued by the Los Angeles County Assessor. The City of Los Angeles is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

IV. RENEWED HPBID ASSESSMENT FORMULA

The HPBID programs and services described in this Management District Plan will be funded through benefit assessments against real property in the HPBID and non-assessment revenues to fund the costs associated with general benefits conferred on assessed parcels within the District, the public at large and surrounding parcels outside of the renewed HPBID boundaries. The assessment formula has been developed to ensure that no parcel will be assessed an amount that exceeds the cost of the proportional special benefit that parcel derives from the programs, services, and improvements to be funded by the renewed benefit assessments. The assessment rates are based on the anticipated benefit to be derived by each individual parcel within the boundary of the renewed HPBID.

Based on the specific needs and corresponding nature of the program activities to be funded by the renewed HPBID (i.e., Sidewalk Operations, District Identity/Administration services/Contingency), the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area, building square footage and street frontage within district boundaries.

The “Basic Benefit Units” will be expressed as a combined function of land square footage (Benefit Unit “A”), building square footage (Benefit Unit “B”) and linear frontage, (Benefit Unit “C”). Based on the shape of the renewed HPBID, as well as the nature of the District program elements, it is determined that all identified assessed properties will gain a direct and proportionate degree of special benefit based on the respective amount of land area, street frontage and building square footage.

For the array of land uses within the District, the interactive application of land area, building square footage for commercial and residential condominium are a proven method of fairly and equitably spreading special benefit costs to these beneficiaries of District funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each assessed parcel will receive from District funded activities.

Land Area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, land area, should generate approximately 60% of the total first year District revenue.

Building Square Footage is a direct measure of the current and future improvements to the land area of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, building square footage, should generate approximately 20% of the first year’s total District revenue.

Linear Frontage: is a direct measure of the current and future improvements to the frontage of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, linear frontage, should generate approximately 20% of the first year’s total District revenue. Assessing for building square footage is an appropriate gauge of the impact of employees, visitors, shoppers, and clients on a specific parcel.

Considering all identified specially benefiting parcels within the District and their respective assessable benefit units, the rates, cumulative quantities and assessment revenues by factor and zone are shown in the following tables:

Data generated from County records:

Land Area: 2,110,915 of assessable land area square footage
 Gross Building Square footage: 837,546 of assessable building square footage
 Linear Frontage: 22,224 of assessable linear frontage

Year 1 – Projected BID Assessment Revenue (percentages have been rounded)

Benefit Zone	Lot size/Land Area Assessment Revenue	Linear Frontage Assessment Revenue	Building Square Footage Assessment Revenue	Total First Year Revenue
1	\$527,728	\$177,792	\$185,098	\$890,618
Percent of total	60%	20%	20%	100%

The number of Benefit Units for each identified benefiting parcel within the renewed HPBID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel.

Year 1 – Annual Assessment Rates

Lot Sq. Ft.	Linear Frontage	Building Sq. Ft.
\$0.25	\$8.00	\$0.221

Changes to Building or Land Area:

Any changes in building and land area because of the three land adjustments (lot, building square footage and linear frontage) including but not limited to lot splits, consolidations, subdivisions, street dedications, creation of new parcels, right of way setbacks shall have their assessment adjusted upon final City approval of such parcel adjustments. Any changes need to be provided to the District by April 1st of each year.

Other Future Development:

Other than future maximum rates with the building or land area assessment or residential condominium parcel assessment methodology delineated in this report, per State Law (Government Code Section 53750), future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Plan would require a new Proposition 218 ballot procedure to approve any such changes.

**HPBID – 10-Year Maximum Assessment Rates
(Includes a 5% Per Year Maximum Increase)**

BENEFIT ZONE 1

	Lot Sq. Ft.	Linear Frontage	Building Sq. Ft.
Y1	\$ 0.250	\$ 8.000	\$ 0.221
Y2	\$ 0.263	\$ 8.400	\$ 0.232
Y3	\$ 0.276	\$ 8.820	\$ 0.244
Y4	\$ 0.289	\$ 9.261	\$ 0.256
Y5	\$ 0.304	\$ 9.724	\$ 0.269
Y6	\$ 0.319	\$ 10.210	\$ 0.282
Y7	\$ 0.335	\$ 10.721	\$ 0.296
Y8	\$ 0.352	\$ 11.257	\$ 0.311
Y9	\$ 0.369	\$ 11.820	\$ 0.327
Y10	\$ 0.388	\$ 12.411	\$ 0.343

SAMPLE FIRST YEAR ANNUAL BUILDING ASSESSMENT CALCULATION – Benefit Zone 1

A 5,000 sq. ft. lot area with 2,500 sq. ft. building and 50 linear feet:

5,000 lot sq. ft. x \$0.25 cents per square foot = \$1,250.00 +

2,500 bldg. sq. ft. x \$0.221 cents per square foot = \$552.50 +

50 linear feet x \$8.00 per foot = \$400.00 +

TOTAL YEAR 1 ASSESSMENT: \$2,202.50

Cost Per Month: \$183.54

Cost Per Day: \$6.03

The complete Year 1 – assessment roll of all parcels to be assessed by this renewed HPBID is included in this Plan as Appendix I.

V. PUBLICLY OWNED PARCELS

The State Constitution - Article 13 D (Proposition 218) states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.” There are twenty-five public parcels within the District, all of which are identified as assessable and for which special benefit services will be provided. All identified assessed parcels are owned by the City of Los Angeles (21), the Los Angeles Fire Department (1), Los Angeles City Library (1), Playground (1) and LACMTA (1). The City owned parcels will directly receive and proportionately benefit from improved Sidewalk Operations, District Identity and Administration Services. These identified assessed publicly owned parcels/facilities will specially benefit from District funded programs and services.

In the opinion of the Assessment Engineer, there is no clear and convincing evidence that the twenty-five publicly owned parcels will not proportionately specially benefit from District services, programs, and improvements; therefore, each publicly owned parcel will be assessed at the rates with assessments to be based on the lot square footage area and building square footage of each parcel.

Parcels that are part of a fragmented public/quasi-publicly owned Right of Way corridor are used for an active commuter rail line. From an assessment viewpoint, rail lines/ROWs, public utility ROWs and public streets are not conferred special benefits from Highland Park BID activities, services, and improvements and thus, are not assessed. Based on this finding, this parcel shall be exempt from renewed district assessments.

The Table below lists all publicly owned parcels within the renewed Highland Park BID and their Year 1 assessment amounts:

City of Los Angeles Publicly Owned Parcels

APN	Legal Owner	Site Street Number	Annual Assessment	Percent
5468-025-900	L A CITY		\$ 3,840.50	0.43%
5468-025-901	L A CITY		\$ 1,390.00	0.16%
5468-032-901	L A CITY		\$ 4,641.50	0.52%
5468-032-902	L A CITY	115 S AVENUE 56	\$ 3,185.00	0.36%
5468-032-903	L A CITY		\$ 1,040.00	0.12%
5468-033-900	L A CITY	119 N AVENUE 56	\$ 2,947.00	0.33%
5468-033-901	L A CITY		\$ 2,947.00	0.33%
5468-033-902	L A CITY	117 N AVENUE 56	\$ 1,518.00	0.17%
5468-033-903	L A CITY		\$ 3,003.00	0.34%
5492-001-900	L A CITY	5712 MARMION WAY	\$ 7,768.75	0.87%
5492-001-901	L A CITY		\$ 3,475.00	0.39%
5492-001-902	L A CITY		\$ 2,843.75	0.32%
5492-002-900	L A CITY		\$ 2,795.00	0.31%
5492-002-901	L A CITY		\$ 489.50	0.05%
5492-011-900	L A CITY	117 S AVENUE 58	\$ 2,150.00	0.24%
5492-011-901	L A CITY	113 S AVENUE 58	\$ 2,150.00	0.24%

5492-012-900	L A CITY	5826 MARMION WAY	\$	5,295.00	0.59%
5492-024-900	L A CITY	6000 N FIGUEROA ST	\$	12,357.93	1.39%
5492-034-900	L A CITY		\$	2,520.00	0.28%
5492-034-901	L A CITY	6152 N FIGUEROA ST	\$	35,309.74	3.96%
5492-034-902	L A CITY		\$	16,213.50	1.82%
		SUBTOTAL CITY OF LA	\$	117,880.17	13.24%
5492-013-900	L A CITY FIRE DEPT	5921 N FIGUEROA ST	\$	5,269.00	0.59%
5492-025-901	L A CITY LIBRARY	6145 N FIGUEROA ST	\$	12,212.80	1.37%
5492-025-900	L A CITY PLAYGROUND		\$	77,407.90	8.69%
5492-025-902	LACMTA		\$	2,761.00	0.31%
		SUBTOTAL OTHERS	\$	97,650.70	10.964%
		GRANDT TOTAL		\$215,530.87	24.20%

VI. HPBID DISTRICT GOVERNANCE

The governance or management of a BID typically requires an “Owner’s Association” to carry out the BID services and activities. State PBID Law (36600 Streets & Highways Code) also requires that the Owner’s Association carry out specific additional functions. This includes preparation of an Annual Report to the City Council on the HPBID activities for the past fiscal year and those renewed for the next fiscal year. The Owner’s Association may also recommend to the City Council from time to time, changes to the HPBID boundaries, benefit zones, assessment formula or HPBID programs and activities, all subject to public notification and, in some cases petition/balloting requirements. The previous BID districts, since 2003, have been operated and managed by the North Figueroa Association, a public benefit corporation which has served in the capacity of the "Owners Association” as required in the PBID Law. Meetings of the Owner’s Association and its standing Committees shall be subject to the relevant provisions of the State of California “Brown Act” regarding open records and open meetings.

VII. RULES AND REGULATION APPLIED TO THE DISTRICT

There are no specific rules or regulations applied to this Highland Park BID or its Owners’ Association.

VII. IMPLEMENTATION TIMETABLE

The renewal and expansion of the HPBID is expected to begin operation by January 1, 2025. To meet this goal, the following procedural timeline is renewed:

<u>Date</u>	<u>Action/Task</u>
January 2023	Highland Park property owners meet to discuss the renewal process
June 2023	Data for Renewed HPBID submitted to the LA Clerk's office
October 2023	Renewal plan submitted to the Clerk's office for review
November 2023	Final plan approved by the City Clerk
December 2023	Management Plan and Engineer's report has been approved by the City Clerk, launch petition drive to get 50% weighted support to initiate Resolution of Intention by the City Council
January 2024	Submit petition threshold to the City Clerk from the Highland Park BID Steering Committee
February 2024	Resolution of Intent to form the renewed BID adopted by the City Council, assessment ballot proceeding initiated, ballots mailed out by the City Clerk
April 2024	Public hearing, mail ballot procedure concludes, ballots counted at the publicly noticed public hearing. If weighted returned ballots support the renewal the LA City Council adopts a Resolution of Formation, the renewed Highland Park BID is formed
August 2024	LA City transfers renewed HPBID data to County assessor to include the Assessments on the FY 25 property tax bills
January 2025	First assessments transferred from City to the current Owners Association/District Management Corporation

APPENDIX 1

APN	Annual Assessment		
5468-003-004	\$ 2,933.93	5468-024-006	\$ 3,106.60
5468-003-005	\$ 2,914.70	5468-024-007	\$ 6,878.15
5468-003-007	\$ 2,850.90	5468-024-008	\$ 9,738.92
5468-003-008	\$ 4,135.73	5468-024-009	\$ 4,994.99
5468-003-020	\$ 8,145.30	5468-024-010	\$ 8,133.42
5468-003-021	\$ 2,661.28	5468-025-001	\$ 4,906.49
5468-004-006	\$ 7,707.96	5468-025-002	\$ 1,238.60
5468-004-009	\$ 6,976.25	5468-025-003	\$ 4,321.59
5468-004-022	\$ 10,966.10	5468-025-004	\$ 1,587.80
5468-005-032	\$ 4,505.09	5468-025-005	\$ 2,265.99
5468-005-042	\$ 6,852.93	5468-025-016	\$ 4,477.26
5468-005-044	\$ 11,056.41	5468-025-017	\$ 1,390.00
5468-005-045	\$ 52,346.90	5468-025-027	\$ 2,257.94
5468-014-001	\$ 3,485.97	5468-025-900	\$ 3,840.50
5468-014-002	\$ 2,310.00	5468-025-901	\$ 1,390.00
5468-014-003	\$ 3,284.61	5468-026-001	\$ 2,354.29
5468-014-028	\$ 12,364.00	5468-026-012	\$ 7,381.70
5468-015-001	\$ 4,615.73	5468-026-021	\$ 2,214.54
5468-015-002	\$ 3,301.16	5468-026-023	\$ 3,873.45
5468-015-003	\$ 3,111.76	5468-026-030	\$ 11,242.50
5468-015-015	\$ 2,352.00	5468-032-001	\$ 10,559.03
5468-015-016	\$ 4,921.27	5468-032-014	\$ 3,701.90
5468-015-033	\$ 2,667.14	5468-032-015	\$ 2,817.90
5468-016-001	\$ 9,143.21	5468-032-016	\$ 2,938.00
5468-016-002	\$ 2,502.50	5468-032-017	\$ 3,480.11
5468-016-040	\$ 4,447.85	5468-032-018	\$ 7,543.00
5468-016-044	\$ 4,915.12	5468-032-901	\$ 4,641.50
5468-017-001	\$ 2,777.02	5468-032-902	\$ 3,185.00
5468-017-023	\$ 4,367.52	5468-032-903	\$ 1,040.00
5468-017-024	\$ 2,969.50	5468-033-015	\$ 2,154.50
5468-017-025	\$ 3,484.53	5468-033-017	\$ 2,204.00
5468-017-027	\$ 2,485.84	5468-033-018	\$ 2,341.15
5468-017-028	\$ 3,011.04	5468-033-019	\$ 6,270.48
5468-017-031	\$ 3,354.95	5468-033-020	\$ 4,750.17
5468-020-002	\$ 2,826.26	5468-033-021	\$ 5,347.00
5468-020-003	\$ 4,130.42	5468-033-023	\$ 4,849.00
5468-020-013	\$ 3,774.92	5468-033-046	\$ 5,137.54
5468-020-014	\$ 2,815.12	5468-033-900	\$ 2,947.00
5468-020-015	\$ 9,391.14	5468-033-901	\$ 2,947.00
5468-020-025	\$ 6,526.75	5468-033-902	\$ 1,518.00
5468-021-014	\$ 3,428.40	5468-033-903	\$ 3,003.00
5468-021-024	\$ 4,401.30	5492-001-007	\$ 1,962.50
5468-021-025	\$ 8,601.98	5492-001-012	\$ 4,580.00
5468-021-030	\$ 9,953.98	5492-001-013	\$ 3,269.50
5468-021-031	\$ 33,348.43	5492-001-014	\$ 1,629.23
		5492-001-015	\$ 3,932.50
		5492-001-016	\$ 3,822.00

5492-001-017	\$	3,441.88	5492-026-007	\$	2,265.12
5492-001-018	\$	3,461.29	5492-026-022	\$	2,031.74
5492-001-900	\$	7,768.75	5492-026-024	\$	2,631.16
5492-001-901	\$	3,475.00	5492-026-025	\$	8,258.00
5492-001-902	\$	2,843.75	5492-026-027	\$	6,853.91
5492-002-008	\$	114.23	5492-034-900	\$	2,520.00
5492-002-013	\$	205.00	5492-034-901	\$	35,309.74
5492-002-025	\$	7,350.19	5492-034-902	\$	16,213.50
5492-002-026	\$	3,617.35	8900-763-599	\$	474.49
5492-002-027	\$	1,069.32			
5492-002-028	\$	1,700.00	Total Assessments	\$	890,618.42
5492-002-029	\$	2,832.59			
5492-002-900	\$	2,795.00			
5492-002-901	\$	489.50			
5492-011-002	\$	2,239.36			
5492-011-019	\$	3,735.15			
5492-011-020	\$	2,993.25			
5492-011-021	\$	4,223.97			
5492-011-024	\$	4,741.21			
5492-011-900	\$	2,150.00			
5492-011-901	\$	2,150.00			
5492-012-025	\$	24,101.73			
5492-012-900	\$	5,295.00			
5492-013-020	\$	5,079.40			
5492-013-021	\$	2,845.67			
5492-013-022	\$	3,013.07			
5492-013-023	\$	3,394.64			
5492-013-024	\$	4,219.97			
5492-013-900	\$	5,269.00			
5492-014-017	\$	10,043.00			
5492-014-019	\$	12,678.88			
5492-014-020	\$	4,785.98			
5492-015-002	\$	2,250.00			
5492-015-003	\$	3,060.88			
5492-015-004	\$	3,435.25			
5492-015-005	\$	3,069.72			
5492-015-006	\$	1,165.20			
5492-015-009	\$	3,490.50			
5492-015-010	\$	9,833.86			
5492-015-027	\$	10,839.59			
5492-015-028	\$	5,307.50			
5492-024-004	\$	6,721.29			
5492-024-014	\$	7,818.60			
5492-024-015	\$	15,091.50			
5492-024-900	\$	12,357.93			
5492-025-001	\$	1,142.24			
5492-025-900	\$	77,407.90			
5492-025-901	\$	12,212.80			
5492-025-902	\$	2,761.00			
5492-026-005	\$	2,681.30			

Attachment 1

ASSESSMENT ENGINEER'S REPORT