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City of Los Angeles

CALIFORNIA



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November 26, 2018

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

Council Districts 15

REGARDING:

**THE SAN PEDRO HISTORIC WATERFRONT (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 San Pedro Historic Waterfront Business Improvement District's ("District") 2019 fiscal year (CF 15-0417). 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 San Pedro Historic Waterfront 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 San Pedro Historic Waterfront Business Improvement District was established on January 1, 2018 by and through the City Council's adoption of Ordinance No. 185047 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 7, 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

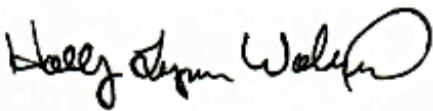
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the San Pedro Historic Waterfront 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 San Pedro Historic Waterfront 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 San Pedro Historic Waterfront Business Improvement District's 2019 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

San Pedro Historic Waterfront Business Improvement District's 2019 Fiscal Year Annual Planning Report

November 26, 2018

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

Subject: San Pedro Historic Waterfront 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 San Pedro Historic Waterfront Business Improvement District has caused this San Pedro Historic Waterfront Business Improvement District Annual Planning Report to be prepared at its meeting on November 7, 2018.

This report covers proposed activities of the San Pedro Historic Waterfront BID from January 1, 2019 through December 31, 2019.

Sincerely,

A handwritten signature in cursive script that reads "Lorena Parker". The signature is enclosed in a thin black rectangular border.

Lorena Parker
Exec Director
San Pedro Prop Owners Alliance

San Pedro Historic Waterfront Business Improvement District

2019 Annual Planning Report

District Name

This report is for the San Pedro Historic Waterfront Business Improvement District (District). The District is operated by the San Pedro Property Owners Alliance, 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 7, 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

Visitor, Ambassador & Security: \$544,638.23 (37.10%)

The Visitor Program includes shuttle services with multiple shuttle stops and is designed to attract visitors and tourists to businesses in the District. The Ambassador/Security Services uses uniformed security services to help prevent, deter and report illegal activities in the District.

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The Tourism Coordinator will manage the trolley operations and provide customer service to visitors.

The SPPOA will expand its security camera program in 2019. The goal is to provide additional security tools such as cameras to serve as a deterrent. The initial program will add cameras in select areas. Once the program is established, it will be monitored to determine whether additional blocks can be added as funds permit.

We will also be looking into purchasing a new trolley for our visitor program. Currently, we are renting two additional trolleys for 6 months of the year.

Sanitation, Beautification & Capital Improvement: \$343,982.05 (23.43%)

This program provides sidewalk sweeping, pressure washing, illegal dumping pickup, graffiti removal, clean-up patrols, tree trimming, landscape watering and streetscape improvements.

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The SPPOA will also decorate the District at times, primarily LA Fleet Week and the holidays.

Marketing & Special Events: \$335,784.30 (22.87%)

Marketing includes: website development and updates, newsletter publication, branding and marketing program development, advertising, public relations activities and special events as well as business attraction, recruitment and retention. Special events include concerts, festivals and Los Angeles Fleet Week events. Each marketing initiative and special event is designed to build a positive District identity designed to increase vehicle, pedestrian and visitor traffic to the District and, in turn, increase exposure and visibility to the assessed parcels and their businesses and other attractions within the District.

Administration/District Management: \$243,653.95 (16.60%)

Included in the Administration/District Management are the costs for internal staffing, overhead, accounting, legal, bank charges, annual report and Directors and Officers and General Liability insurance and other office and operation expenses. Administration/District Management also includes City fees and County collection fees, allowance for delinquent assessment payments and other variable expenses related to each program element.

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 and Basis 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 building square footage and lot square footage. The management plan allows for a maximum annual CPI increase of 3%. The Board voted for no (0%) CPI increase for 2019.

2019 assessment rates:

Commercial Zoned Parcels

Zone 1

Parcel: 0.1194

Building: 0.1732

Zone 2
Parcel: 0.0597
Building: 0.0867

Zone 3
Parcel: 0.0096
Building: 0.0000

Residential Zoned Parcels (R4 or higher)

Zone 1
Parcel: 0.1194
Building: 0.0867

Zone 2
Parcel: 0.0597
Building: 0.0433

Zone 3
Parcel: 0.0000
Building: 0.0000

(There is No CPI increase for 2019)

Surplus Revenues: \$165,578.00

Planned surplus. We will be looking to possibly purchase a new trolley for our visitor program. Additionally, we will be looking to add to our new security camera program. We also want to maintain some surplus funds for January and February operations since our assessment funds are not available until February.

Anticipated Deficit Revenues

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

Contribution from Sources other than assessments: \$34,800.00

There will be a general benefit of \$9,333.59. We will also generate income from our Dia de los Muertos Festival Sponsors, Food and Craft Vendors

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront BID- FY 2019

| | Zone 1 | Zone 2 | Zone 3 | Total | |
|---|-----------------------|---------------------|---------------------|-----------------------|---------------|
| 2019 Assessments | \$919,960.71 | \$174,571.76 | \$173,147.99 | \$1,267,680.46 | |
| Estimated Carryover from 2018 | \$120,160.66 | \$22,801.69 | \$22,615.72 | \$165,578.07 | |
| Other Income | \$34,800.00 | \$0.00 | \$0.00 | \$34,800.00 | |
| Total Estimated Revenues | \$1,074,921.37 | \$197,373.45 | \$195,763.71 | \$1,468,058.53 | |
| 2019 Estimated Expenditures | | | | | Pct. |
| Visitor, Ambassador & Security | \$395,246.12 | \$75,001.90 | \$74,390.21 | \$544,638.23 | 37.10% |
| Sanitation, Beautification & Capital Improvement | \$249,629.13 | \$47,369.63 | \$46,983.29 | \$343,982.05 | 23.43% |
| Marketing & Special Events | \$253,225.49 | \$41,448.43 | \$41,110.38 | \$335,784.30 | 22.87% |
| Administration/District Management | \$176,820.63 | \$33,553.49 | \$33,279.83 | \$243,653.95 | 16.60% |
| Total Estimated Expenditures | \$1,074,921.37 | \$197,373.45 | \$195,763.71 | \$1,468,058.53 | 100% |

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