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April 13, 2020

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 2020 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") 2020 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 2020 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 3, 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 6, 2019, 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

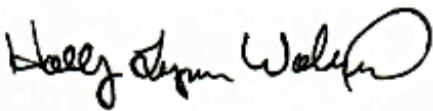
There is no impact to the General Fund associated with this action.

### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the San Pedro Historic Waterfront Business Improvement District's 2020 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2020 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 2020 fiscal year, pursuant to the State Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly L. Wolcott". The signature is written in a cursive style with a large, looped "O" at the end.

Holly L. Wolcott

City Clerk

Attachment:

San Pedro Historic Waterfront Business Improvement District's 2020 Fiscal Year Annual Planning Report

April 13, 2020

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 2020 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 6, 2019.

This report covers proposed activities of the San Pedro Historic Waterfront BID from January 1, 2020 through December 31, 2020.

Sincerely,

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

Lorena Parker

San Pedro Property Owners Alliance

# San Pedro Historic Waterfront Business Improvement District

## 2020 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 2020 Fiscal Year. The District Board of Directors approved the 2020 Annual Planning Report at the November 6, 2019 Board of Director's meeting.

### **Boundaries**

There are no changes to the District boundaries for 2020.

### **Benefit Zones**

There are no changes to the District's benefit zone(s) for 2020.

### **2020 IMPROVEMENTS, ACTIVITIES AND SERVICES**

#### **Visitor, Ambassador & Security: \$627,488.41 (38.32%)**

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 Board of Directors voted to purchase up to two trolleys in 2019/2020. The vehicles will be purchased as soon as they have been identified as funding permits. In 2020, the two new trolleys will increase our fleet from two to four trolleys. Additional trolleys are needed to service the projected increase in demand and to prepare for the upcoming LA Waterfront Development of the San Pedro Public Market, a \$150M development located within the District boundaries. The San Pedro Property Owners' Alliance currently owns two trolleys (2001 and 2002) that are currently requiring much maintenance. The goal is to ultimately replace these aging trolleys. The usual shuttle operations require two trolleys during the off-peak season and four trolleys during the peak season. During the off-peak season, we anticipate the demand to continue grow over time to service increasing demand of the trolleys (i.e. cruise season is expected to transition from seasonal to a year-round operation).

SPPOA staff will manage the trolley operations and provide customer service to visitors.

The SPPOA currently contracts with two security companies to provide security patrols for the District. Security operations include security patrols during the day and evening hours and vehicle patrols during the graveyard shift. This is expected to continue for 2020. The SPPOA is also expected to continue its expansion of its security camera program in 2020. The goal is to provide additional security cameras to serve as a deterrent. The first two phases of the camera installation were completed in 2019 with 24 cameras in operation. In 2020, the SPPOA is expected to upgrade the DVR and equipment to handle additional cameras and additional cameras will be installed. The ultimate goal is to have security cameras throughout the District. All Visitor, Ambassador and Security Programs are subject to the needs and priorities of the District.

**Sanitation, Beautification & Capital Improvement: \$393,162.75 (24.01%)**

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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In addition to the on-going cleaning services, the SPPOA expects to continue its providing decorations within the boundaries of the District, primarily for LA Fleet Week and the holidays. We will explore the possibility of either adding to and/or replacing our aging decorations. We anticipate that this will cost approximately \$20,000. We are also planning on changing out the light bulbs of our festival lighting at an estimated cost of \$10,000. In addition, we will be exploring the possibility of installing a community stage (pending approval of application). After the completion of the town square (groundbreaking expected March 2020) and in preparation for the renovated Los Angeles (LA) Waterfront and construction of the San Pedro Public Market, we plan to design and install monument signs and/or wayfinding signage to create connectivity between downtown San Pedro and the LA Waterfront at an estimated cost of \$100,000. The exact timing of this project will be dependent on the construction schedule.

In 2020, the SPPOA is expected to continue contracting with various contractors to provide the services listed above, subject to the needs and priorities of the District.

**Marketing & Special Events: \$336,177.90 (20.53%)**

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.

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In 2019, we had a rollover of \$89,598. Rollover funds were generated due to an extensive market research study through BW Research that was conducted for the development of the 2020 Marketing Plan as part of our Branding and Marketing Program Development stated in our Management District Plan. In 2020, the SPPOA is expected to continue maintaining its websites (DevelopSanPedro.com - economic development)(SanPedroBID.com - General)(DiscoverSanPedro.org - visitor serving website) as each one is designed for a different purpose. We also plan on integrating a program called CrowdRiff to our visitor serving website DiscoverSanPedro.org to make the program more dynamic at a cost of \$8,000. We will also continue to mail out our quarterly newsletters to property owners. We expect to implement our 2020 Marketing and Advertising plan to include branding, public relations, promotional materials such as a new welcome packet for the hundreds of residents we anticipate to move into the District. We are in the process of gathering research in the hope of adding some more frequent, smaller events, in addition to our on-going events such as Day of the Dead and LA Fleet Week kick-off party. We expect to explore the possibility of becoming more active as a Destination Marketing Organization (DMO). These Marketing Programs will be approved by the Marketing Committee and are subject to the needs and priorities of the District.

**Administration/District Management: \$280,666.80 (17.14%)**

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.

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In 2020, we will be adding a new bookkeeping staff position.

**Total Estimate of Cost for 2020**

A breakdown of the total estimated 2020 budget is attached to this report as **Appendix A.**

**Method and Basis of Levying the Assessment**

The Method and Basis for levying the 2020 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 2020.

2020 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 2020)**

**Surplus Revenues: \$339,662.52**

The projected 2020 rollover of \$339,662.52 did not result in a disruption of any services at any time in 2019.

A) Visitor & Ambassador / Security Services: 2019 Rollover was \$1,536.67 - In 2019, a negligible rollover of \$1,536.67 was in line with our projected expenses and did not result in a disruption of any services in 2019. Rollover funds will be used for our shuttle service program. We expect to take delivery by June 2020. Shuttle Program = \$1,536.67, Total = \$1,536.67

B) Sanitation & Beautification / Capital Improvements: 2019 rollover was \$129,880.58 – In 2019, rollover funds did not result in a disruption of any services. In fact, the rollover funds are necessary to plan out the streetscape and capital multi-year improvement projects.



Rollover funds were carried over to plan for streetscape improvements and capital projects as part of our Management District Plan. Specifically, we are planning streetscape and capital projects such as monument signage that will direct visitors to the downtown and waterfront areas of the District. Construction of a new town square and promenade is expected to begin in February 2020. This area will be a key location where the new signage will be needed after the construction is complete and will serve as the main conduit between the historic downtown part of the District and the waterfront part of the District defined as the San Pedro Public Market. Along the waterfront, the San Pedro Public Market is expected to break ground in the Spring of 2020. These streetscape and capital improvement programs will require time, a carefully planned out integrated plan and coordination with the Port of Los Angeles and the San Pedro Public Market. Overall, we are planning for all these projects to provide a seamless directional system. We expect to begin planning the signage by July 2020. Monument signage is a benefit that is stated in our Management District Plan, but needs multi-year financing. We expect to begin planning the monument signage by July 2020. Once the LA Waterfront development is complete, the monument signs would also let visitors know that there are more things to do in the Downtown San Pedro part of the District. In order to achieve this goal, funds need to be set aside to pay for these projects.

We also reinforced all the cables on our extensive twinkle light network in the District in 2019. In 2020, we will replace all the light bulbs for our "twinkle" lighting program with an estimated cost of \$10,000, holiday decorations at an estimated cost of \$20,000 and monument signs with an estimated cost of \$100,000. We expect to change out the lights by July 2020, order the decorations by June 2020 and begin planning the design of the monument sign by July 2020.

-Refurbish lights = \$9,880.58, -Holiday Decorations = \$20,000, -Monument Sign = \$100,000, Total = \$129,880.58

C) Marketing and Special Events: In 2019, we had a rollover of \$89,598. At no time were marketing services disrupted throughout the year. Rollover funds were generated due to our 2019 market research study that resulted in the the development of the 2020 Marketing Plan as stated in our Management District Plan. We will use these rollover funds to implement our 2020 Marketing Program that includes initiatives such as welcome packets for the hundreds of residents moving into the District with the completion of new housing, public relations and promotional materials, additional concerts/festivals/events. Rollover funds will be spent on a on digital marketing efforts to optimize search engine optimization, content marketing, remarketing and website consolidation at a projected cost of \$45,000. We expect to work on this project starting in July 2020. We project to spend approximately \$10,000 in May 2020 on the new Welcome Packets, and \$35,000 on new events such as First Thursday concerts starting in September 2020.

Search Engine Optimization \$45,000, Welcome Packets = \$10,000, First Thursday Concerts = \$34,598, Total = \$89,598

D)Administration: In 2019, \$118,646.37 of rollover funds did not result in the disruption of any services. During previous years, the Executive Director also performed all accounting and bookkeeping functions for the District due to an on-going administration vacancy. We also promoted our Operations Manager and expanded her duties in to include all aspects of the organization. Therefore, she will now be paid from the general administrative funds. We

project on spending approximately \$38,000 for the Operations Manager beginning in February 2020. Additionally, we project to spend \$20,000 in accounting/bookkeeping functions starting in February 2020. Administrative funds will also be used for on-going legal fees, accounting, insurance, county collection fees and/or City fees. We have budgeted \$60,000 in legal fees in 2020 due to the on-going litigation.  
Bookkeeping = \$20,000, Operations Manager = \$38,646.37, Legal Fees = \$60,000, Total = \$118,646.37

### **Anticipated Deficit Revenues**

There are no deficit revenues that will be carried over to 2020.

### **Contribution from Sources other than assessments: \$29,890.50**

General Benefit \$12,890.50

Event Sponsorships, Event Revenues = \$16,000

Anticipated Trolley Rentals = \$1,000

**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront BID- FY 2020**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Zone 3</b>	<b>Total</b>	
<b>2020 Assessments</b>	\$920,151.12	\$174,607.90	\$173,183.82	<b>\$1,267,942.84</b>	
<b>Estimated Carryover from 2019</b>	\$246,494.43	\$46,774.79	\$46,393.30	<b>\$339,662.52</b>	
<b>Other Income</b>	\$26,354.69	\$1,775.14	\$1,760.67	<b>\$29,890.50</b>	
<b>Total Estimated Revenues</b>	<b>\$1,193,000.24</b>	<b>\$223,157.83</b>	<b>\$221,337.79</b>	<b>\$1,637,495.86</b>	
<b>2020 Estimated Expenditures</b>					<b>Pct.</b>
<b>Visitor, Ambassador &amp; Security</b>	\$457,157.69	\$85,514.08	\$84,816.64	<b>\$627,488.41</b>	<b>38.32%</b>
<b>Sanitation, Beautification &amp; Capital Improvement</b>	\$286,439.36	\$53,580.19	\$53,143.20	<b>\$393,162.75</b>	<b>24.01%</b>
<b>Marketing &amp; Special Events</b>	\$244,922.95	\$45,814.30	\$45,440.65	<b>\$336,177.90</b>	<b>20.53%</b>
<b>Administration/District Management</b>	\$204,480.24	\$38,249.26	\$37,937.30	<b>\$280,666.80</b>	<b>17.14%</b>
<b>Total Estimated Expenditures</b>	<b>\$1,193,000.24</b>	<b>\$223,157.83</b>	<b>\$221,337.79</b>	<b>\$1,637,495.86</b>	<b>100%</b>