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November 5, 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 2021 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") 2021 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 2021 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 4, 2020, 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

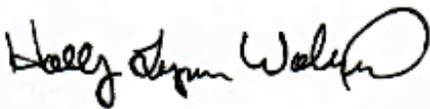
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the San Pedro Historic Waterfront Business Improvement District's 2021 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2021 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 2021 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

San Pedro Historic Waterfront Business Improvement District's 2021 Fiscal Year Annual Planning Report

November 4, 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 2021 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 4, 2020.

This report covers proposed activities of the San Pedro Historic Waterfront BID from January 1, 2021 through December 31, 2021.

Sincerely,

Lorena Parker

Lorena Parker

San Pedro Property Owners Alliance

San Pedro Historic Waterfront Business Improvement District

2021 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 2021 Fiscal Year. The District Board of Directors approved the 2021 Annual Planning Report at the November 4, 2020 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2021.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2021.

2021 IMPROVEMENTS, ACTIVITIES AND SERVICES

Visitor, Ambassador & Security: \$503,723.27 (35.27%)

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 San Pedro Property Owners' Alliance is planning to continue the Visitor, Ambassador, and Security service initiatives for 2021 under safe and compliant measures. Being that the current pandemic is unforeseeable as to where it will impact our planned projects, San Board of Directors has agreed to continue and expand on the below projects. The below projects are planned based on the current status of the LA County wide pandemic orders. The SPPOA will modify the below plans in the event that any unforeseen issues may arise or the County of Los Angeles or the State of California increase restrictions. If, however, the restrictions are lessened, we will resume normal operations (i.e., increase trolley service if visitors increase) The SPPOA acknowledges funding for this category must be beneficial to all property owners, and will modify it for a safe and compliant alternative if needed of the SPODD program

- Maintenance of Phase 1 of the SPODD program
- Implementation and maintenance of Phase 2 of the SPODD program

- Adjustment and Continuation of Security Camera Program
- Continuation and adjustment of Security Services based on needs
- Acquisition additional trolley(s)/Trolley registration fees
- Trolley Operations, when/if safe to do so
- Visitor & Ambassador Services, pursuant to COVID safe protocols

In 2021 the SPPOA is expected to have staff work on these projects and will continue contracting with various contractors to provide the services listed above, subject to the needs and priorities of the district. These programs and services are subject to modifications based on state and local regulations/restrictions.

Maintenance of Existing and Implementation of Phase 2 of the SPODD program:

In 2020, the SPPOA expedited their pre-approved SPODD program in efforts to implement an economic recovery program in lieu of the pandemic. The success of the visitor, retail, and dining attraction motivated the Board of Directors to approve a Phase 2 of the program. The SPPOA plans to maintain all platforms and continue the SPODD program into 2021 by adding additional Phase 2 PBID owned parklets at a cost of approximately \$50,000.

Expansion of Security Camera Program:

The current security camera program includes 47 security cameras throughout the SPPOA benefit zone 1. The security cameras, DVR, and operating equipment are PBID owned and are safely housed in the SPPOA office. Since the initial installation of the security cameras in October 2018, the program has helped local law enforcement, and security in deterring as well as solving crime. Being that the program has expanded over the years; it has been agreed upon that the Board of Directors supports the installation of Phase 4 in 2021. The number of cameras is still being assessed, but the phase 4 installation has been budgeted on a not to exceed amount of \$30,000. Additional funding within this category is subject to change, based on the need for equipment upgrading and the needs of the district. The ultimate goal is to have security cameras throughout the District.

Adjustment and Continuation of Security Services

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 2021, but the Board of Directors will explore the possibility of combining the two companies into one vendor. In 2021, the SPPOA will send out an RFP to explore this possibility.

Trolley Acquisition

The Board of Directors proceeded to purchase one new trolley in 2020, adding to our fleet from two to three trolleys. In addition, there was a LA City Council motion passed by Council District 15, to have LADOT trolleys added to the SPPOA tourism fleet. The exact details of this acquisition may not be known until 2021. However, additional trolleys will be needed to service the anticipated increase in demand once the LA Waterfront Development is completed. Being that the pandemic has suspended much of the tourism activities, the SPPOA is now using this time to prepare, equip, rebrand, and enhance the existing fleet of

trolleys for when the COVID-19 restrictions are lifted. We will also need to spend funds branding the trolley (trolley wrapping, etc.)

Visitor & Ambassador Services

In 2020 the visitor and ambassador services were paused due to the worldwide pandemic. Once the Los Angeles County orders/restrictions are lifted, we expect visitors will increase and we will be able to resume visitor-related services. Meanwhile, we will continue to attract more visitors through the SPODD Phase 1 and Phase 2 investments and continue to promote safe and sanitary properties businesses which remain open in Downtown San Pedro. Resumption of cruise ship operation in the Port of LA sometime in 2021 is not confirmed, but expected, and our organization is ready to accept this category of visitor attraction when allowed.

Sanitation, Beautification & Capital Improvement: \$406,808.09 (28.48%)

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 San Pedro Property Owners' Alliance is planning to continue the Sanitation, Beautification and Capital Improvement service initiatives for 2021 under safe and compliant measures. While state and local restrictions will impact the timing of our projects, the Board of Directors is moving forward with the planning of the projects listed below. The SPPOA will modify the plans in the event that any unforeseen issues may arise or the County of Los Angeles or the State of California increase restrictions. If, however, the restrictions are adjusted, we will adjust our operations (e.g., increase maintenance services). The SPPOA acknowledges funding for this category will be allocated to be beneficial to all property owners, and will modify it for a safe and compliant alternative if needed.

- Maintenance Services
- Design and/or Permit Phase of Monument Signage
- Festival Lighting and Holiday Decorations

In 2021 the SPPOA is expected to have staff work on these projects and will continue contracting with various contractors to provide the services listed above, subject to the needs and priorities of the district. These programs and services are subject to modifications based on state and local regulations/restrictions.

Maintenance Services

In addition to the ongoing maintenance and beautification services provided throughout the district, the SPPOA expects to continue these services in 2021, with the possibility of expanding services, including increased pressure washing and COVID safe cleanings, as funds are available.

Monument Signage

As the construction developments continue throughout our district, the SPPOA plans on starting the monument signage project. For 2021, we have budgeted \$40,000 for design and planning services. The timing for this project is dependent on the construction schedule of the adjacent Port driven LA Waterfront developments. The goal for this project is to create connectivity between Downtown San Pedro and the LA Waterfront.

Festival Lighting and Holiday Decorations

In 2021 we expect to continue enhancing downtown experience and the festivities with the decorations added throughout the year. Tivoli Lighting (festival lighting) will continue to be maintained all year. This maintenance includes replacing light bulbs and reinstalling materials. In addition, we will continue installing patriotic flags during LA Fleet Week and holiday wreaths during the November and December holidays. Maintenance for these decorations includes repurchasing new decorations if applicable, and or replacing aged decorations, if necessary. All expenses for this expense will stay within the category budget.

Marketing & Special Events: \$273,790.46 (19.17%)

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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The San Pedro Property Owners' Alliance is planning to continue the Marketing and Special Event initiatives for 2021 under safe and compliant measures. Being that the current pandemic is unforeseeable as to where it will impact our planned projects, San Pedro Board of Directors has agreed to continue and expand on the below projects. The below projects are planned based on the current status of the LA County wide pandemic orders. The SPPOA will modify the below plans in the event that any unforeseen issues may arise or the County of Los Angeles or the State of California increase restrictions. If, however, the restrictions are lessened, we will resume normal operations (i.e., modify and plan alternate events or marketing plans) The SPPOA acknowledges funding for this category must be beneficial to all property owners, and will modify it for a safe and compliant alternative if needed.

- Marketing and Website
- Special Events and Visitor Attraction, if allowed
- Tourism Promotions, if allowed

In 2021 the SPPOA is expected to have staff work on these projects and will continue contracting with various contractors to provide the services listed above, subject to the needs

and priorities of the district. These programs and services are subject to modifications based on state and local regulations/restrictions.

Marketing and Website

In 2021 we plan to increase our advertising budget and also increase digital marketing efforts to improve search engine optimization, content marketing, re-marketing and website consolidation; at a projected cost of \$45,000. The goal for the SPPOA is to create a Strategic Brand and Marketing Program Development.

Special Events & Visitor Attraction

Being that COVID-19 limits large gatherings, our organization plans to spend on safe, socially distanced, and LA County Health Department-approved events. We plan to increase more drive-through and socially distanced events following county and state health orders. We plan on activating the downtown area with socially distanced temporary street closures to provide outdoor shopping and dining to the local businesses. We have budgeted \$30,000 for these events. In addition, the SPPOA would like to partner and activate the downtown area for events throughout the year.

Tourism & Promotional Assets

There is a large need for ongoing asset management including videography and photography. We plan to generate more seasonally-themed videography to showcase the various retailers, restaurants, and businesses in the downtown area. We plan to spend \$5,000 quarterly on these assets resulting in a combination of robust catalogue of photo, and video assets for promotional purposes. These Marketing initiatives will be approved by the full board of directors.

Administration/District Management: \$243,997.13 (17.08%)

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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The San Pedro Property Owners' Alliance is planning to continue the Administration and District Management initiatives for 2021 under safe and compliant measures.

In 2021 the SPPOA is expected to have staff work on all the projects listed above and will continue contracting with various contractors to provide the services listed above, subject to the needs and priorities of the district. These programs and services are subject to modifications based on state and local regulations/restrictions.

In addition to the administrative duties listed above, we anticipate that we will continue to pay

legal fees for one matter of litigation, currently on appeal to the California Supreme Court.

Total Estimate of Cost for 2021

A breakdown of the total estimated 2021 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2021 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 2021.

2021 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 2021)

Surplus Revenues: \$113,801.02

At the end of 2020, we anticipate that we will rollover \$113,801.02. Below is a breakdown of how we will spend down the rollover amounts.

In the Visitor & Ambassador category, we project that we will have a rollover in the amount of \$91,192.34. We plan on spending down those funds in the following manner:

We plan on adding to our Visitor program by adding to our SPODD Program. This will be achieved by constructing up to five additional parklets for a total of \$50,000.

We also spend \$30,000 on additional security cameras.

We also plan on using \$11,192.34 to brand the new trolley (i.e. wrapping)

Sanitation, Beautification & Capital Improvements \$3,919.94

In the Sanitation, Beautification & Capital Improvements category, we project that we will have a rollover in the amount of \$3,919.94. We plan on spending down those funds in the following manner:

We plan on spending \$3,919.94 by increasing our pressure washing services

Marketing \$18,688.75

In the Marketing & Events category, we project that we will have a rollover in the amount of \$18,688.75. We plan on spending down those funds in the following manner:

We plan on spending \$18,688.75 towards COVID-19 friendly events that are in compliance with state and local requirements.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2021.

Contribution from Sources other than assessments: \$13,015.03

1% of General Benefit Budget

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront BID- FY 2021

	Zone 1	Zone 2	Zone 3	Total	
2021 Assessments	\$943,925.85	\$179,520.59	\$178,056.46	\$1,301,502.90	
Estimated Carryover from 2020	\$82,535.14	\$15,696.95	\$15,568.93	\$113,801.02	
Other Income	\$9,439.26	\$1,795.21	\$1,780.56	\$13,015.03	
Total Estimated Revenues	\$1,035,900.25	\$197,012.75	\$195,405.95	\$1,428,318.95	
2021 Estimated Expenditures					Pct.
Visitor, Ambassador & Security	\$365,329.51	\$69,480.21	\$68,913.55	\$503,723.27	35.27%
Sanitation, Beautification & Capital Improvement	\$295,040.97	\$56,112.38	\$55,654.74	\$406,808.09	28.48%
Marketing & Special Events	\$198,568.82	\$37,764.82	\$37,456.82	\$273,790.46	19.17%
Administration/District Management	\$176,960.95	\$33,655.34	\$33,380.84	\$243,997.13	17.08%
Total Estimated Expenditures	\$1,035,900.25	\$197,012.75	\$195,405.95	\$1,428,318.95	100%