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November 4, 2016
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 2017 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") 2017 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 Section 36600 et seq. of the California Streets and Highways Code ("State Law"), 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 2017 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 October 2, 2012 by and through the City Council's adoption of Ordinance No. 182276 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 District's total budget has increased due to a rollover of unspent funds from the previous BID year as described in the Annual Planning Report. The increased funding has not changed the description of the budget categories approved in the Management District Plan and the City Clerk does not recognize any adverse impacts to the special benefits received by property owners due to this action.

The attached Annual Planning Report, which was approved by the District's Board at their meeting on November 2, 2016, 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 2017 fiscal year complies with the requirements of the State Law
2. FIND the the increase in the 2017 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 2017 fiscal year, pursuant to the State Law.

Sincerely,



Shannon D. Hoppes
Executive Officer
Attachment:

San Pedro Historic Waterfront Business Improvement District's 2017 Fiscal Year Annual Planning Report

November 1, 2016

Holly L. Wolcott, City Clerk
Office of the City Clerk
200 North Spring Street, Room 224
Los Angeles, CA. 90012

Subject: San Pedro Historic Waterfront PBID 2017 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 2, 2016.

This report covers proposed activities of the San Pedro Historic Waterfront BID from January 1, 2017 through December 31, 2017.

Sincerely,

Eric Eisenberg

Eric Eisenberg
President
San Pedro Property Owners Alliance

San Pedro Historic Waterfront Business Improvement District

2017 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 2017 Fiscal Year. The District Board of Directors approved the 2017 Annual Planning Report at the November 2, 2016 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2017.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2017.

2017 IMPROVEMENTS, ACTIVITIES AND SERVICES

Pedestrian and Tourist Ambassador Service: \$590,294.79 (45.50%)

In 2017, the ambassador service will assist customers, pedestrians, tourists, tenants and residents by answering questions, providing directions and referrals, and distributing maps and information about the district area. The PBID will continue providing shuttle transit service between the Maritime Museum, Ports O'Call Village, and downtown locations in the district.

Uniformed ambassadors will also continue to help prevent, deter, and report illegal activities in the District. Pedestrian kiosks will be staffed and maintained. Kiosk ambassadors will provide pedestrians with information, directions, brochures, flyers and other relevant collateral to increase visitation to the District.

Sanitation, Cleaning and Beautification: \$220,549.70 (17.00%)

Sanitation, cleaning, and beautification programs will continue in 2017. Activities will include sidewalk sweeping, sidewalk pressure washing; street sweeping; porter service; graffiti removal; street litter and illegal dumping pick-up, street and alley cleaning patrols to remove litter, graffiti, stickers, and weeds; irrigation, trimming and cleaning of landscaping including trees and tree wells, art, lighting and other streetscape improvements, holiday decorations, tivoli lights and alley lighting services.

Marketing, Promotions and Waterfront Special Events: \$194,602.67 (15.00%)

Marketing, promotions, events, signing and public relations initiatives will continue to build upon the established District identity in 2017. Activities will continue to focus on waterfront attractions, tourism, entertainment and weekend and holiday special events. Events and activities will be planned and conducted throughout the District. Other services include website updates and operation, newsletter publication, graphics program development, branding and marketing program development, visitor map printing, digital advertising, public relations activities and special events.

Policy Development, District Management, and Administration: \$265,956.99 (20.50%)

In 2017, District activities will be managed by a the Executive Director of the SPPOA who may be assisted by other administrative support. Management and other positions that may be hired in connection with the District include an executive director, administrative assistant, and clerical assistant. These positions may be employees or contractors at the discretion of the owners' association board of directors.

The staff will provide professional policy development serving District interests on a broad scale. Efforts to build upon existing, and create new, partnerships with governmental, non-profit, and private section organizations will benefit the District. The District will continue efforts to attract and recruit businesses to the District. This program will include preparation of public relations and promotional materials; marketing programs and activities; market and economic analysis, forecasts, and development plans; and targeted outreach.

Various District office supply, material, insurance, service, and other necessary expenses are included in this budget category.

Contingency and Renewal: \$25,947.02 (02.00%)

A prudent portion of the District's 2017 budget will be retained in a contingency fund to cover the costs of uncollected assessments, unanticipated or increased program costs, and variations in the market price of District services. Contingency funds will only be spent for special benefit to the individually-assessed parcels in the District, on expenses within the confines of this Plan. In 2017, contingency funds will be used for BID Renewal expenses.

Total Estimate of Cost for 2017

A breakdown of the total estimated 2017 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2017 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 and parcel square footage for two (2) Benefit Zones – one zone for properties east of Harbor Blvd. and on zone for properties west of Harbor Blvd., with differing rates for commercial and residential parcels depending on type and frequency of service and benefit received. The District’s Management District Plan allows for a maximum annual assessment increase of 3%. The Board voted a 3% increase for 2017.

San Pedro - Historic Waterfront 2017 Rates
CPI Increase (up to 3% max), for 2017: 3%

Asmt Year: 2017
Commercial Parcels
Zone 1A
Parcel: \$0.1159
Building: \$0.1682

Zone 1B
Parcel: \$0.0579
Building: \$0.0841

Zone 2:
Building: \$0.0601

Residential Parcels
Zone 1A
Parcel: \$0.1159
Building: \$0.0841

(There is a 3% CPI increase for 2017)

Surplus Revenues: \$200,000.00

Twenty percent (20%) of revenues are reserved because 2017 assessment funds are not typically received until the end of February.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2017.

Contribution from Sources other than assessments: \$18,590.00

Anticipated other income: \$8,000 Dia de los Muertos booth rental, \$10,590 trolley rental income. Additional income may be received if we receive sponsorships this coming year

from the Port of Los Angeles and/or the Department of Water & Power.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront BID- FY 2017

	Zone 1	Zone 2	Total	
2017 Assessments	\$1,057,185.95	\$21,575.22	\$1,078,761.17	
Estimated Carryover from 2016	\$196,000.00	\$4,000.00	\$200,000.00	
Other Income	\$18,590.00	\$0.00	\$18,590.00	
Total Estimated Revenues	\$1,271,775.95	\$25,575.22	\$1,297,351.17	
2017 Estimated Expenditures				Pct.
Pedestrian and Tourist Ambassador Service	\$578,658.06	\$11,636.73	\$590,294.79	45.50%
Sanitation, Cleaning and Beautification	\$216,201.91	\$4,347.79	\$220,549.70	17.00%
Marketing, Promotions and Waterfront Special Events	\$190,766.39	\$3,836.28	\$194,602.67	15.00%
Policy Development, District Management, and Administration	\$260,714.07	\$5,242.92	\$265,956.99	20.50%
Contingency and Renewal	\$25,435.52	\$511.50	\$25,947.02	02.00%
Total Estimated Expenditures	\$1,271,775.95	\$25,575.22	\$1,297,351.17	100%