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November 22, 2022

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

Council Districts 14

REGARDING:

THE DOWNTOWN CENTER (PROPERTY BASED) BUSINESS IMPROVEMENT
DISTRICT'S 2023 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the Downtown Center Business Improvement District's ("District") 2023 fiscal year (CF 15-0241). 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 Downtown Center Business Improvement District's Annual Planning Report for the 2023 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The Downtown Center Business Improvement District was established on January 6, 2018 by and through the City Council's adoption of Ordinance No. 185006 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 9, 2022, 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 Downtown Center Business Improvement District's 2023 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2023 budget concurs with the intentions of the Downtown Center 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 Downtown Center Business Improvement District's 2023 fiscal year, pursuant to the State Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Petty F. Santos". The signature is fluid and cursive, with a large initial "P" and "S".

Petty F. Santos
Executive Officer

Attachment:

Downtown Center Business Improvement District's 2023 Fiscal Year Annual Planning Report

November 22, 2022

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

Subject: Downtown Center PBID 2023 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 Downtown Center Business Improvement District has caused this Downtown Center Business Improvement District Annual Planning Report to be prepared at its meeting on November 9, 2022.

This report covers proposed activities of the Downtown Center BID from January 1, 2023 through December 31, 2023.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Holley". The signature is written in black ink and is positioned to the left of a vertical line.

Suzanne Holley

Downtown Center BID Management Corporation

Downtown Center
Business Improvement District

2023 Annual Planning Report

District Name

This report is for the Downtown Center Business Improvement District (District). The District is operated by the Downtown Center Business Improvement District Management Corporation, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2023 Fiscal Year. The District Board of Directors approved the 2023 Annual Planning Report at the November 9, 2022 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2023.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2023.

2023 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean & Safe: \$5,465,465.57 (64.92%)

Enhanced Safe Programs:

District Safety Ambassador Patrol to address crime prevention for parcels in the District:

- Bicycle Patrol
- Night Vehicle Patrol
- Downtown Ambassadors
- Community Service Program
- Foot Patrol

Enhanced Clean Programs:

- Sidewalk Sweeping
- Sidewalk Pressure Washing
- Graffiti & Handbill Removal
- Trash Removal
- Landscape programs
- Tree Trimming

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DCBID safety services are contracted through Allied Universal Security (AUS). It is the mission of safety personnel to provide a safe and clean environment in the District. They

receive annual training on current trends and issues that are pertinent to their respective duties. They are deployed 24-hours daily riding bikes, walking foot beats, in motor vehicles, and using T3 Electric Patrol Vehicles. The DCBID purchased 15 new electric bikes in 2022 to help the safety officers increase efficiency in getting up the steep streets within the District. Five additional electric bikes will be purchased in 2023.

In addition to responding to calls for service such as wellness checks, and related quality-of-life matters, safety personnel provide assistance at planned and unplanned public events. The DCBID safety team is proactive in addressing issues which are significant to the District. The DCBID meets with law enforcement, residential and business community members to identify trends that will aid in the effective deployment of safety personnel.

The DCBID ACTION program will continue to focus on improving homeless outreach efforts. Through its contract with PATH (People Assisting the Homeless), the DCBID has expanded its strategies in being proactive in its outreach to those impacted by issues of homelessness. DCBID has committed to four certified PATH Navigator-case managers adept in identifying and facilitating services such as medical and mental healthcare, benefits advocacy, employment training, and other essential services. The DCBID continually explores ways in which it may expand these services in a meaningful way as it is resolute in its commitment to be part of the solution towards addressing the issues of homelessness in the community.

Since its formation in 1998, the DCBID has contracted with Chrysalis Enterprises to provide the personnel to keep the District clean. Chrysalis is a nonprofit organization dedicated to creating a pathway to self-sufficiency for homeless and low-income individuals by providing the resources and support needed to find and retain employment.

The services provided by Chrysalis personnel include sidewalk sweeping, graffiti control, pressure washing, and trash abatement on a daily basis and as needed following special events and demonstrations.

In addition to the daily maintenance services provided through Chrysalis, DCBID will also continue to identify problems such as street lighting, potholes, sidewalk cracks, and other related safety and maintenance issues within the District and report these problems to the respective City agency for service repair. The DCBID recognizes the importance of teamwork and works closely with city government and community organizations to achieve a safe and clean District.

As part of the overall DCBID beautification and environmentally conscious trash management plan, DCBID owns and maintains 187 waste receptacles which are located throughout the District. The DCBID purchased 25 new receptacles in 2022—to replace outdated ones and add in new locations—and will continue to routinely replace and add receptacles as necessary to address the needs of the growing population of the District. The DCBID will also continue the program of trimming selected trees each year focusing on those that obstruct lighting and visibility.

The DCBID expanded its beautification program starting in 2019 to include an extensive graffiti and sticker abatement, and paint refresh of the District's light poles and electrical boxes. Gum removal from sidewalks within District - using gum removal machine and three gum removal brooms purchased in 2021 - will also continue in 2023.

In efforts to improve cleanliness of the District sidewalks in 2022, the DCBID purchased a second club car (electric utility vehicle) equipped with pressure washing equipment. The DCBID also leased a new MadVac LS175 street sweeper. Both vehicles will continue to provide services for the District in 2023.

Economic Development/Marketing: \$1,737,078.76 (20.63%)

- Destination Marketing
- Economic Development
- Business recruitment, residential recruitment
- New investor recruitment programs
- Media relations, targeted advertising
- District stakeholder communications
- District events

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ECONOMIC DEVELOPMENT

The DCBID's economic development strategy focuses on the following key sectors:

- Investment & Development
- Office
- Residential
- Retail
- Hospitality
- Arts & Culture

Our economic development goals for 2023 are to:

- Attract New Residents, Visitors, Companies & Investment
- Promote District, Properties, Places, and Businesses
- Engage Local Residents, Workers, Visitors, and Businesses
- Activate District Streetscapes & Public Spaces
- Reignite Enthusiasm for Downtown & District

The DCBID will also continue to be the #1 source of market information for Downtown, with research covering key market sectors, industries, and development projects.

Following is an outline of our 2023 economic development programs:

Small Business Support Initiative:

With the goal of supporting our District businesses as we continue to recover from the COVID-19 pandemic and its economic impact, the BID has combined our Local Business Alliance initiative with our Marketing Roundtable program to more efficiently address recovery issues, encourage participation in BID marketing and promotional programs, and provide a forum for networking and collaboration amongst the businesses and with the BID and relevant City agencies.

Market Reports, Video Content, and DTLA Virtual:

The DCBID is deploying an integrated promotion and attraction strategy that utilizes its award-winning DTLA Virtual tour platform and well-known market reports, as well as original video content and other digital and social media, to promote the District and its properties, and attract new residents, workers, visitors, companies, and investment. This strategy is organized around marketing campaigns for the office, retail, residential, and hospitality sectors, with custom content for each. In addition to our existing guides to Downtown office, retail, and arts & culture, we will produce new guides to living in and visiting DTLA. We will also continue to publish our signature quarterly Market Reports—the leading source of real estate and development information on the Downtown market. Finally, the DCBID is partnering with the Central City Association and the Alliance for SoCal Innovation on producing a white paper report on Downtown LA as an innovation district, with the goal of attracting and supporting companies and talent in technology, media, and other creative industries.

2023 DTLA Survey & Other Research:

The DCBID will produce its annual survey of Downtown residents, workers, and visitors; publish it as part of our annual DTLA Outlook & Insights report; and distribute it to local business, investment, and civic communities, and broader regional and national audiences, with the goal of promoting the District, attracting companies and investment, engaging residents and workers, and reigniting enthusiasm for DTLA. In addition to our survey data, the report features data from Placer.ai, a leader in place-based mobility and visitation data, and key demographic data and other statistics from the Value of Downtowns—a report produced in partnership with the International Downtown Association.

Placemaking & Public Art:

In the fall of 2022, the DCBID launched DTLA augmented, an augmented reality platform developed by the BID to attract and engage local residents, workers, and visitors; enhance and promote the properties, places, businesses and institutions of our District; and support the local creative community. In 2023, we will expand our use of the platform with additional programming relevant to our key sectors and target audiences. This initiative is part of our placemaking and public art strategy and is based on the findings and recommendations of our 2020 placemaking study. The broader goals of that strategy are attraction, promotion,

community engagement, and making the District safe, clean, vibrant, and appealing.

MARKETING & COMMUNICATIONS

Marketing and communications efforts are focused on creating awareness and driving traffic to District businesses and events through media outreach, advertising campaigns, marketing collateral, newsletters, special events, public relations, social media, our website DowntownLA.com, and our Downtown Guide program. Targeted advertising will be used to recruit and retain office tenants; inform visitors; promote hotels, restaurants, attractions, and retailers; and to increase sales at DCBID businesses. Our advertising outlets will include various print, radio, digital, and social media channels.

The Marketing & Communications Department will continue to promote Downtown Los Angeles, and particularly Downtown Center businesses, events, and attractions, to residents, workers, visitors, and investors. This will be achieved through outreach to residential and office buildings, and the residents, workers, and businesses located within them. In addition to introducing the DCBID and its services, the outreach fosters and builds community among diverse groups within the Downtown Center. We also will continue to target our audiences via e-newsletters, social media, and DowntownLA.com, to attract visitors, investors, and new tenants (both residents and businesses) to DTLA.

Community Outreach and Engagement will continue to be a high priority for the DCBID. We will do this through Activate DTLA, our new program to support and enhance events and activations within the Downtown Center. Our goal is to get people out and about in DTLA and creating positive memories for visitors, residents, and office workers. We plan to partner with the YMCA on the Block Party at the Stair Climb and support holiday activations including the ice rink at Pershing Square. Activate DTLA also includes a refresh on DCBID's signature Dog Day event as well as our 16th Annual DTLA Halloween Festival for Kids.

DowntownLA.com will continue to be a centerpiece of the DCBID's marketing and communications programs. "Becoming a DTLA Insider" is the top goal for visitors to the new DowntownLA.com, which gives users the option to sign up for different types of email communications. We will continue to focus on social media channels, tracking engagement and followers, and will focus on building meaningful content that drives traffic to DowntownLA.com to maintain our position as the #1 regional resource for promoting Downtown LA events, businesses, and culture.

Marketing & Communications will also plan, execute, and conduct post-analysis for all of our campaigns including our annual summer and holiday marketing campaigns. DCBID's campaigns promote Downtown LA as a world-class destination for dining, shopping, arts and culture, and seasonal events to a regional audience. Promotional elements for the campaigns will include print, digital, social media, and radio advertising. Media partners will include Los Angeles Magazine, LA Downtown News, and iHeartMedia.

Video will be a keystone strategy across our promotional campaigns and channels including

TikTok. We will develop weekly videos that capture all that DTLA has to offer with an emphasis on the Downtown Center. These videos will also be used for economic development programs.

Strategic Public Relations will continue to be a focus for the Marketing & Communications Department. We will focus our PR efforts on promoting a positive image of Downtown through proactive media outreach. In addition, we will utilize PR to promote Downtown Center BID events, research reports, and economic development initiatives.

Management/City Fees: \$1,216,801.28 (14.45%)

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered seven days a week.

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The improvements and activities are managed by a professional staff that requires centralized management support. Management staff oversees the District's services which are delivered seven days a week. Management staff actively works and advocates on behalf of the District parcels to ensure that City and County services and policies support the District. Included in this item are office expenses, professional services, organizational expenses such as insurance, the cost to conduct a yearly financial review, City fees to collect and process the assessments, a reserve for uncollectible assessments and depreciation. Also scheduled for 2023 is a board retreat, and production of a 5-year Strategic Plan that will help guide the BID's activities over the latter half of our current 10-year term.

Reserve: \$0.00 (Non-Regular Budget Item)

Reserve

Total Estimate of Cost for 2023

A breakdown of the total estimated 2023 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

Annual assessments are based upon an allocation of program costs and a calculation of assessable square footage for two (2) Benefit Zones. Assessment is determined by gross building square footage and/or land area square footage with a slightly higher per square foot rate for additional service provided in Zone 2. The management plan allows for a maximum annual CPI increase of 5%. The Board voted for a (4.0%) increase for 2023 at its meeting on April 13, 2022.

2023 assessment rates:

per assessable square foot:

Outside Maintenance Overlay - Zone 1: \$0.10120664

Inside Maintenance Overlay - Zone 2: \$0.12659420

(There is a 4.0% CPI increase for 2023)

Surplus Revenues: \$287,828.64

DCBID anticipates an estimated 2022 year-end carryover of \$287,828.64. A positive year-end carryover is consistent with quarterly reports that indicated open positions in contract staffing for safety and homeless outreach.

Carryover funds have been rolled into the 2023 budget and have been allocated to Clean & Safe (75%) to maintain homeless outreach services, and safety and maintenance staffing (the costs of which have increased due to wage increases) and to Economic Development/Marketing (25%) to fund various programs to support economic recovery including placemaking, various tours, community events, and ambassador staffing.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2023.

Contribution from Sources other than assessments: \$347,553.73

General benefit revenue of \$74,656.89 as calculated per the Engineer's Report, \$27,483.56 in interest income, and \$5,918.00 in contributions from the DCBID Management Corp generated through third-party contract services.

In addition is \$239,495.28 in assessment revenue to be back-billed to 3 development projects that have not yet received their final Certificates of Occupancy, including The Grand LA, and \$0.00 in prior-year assessment receipts.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Center BID- FY 2023

	Outside Maintenance Overlay - Zone 1	Inside Maintenance Overlay - Zone 2	Total	
2023 Assessments	\$4,262,371.79	\$3,521,591.45	\$7,783,963.24	
Estimated Carryover from 2022	\$157,730.09	\$130,098.55	\$287,828.64	
Other Income	\$272,471.07	\$75,082.66	\$347,553.73	
Reserve Fund *	\$0.00	\$0.00	\$0.00	
Total Estimated Revenues	\$4,692,572.95	\$3,726,772.66	\$8,419,345.61	
2023 Estimated Expenditures				Pct.
Clean & Safe	\$2,885,826.96	\$2,579,638.61	\$5,465,465.57	64.92%
Economic Development/Marketing	\$1,062,487.32	\$674,591.44	\$1,737,078.76	20.63%
Management/City Fees	\$744,258.67	\$472,542.61	\$1,216,801.28	14.45%
ESTIMATED BUDGETED EXPENDITURE	\$4,692,572.95	\$3,726,772.66	\$8,419,345.61	100%
NON-REGULAR BUDGET ITEMS				
Reserve **	\$0.00	\$0.00	\$0.00	
Total Estimated Expenditures	\$4,692,572.95	\$3,726,772.66	\$8,419,345.61	100%

* Non-regular revenue item

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