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January 31, 2024

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 2024 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") 2024 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 2024 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 8, 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 16, 2023, 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

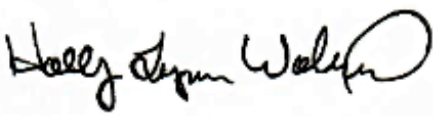
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the San Pedro Historic Waterfront Business Improvement District's 2024 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2024 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 2024 fiscal year, pursuant to the State Law.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly L. Wolcott", is written over a light blue rectangular background.

Holly L. Wolcott

City Clerk

Attachment:

San Pedro Historic Waterfront Business Improvement District's 2024 Fiscal Year Annual Planning Report

January 31, 2024

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 2024 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 16, 2023.

This report covers proposed activities of the San Pedro Historic Waterfront BID from January 1, 2024 through December 31, 2024.

Sincerely,

A handwritten signature in cursive script that reads "Ryan Blaney".

Ryan Blaney
Executive Director

San Pedro Historic Waterfront Business Improvement District

2024 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 2024 Fiscal Year. The District Board of Directors approved the 2024 Annual Planning Report at the November 16, 2023 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2024.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2024.

2024 IMPROVEMENTS, ACTIVITIES AND SERVICES

Visitor, Ambassador & Security: \$613,083.22 (36.73%)

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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A) Visitor, Ambassador & Security: \$613,083.22 - (36.73%)

The San Pedro Property Owners' Alliance is planning to continue the Visitor, Ambassador, and Security service initiatives for 2024 under safe and compliant measures. The San Pedro Board of Directors has agreed to continue and expand on the below projects. 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. 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.

Adjustment and Continuation of Security Camera Program
Continuation and adjustment of Security Services based on needs
Trolley Operations
Visitor & Ambassador Services

In 2024 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 in any unforeseen or unexpected event.

Expansion of Security Camera Program

The current security camera program includes four completed phases of 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 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 6 & 7 in 2024. The goals for phase 6 & 7 are to add approximately 20 additional cameras. This would bring our entire security camera total to 80 cameras in the boundary.

Currently the district has a total of 64 cameras. The number of new cameras is still being assessed, but phases 6 & 7 of the installation have been budgeted on a not to exceed amount of \$25,000. 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 and expand the program for boundary coverage and safety.

Continuation of Security Services

The SPPOA currently contracts with Peak Security, which began in March of 2022. Peak Security will continue to provide security patrols for the District. Security operations include security patrols during the day and evening hours and graveyard shift. This schedule has been extended to include bicycle patrols from 8 AM to 5 AM, five days a week, to cover the hours of 2:00 to 5:00 am which historically have been the most active hours in terms of crime and other nefarious activity.

In addition to enhancing the patrols within the boundary, Peak will continue the daily detailed report of all patrols, incidents, vandalism. This includes photos and a detailed description.

Trolley Operations

In 2022 SPPOA enhanced their entire fleet of four trolleys. All four trolleys are fully equipped and operational. In 2024 the SPPOA plans on continuing full trolley operations for the entire year. Full operations include tourism, events, special tours, and special requests to enhance the visitor experience within the boundary.

This year the SPPOA plans to relocate the trolleys to a new storage facility on the LA Waterfront. With this new storage location, the SPPOA plans to purchase trolley covers to protect the trolleys from the elements. The storage covers were budgeted for in 2023. The storage location granted by the Port of LA was not solidified until Nov. of 2023. The storage covers were budgeted for \$20,000.00 and are carried over from 2023 to 2024. These covers consist of custom made structures of stainless steel and vinyl that need to be professionally installed upon three shipping containers. Once they are installed they will be a permanent storage facility, and provide protection from the elements. Weekly trolley maintenance has also been planned to keep the trolleys fully operational for the riders. The interior of the trolleys will receive a polish for the brass fixtures. The wood features will be resealed and all

of the windows have already been resealed. Safe and Clean Maintenance will power wash the exterior weekly. An outside maintenance service has been hired to clean the interior on a weekly basis.

In 2024 an Audio Visual system has been budgeted to enhance the rider experience. The audio system will play video content on the visitor attractions and local businesses in the downtown area as well as the LA Waterfront. Lastly, in 2024 all trolley stops will be upgraded with new signage and adirondack chairs for riders.

Visitor & Ambassador Services

In 2024 we are going to launch a new ambassador program. This program will be to assist with special events and the Cruise ship terminal. It is our goal in 2024 to engage more with major cruise lines to help draw passengers in the historic core of San Pedro. Costs associated with this program include new signage and brochures specifically to engage cruise passengers to guide them to our Downtown and LA Waterfront attractions and businesses.

For this category we allotted a surplus revenue of \$94,196.37. From this amount, \$63,800.00 was carry over for the Archway Monument Sign construction. \$30,396.37 was carried over for trolley operations, which includes our part-time Trolley Operations manager, who coordinates the routes and drivers. Within this amount \$20,000.00 will be used for trolley covers to protect them from rain.

Sanitation, Beautification & Capital Improvement: \$480,827.74 (28.81%)

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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B) Sanitation, Beautification & Capital Improvement: \$480,827.74 - (28.80%)

The San Pedro Property Owners' Alliance is planning to continue the Sanitation, Beautification and Capital Improvement service initiatives for 2024 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. In 2024 the needs for Sanitation and Beautification dramatically increased because of the demand to address enhanced landscaping, outdoor dining emergency repairs, increase graffiti removal,

Ongoing Maintenance Services

SPODD Maintenance - Capital Improvement Maintenance

Construction and Unveiling phases of Archway/Monument Signage

Holiday Decorations

Year Round LED lights on tree trunks throughout the Downtown

Maritime themed bike racks

In 2024 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 in any unforeseen or unexpected event.

Maintenance Services

In addition to the ongoing maintenance and beautification services provided throughout the district, the boundary received a high demand for extensive services. I.E. Graffiti removal, excessive trash removal, landscaping, street cleaning, and steam cleaning. The SPPOA worked with the City of Los Angeles CD 15 to assist to maintain these services in 2024. In addition, the SPPOA will continue to trim the trees within the boundary as agreed, throughout the year. Safe and Clean maintenance will continue to do planter landscape maintenance. Graffiti removal and illegal dumping removal will continue on a weekly basis.

SPODD Maintenance - Capital Improvement Maintenance

In 2022 the SPPOA allocated funds for capital improvement maintenance. These funds were allocated for unexpected repairs to the SPODD platforms. This fund was encouraged after the platforms incurred unexpected damages. Because of the proven safety and success of these added platforms, the SPPOA Board of Directors would like to continue this program and have decided maintenance and aesthetics is a vital necessity to these additions. Maintenance needs will be spent on monthly upkeep to maintain the integrity of the platforms.

The plans for the Monument Archway signage has been an ongoing project throughout 2023. Due to delays with the city permitting approval process this project is ongoing. Currently the sign design has been final approved by the Department of Cultural Affairs. The sign vendor is working closely with the SPPOA and the City Departments to obtain our R and E permits. Council District 15 is also assisting to expedite the permit process. The SPPOA plans on continuing the monument/archway signage project in 2024. A fifty percent deposit was made to Sign Vendor. Upon approval of the permits the construction, unveiling, and future maintenance will occur. In this category is a surplus amount allotted for \$155,711.00. Of this surplus amount, \$139,911.00 is going toward Archway Monument Sign construction costs and maintenance. Furthermore, \$15,800.00 will be spent on Capital Improvements which shall be added as additional landscaping in and around the boundary.

Marketing & Special Events: \$288,447.50 (17.28%)

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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C) Marketing & Special Events: \$288,447.50 - (17.28%)

The San Pedro Property Owners' Alliance will continue the Marketing and Special Event initiatives for 2024. 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.

Social Media Activation and Website Maintenance

PR and Social Media Manager

Digital AD Campaigns

Special Events and Visitor Attraction

Tourism Promotions

Holiday Decor

In 2024 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.

Marketing and Website

In 2023 we launched our Discoversanpedro.com website. In 2024 the SPPOA will continue to update and maintain the Discoversanpedro.com website with current marketing information for Downtown San Pedro and the LA Waterfront. The goal for Discoversanpedro.com is for it to be a destination marketing website that allows the user to see what Downtown San Pedro and the LA Waterfront has to offer. In 2024 category C funds will be utilized to perform updates and make sure the site is functioning properly with current content. In 2024 the SPPOA plans to attend local tourism conferences to attract tour operators to San Pedro.

Digital AD Campaigns

In 2023, the SPPOA launched several digital ad campaigns. The results were so successful that we plan to continue these types of campaigns in 2024. The results of these campaigns have increasingly driven traffic to Downtown, and the LA Waterfront, as well as local events within the boundary. The digital ads successfully increased our followers and subscribers to our e-news and social media platforms. In 2024 the SPPOA will contract a new PR and Digital Marketing Consultant to produce strategically targeted marketing and advertising campaigns that focus on the boundary for continued increased foot traffic and tourism to the area. The goal is to attract new visitors from outside San Pedro, and make locals aware of everything Downtown San Pedro has to offer.

Special Events & Visitor Attraction

In late 2023 we continued to produce larger scale events after the pandemic. In 2023 the annual Dia de los Muertos event hit a new attendance record of 15,000 people. The SPPOA plans to activate their annual events in 2024 on a larger scale. These events include LA Fleet Week in May of 2024 and San Pedro Dia de Los Muertos in late October of 2024. SPPOA also plans on continuing to activate the Downtown area monthly with the First Thursday Art Walk. The SPPOA allocated an additional \$40,000.00 to the events budget to help additional expenses for larger scale events.

Festival Lighting and Holiday Decorations

In 2024 we expect to continue enhancing downtown experience for holidays and special occasions. The SPPOA will continue installing culturally appropriate flags during specific times of the year and new holiday lights and decor have been budgeted to enhance the

experience in Downtown. We allocated an additional \$30,000.00 for holiday decorations.

The additional funds were utilized from the 3% percent increase.

In this category we allotted a surplus of \$10,453.06. These funds will be allotted to marketing and public relations consultant. This consultant will cover marketing and public relations for the Archway Monument Sign as well as other marketing initiatives such as special events and activations in the district.

Administration/District Management: \$286,890.83 (17.19%)

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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D) Administration/District Management: \$286,890.83 - (17.19%)

The San Pedro Property Owners' Alliance is planning to continue the Administration and District Management initiatives for 2024. In 2023, Ryan Blaney was brought on board as full time Executive Director. This position had been vacant previously for many years and was not filled until April 15th of 2023. Therefore, we have a surplus under this category for unspent salary. The total surplus in this category is \$54,800.00. In 2024, \$27,000.00 of this surplus will go toward executive director salary. The remaining \$27,800.00 of the surplus will go to the Archway monument sign. All of this amount will be towards the construction and installation of the sign.

In 2024 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.

The SPPOA has utilized the 3% increase for staff to attend seminars and conventions. A small amount has been allocated to provide staff salary increases pending positive performance reviews as well as office equipment.

Total Estimate of Cost for 2024

A breakdown of the total estimated 2024 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2024 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 a 3% CPI increase for 2024.

2024 assessment rates:

Commercial Zoned Parcels

Zone 1

Parcel: 0.1230

Building: 0.1784

Zone 2

Parcel: 0.0615

Building: 0.0893

Zone 3

Parcel: 0.0099

Building: 0.0000

Residential Zoned Parcels (R4 or higher)

Zone 1

Parcel: 0.1230

Building: 0.0893

Zone 2

Parcel: 0.0615

Building: 0.0446

Zone 3

Parcel: 0.0000

Building: 0.0000

(There is a 3.0% CPI increase for 2024)

Surplus Revenues: \$315,160.43

SPPOA has surplus revenues for the following categories for the following reasons:

Category A - \$94,196.37 - Funds allotted for Archway Monument Sign Maintenance, Security and also Trolley Operations & Expenses . The breakdown of revenue is \$63,800.00 was allocated to the Archway Monument Sign, and \$30,396.37 was allocated to Trolley operations. The Archway Monument Sign funds are being allocated towards permits and construction. An R Permit has been applied for. It is pending application review. The goal for completion and expenditure of surplus funds is December 2024. Trolley revenue is planned to be utilized for audio visual equipment and storage covers. Storage covers are pending

approval for the relocation of the trolleys on Port property. Relocation for the trolley is planned for Summer of 2024. Audiovisual equipment for the trolley is planned for Spring of 2024.

Category B - \$155,711.00 - The planned Archway Monument Project and Capital Improvements that have been delayed, but set to begin in 2024. The sign design concept was approved as final in Oct. 2023 with the Department of Cultural Affairs. The SPPOA is currently in the process of obtaining an A permit. The SPPOA is working closely with the Bureau of Engineering on the A permit application process. The breakdown of the surplus revenue for Category B. is \$139,911.00 was allocated to the Archway Monument Sign, and \$15,800.00 was allocated to Capital Improvements. The permit process is planned for completion by Summer of 2024. Construction should begin in Summer of 2024 and completion of the sign and ultimately expenditure of surplus funds by December 2024.

Category C - \$10,453.06 - Funds allotted for Archway Monument Marketing & PR and Advertising Consultant Fees underspent because the consultant was let go during the RFP process. The milestones of the consulting agreement were not being met. The surplus will be used in 2024 for a new Public Relations consultant to market our upcoming events, and the district in general. These funds will be used on a monthly basis throughout 2024. This position has been filled.

Category D - \$54,800.00 reflects funds allotted for Archway Monument project and 3 months of Salary for the Executive Director position that was not filled until April of this year. The surplus revenue for category D allocated \$27,800.00 for the Archway Monument Sign and \$27,000.00 the Executive Director Salary. The amount allocated for the Archway Monument sign will go toward construction and maintenance. Our Executive Director was hired in April of 2023. The surplus funds have been applied to the Executive Director salary for the 2024 calendar year. The Archway Monument sign and expenditure of surplus funds is planned for completion by December 2024.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2024.

Contribution from Sources other than assessments: \$57,190.88

General Benefit - \$13,540.88

The estimated contributions from other sources include \$20,000.00 for Trolley Rentals, \$3,400.00 for Filming Revenue, \$20,000.00 Event Booths and Sponsorships, and \$250.00 for Bank Interest

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront BID- FY 2024

	Zone 1	Zone 2	Zone 3	Total	
2024 Assessments	\$972,243.62	\$184,906.21	\$183,398.15	\$1,340,547.98	
Estimated Carryover from 2023	\$228,572.73	\$43,471.12	\$43,116.58	\$315,160.43	
Other Income	\$9,820.64	\$1,867.74	\$1,852.50	\$13,540.88	
Total Estimated Revenues	\$1,210,636.99	\$230,245.07	\$228,367.23	\$1,669,249.29	
2024 Estimated Expenditures					Pct.
Visitor, Ambassador & Security	\$444,643.73	\$84,564.59	\$83,874.90	\$613,083.22	36.73%
Sanitation, Beautification & Capital Improvement	\$348,724.33	\$66,322.16	\$65,781.25	\$480,827.74	28.81%
Marketing & Special Events	\$209,198.96	\$39,786.52	\$39,462.02	\$288,447.50	17.28%
Administration/District Management	\$208,069.97	\$39,571.80	\$39,249.06	\$286,890.83	17.19%
Total Estimated Expenditures	\$1,210,636.99	\$230,245.07	\$228,367.23	\$1,669,249.29	100%