

HOLLY L. WOLCOTT
CITY CLERK

PETTY F. SANTOS
EXECUTIVE OFFICER

City of Los Angeles

CALIFORNIA



KAREN BASS
MAYOR

OFFICE OF THE
CITY CLERK

Neighborhood and
Business
Improvement District
Division
200 N. Spring Street,
Room 395
Los Angeles, CA. 90012
(213) 978-1099
FAX: (213) 978-1130

PATRICE LATTIMORE
DIVISION MANAGER

clerk.lacity.org

November 17, 2023

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 2024 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") 2024 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 2024 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 8, 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

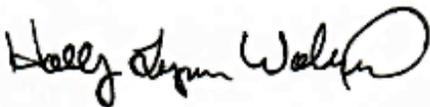
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Downtown Center 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 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 2024 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

Downtown Center Business Improvement District's 2024 Fiscal Year Annual Planning Report

November 17, 2023

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

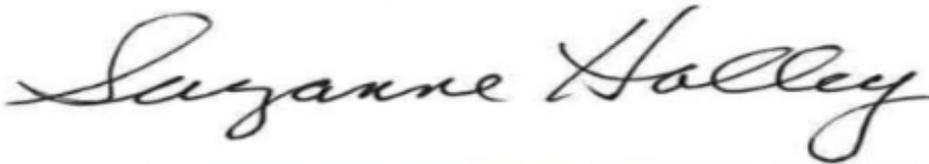
Subject: Downtown Center PBID 2024 Annual Planning Report

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 Downtown Center Business Improvement District has caused this Downtown Center Business Improvement District Annual Planning Report to be prepared at its meeting on November 8, 2023.

This report covers proposed activities of the Downtown Center BID from January 1, 2024 through December 31, 2024.

Sincerely,

A handwritten signature in black ink that reads "Suzanne Holley". The signature is written in a cursive style and is positioned above a thin horizontal line. To the right of the signature, there is a vertical line that extends from the top of the signature area down to the bottom of the page.

Suzanne Holley

Downtown Center BID Management Corporation

Downtown Center
Business Improvement District

2024 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 2024 Fiscal Year. The District Board of Directors approved the 2024 Annual Planning Report at the November 8, 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

Clean & Safe: \$5,896,949.97 (65.56%)

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. 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.

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 two 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 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 2024.

In efforts to improve cleanliness of the District sidewalks in 2023, the DCBID purchased two new utility work trucks to replace older trucks and equipped them with pressure washing equipment. In 2024, a new vehicle will be purchased to replace an older model. It will be used by both the safety and clean teams to address any issues throughout the District.

New for 2024 is the implementation of a 5-year Strategic Plan that was developed in 2023 to help guide DCBID activities over the latter half of our current 10-year term. The key strategies identified for operations include:

- Provide a best-in-class clean and safe Downtown experience
- Be the catalyst for needed public realm and streetscape amenities, improvement, and repairs
- Identify and address public safety hot-spots and prevent them from reoccurring
- Be a key resource for employers and businesses on existing efforts and best practices for urban safety

Planned Clean & Safe initiatives for next year pursuant to the Strategic Plan include:

- Safe and Clean App: Using our existing Computer Aided Dispatch (CAD) platform, launch an app to enhance how stakeholders and the public can report District issues.
- Ratepayer Communication Strategy: Develop a proactive communications strategy to obtain ratepayer feedback and measure satisfaction.
- Safe & Clean Audit: Visit key California BIDs to discover best practices that may be implemented at the DCBID.
- Infrastructure Audit: Conduct a block by block audit of existing conditions and repairs that are needed in the public realm.
- Hot Spot Audit: Identify public safety areas of concern and allocate and advocate for resources to address.
- Camera Deployment Program: Develop public/private partnership to deploy camera resources in the public realm to assist the Los Angeles Police Department in addressing criminal activity.
- Stakeholder Communications App: Forming stakeholder groups to use existing technology (apps, etc.) to share real-time safety information.
- Safety Presentations: Conduct customized safety meetings for office, residential, retail, and

hospitality stakeholders.

Economic Development/Marketing: \$1,897,725.96 (21.10%)

- 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 overarching economic development objective is to ensure that DTLA remains the premier choice for office, residential, hospitality, retail and cultural investments, employment, and commerce.

Our key strategies, as identified in the DCBID’s five-year Strategic Plan which was approved in Q3 of 2023, are to:

- Leverage our position as the leading source of information about the Downtown market
- Support and promote real estate investment and development in DTLA
- Support and promote DTLA as the best place in the region for major employers

Our 2024 activities, as guided by these strategies, comprise a set of new and ongoing initiatives, including:

Research & Reports promotion:

The DCBID will continue to be the #1 source of market information for Downtown, with research covering key market sectors, industries, and development projects. The economic development team will publish, distribute, and promote the following reports in 2024, using a combination of our website, monthly newsletter “DTLA Business News & Insights”, and relevant social media channels such as LinkedIn:

- DTLA Outlook & Insights, our annual state-of-downtown report, which includes the DCBID’s annual survey of Downtown residents, workers, and visitors, market statistics from our quarterly reports, location and visitation data from Placer.ai, and demographic data and other statistics from the national census and the Value of Downtowns—a report produced in partnership with the International Downtown Association.
- Quarterly Market Reports, providing a comprehensive overview of the state of the office, residential, retail, and hospitality markets for Downtown LA, with key statistics and transactions, market trends and insights, and the pipeline of projects proposed and under construction in each sector.
- DTLA Works: A Guide to the Future of Office in Downtown Los Angeles

- DTLA Retail: A Guide to the Future of Retail in Downtown Los Angeles
- DTLA Residential: A Guide to the Residential Market in Downtown Los Angeles
- DTLA Hospitality: A Guide to the Hospitality Market in Downtown Los Angeles
- DTLA Arts & Culture: A Guide to the Arts & Culture of Downtown Los Angeles

Website optimization: In support of this content strategy, we will optimize the “Do Business” page on our website as part of the DCBID’s renaming and awareness campaign.

Press Strategy: We will also deploy a press strategy to proactively identify and pitch positive subjects and themes and respond to negative stories with positive trends and data.

Employer Engagement: To support the office sector and Downtown’s major employers, the economic development team will implement a welcome & retention program to assess employer and employee satisfaction, identify issues with their Downtown locations and increase awareness of BID programs and services. This program will include direct outreach, meetings, and ongoing communication, and will align with engagement of property managers and office workers.

Business Community Engagement: As a complement to our business content program, the economic development team will implement a program of Market Update Meetings tied to release of our Quarterly Market Reports, Annual State of Downtown Report, and individual sector reports, at which we will share insights on market conditions and trends, get feedback on issues and concerns, and provide an opportunity for networking amongst Downtown’s property owners, brokers, investors and other business professionals.

New Technology Platforms: The economic development team will also continue to utilize DTLA Virtual and DTLA Augmented, platforms developed by the DCBID, as part of our strategy to use technology to leverage our position as the leading source of information about DTLA.

- DTLA Virtual provides an innovative way to explore Downtown LA from anywhere in the world. This award-winning platform combines interactive technology, digital mapping, high-definition photography, and 360-degree drone video footage to provide both a bird’s-eye view and a deep-dive examination of the continuing transformation of Downtown Los Angeles. Current DTLA Virtual tours include Office, Development, Stay, and Play. The economic development team will continue to utilize this platform as a way to support and promote real estate investment and development in DTLA.

- DTLA Augmented is an augmented reality (AR) platform developed by the BID to attract and engage local residents, workers, and visitors; promote properties, businesses, and institutions in our District; and support the local creative community. The first program on the platform is Grand Ave Augmented, a pioneering AR experience showcasing the cultural institutions, properties, and public spaces of Grand Avenue, featuring 40+ activations including original art works by over two dozen local artists. The BID will continue to utilize this platform as a way to attract and engage visitors and promote local properties, businesses,

and organizations.

MARKETING & COMMUNICATIONS

Marketing and communications efforts are focused on promoting DTLA as the region's most exciting urban experience – a bustling, cool, innovative, and creative place in which to live, work, shop, and play by:

- 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.
- Advertising 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.
- Outreach to residential and office buildings, and the residents, workers, and businesses located within them to introduce the DCBID and its services and to build community among diverse groups within the Downtown Center through staff initiatives, the Downtown Guides program, the DTLA Marketing Roundtable and other events and activations.
- Targeting our audiences via e-newsletters, social media, and DowntownLA.com, to attract visitors, investors, and new tenants (both residents and businesses) to DTLA.

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 our campaigns including our annual summer and holiday marketing campaigns.

Promotion & Advertising:

The key strategies for promoting DTLA, as outlined in the DCBID's 5-year Strategic Plan, embarked upon in 2023, include:

- Strengthening strategies (listed above) that center on arts, culture, cuisine, local businesses, sports, entertainment, and residential and the key differentiators of the DTLA brand through creative campaigns and exciting promotions.
- Establishing DTLA as the best place to work in the region by improving the experience of employees in Downtown.

Our 2024 activities, as guided by these promotion strategies, include:

- Leveraging new PR agency creativity to expand reach and impact
- Getting creative with DTLA for the Summer and DTLA for the Holidays campaigns
- Leveraging content like Ask Johnna and viral Reels
- Establishing more partnerships for marketing and communications

- Investing in SEO and growing our email lists including office worker emails
- Meeting with property management teams for office and host office engagement events
- Facilitating the DTLA Marketing Roundtable Meetings
- Strategically deploying the Guides for community relations

It was also determined in the Strategic Plan that the DCBID would rename the organization to clarify its identity and purpose. This would be accompanied by an awareness campaign to articulate and promote the services provided by DCBID.

Placemaking & Events:

Marketing and communications will also expand and center placemaking as an essential strategy for revitalization with the objective to make DTLA the place people want to be for a range of beautiful, dynamic public spaces that surprise and delight with art, lighting, technology, and activations.

Our key strategies for placemaking, as identified in the Strategic Plan, are:

- Strategically prioritizing placemaking opportunities at key locations to support and activate surrounding businesses and residential areas and to address trouble spots.
- Activating Privately Owned Public Spaces (POPS), public open spaces, and other outdoor sites with programming that celebrates the diversity of LA's communities, its food, and its art.

Our 2024 activities, as guided by these placemaking strategies, include:

- Onboarding a new Director of Placemaking and Events who starts in January 2024.
- Forming a task force to identify key projects that align with priorities and funding opportunities.
- Developing pilot projects and partnerships to revitalize hot spots and trouble areas.
- Piloting a lighting display project during Q4 aligned with holidays.

Our goal is to get people out and about in DTLA and creating positive memories for visitors, residents, and office workers. Our new Director of Placemaking and Events will spearhead initiatives tied to the strategic plan that centers placemaking as an essential strategy for recovery. Our placemaking task force and staff will review DTLA Re.Imagined, a public space study commissioned by the DCBID, and prioritize specific projects tied to key areas in Downtown Center. Events and activations will also be a key component as we plan to partner with the organizations on events throughout the year and support holiday activations including the ice rink at Pershing Square. In addition, we will host DCBID's signature Dog Day event as well as our 17th Annual DTLA Halloween Festival for Kids.

Management/City Fees: \$1,199,800.46 (13.34%)

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 2024 is a board retreat, and continued implementation of our 5-year Strategic Plan completed in Q3 of 2023, that will help guide the BID's activities over the latter half of our current 10-year term. Key strategies identified for Management staff include:

- Establish the capacity and process to develop and implement an annual BID advocacy agenda
- Create alliances with Downtown organizations to leverage their support in promoting the impact of DTLA and advocating for greater resources
- Advocate for safety and homelessness resources in the public realm
- Advocate for greater collaboration and coordination between DCBID and City resources

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

Reserve

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

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 (5%) CPI increase for 2024.

2024 assessment rates:

per assessable square foot:

Outside Maintenance Overlay - Zone 1: \$0.1063

Inside Maintenance Overlay - Zone 2: \$0.1329

(There is a 5.0% CPI increase for 2024)

Surplus Revenues: \$2,347.17

DCBID anticipates an estimated 2023 year-end carryover of \$2,347.17. This is due to maintenance and homeless outreach staffing vacancies in Clean & Safe (75%) and marketing staffing vacancies in Economic Development/Marketing (25%).

Carryover funds have been rolled into the 2024 budget and have been allocated to Clean & Safe (75%) to maintain homeless outreach services, and safety and maintenance staffing, 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 2024.

Contribution from Sources other than assessments: \$818,967.11

General benefit revenue of \$78,389.74 as calculated per the Engineer's Report, \$60,000.00 in interest income, and \$2,905.18 in contributions from the DCBID Management Corp generated through third-party contract services.

In addition is \$446,185.19 in assessment revenue to be back-billed to 3 development projects -- The Grand LA, Beaudry, and Figueroa Eight -- that have not yet received their final Certificates of Occupancy; \$211,487.00 in negative assessments from the Wilshire Grand; and \$20,000.00 in prior-year assessment receipts.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Center BID- FY 2024

	Outside Maintenance Overlay - Zone 1	Inside Maintenance Overlay - Zone 2	Total	
2024 Assessments	\$4,475,491.57	\$3,697,670.54	\$8,173,162.11	
Estimated Carryover from 2023	\$1,285.31	\$1,061.86	\$2,347.17	
Other Income	\$678,894.56	\$140,072.55	\$818,967.11	
Reserve Fund *	\$0.00	\$0.00	\$0.00	
Total Estimated Revenues	\$5,155,671.44	\$3,838,804.95	\$8,994,476.39	
2024 Estimated Expenditures				Pct.
Clean & Safe	\$3,213,963.96	\$2,682,986.01	\$5,896,949.97	65.56%
Economic Development/Marketing	\$1,189,603.64	\$708,122.32	\$1,897,725.96	21.10%
Management/City Fees	\$752,103.84	\$447,696.62	\$1,199,800.46	13.34%
ESTIMATED BUDGETED EXPENDITURE	\$5,155,671.44	\$3,838,804.95	\$8,994,476.39	100%
NON-REGULAR BUDGET ITEMS				
Reserve **	\$0.00	\$0.00	\$0.00	
Total Estimated Expenditures	\$5,155,671.44	\$3,838,804.95	\$8,994,476.39	100%

* Non-regular revenue item

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