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CALIFORNIA



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February 20, 2024

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

Council Districts 11

REGARDING:

**THE VENICE BEACH (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 Venice Beach Business Improvement District's ("District") 2024 fiscal year (CF 16-0749). 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 Venice Beach 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 Venice Beach Business Improvement District was established on August 3, 2021 by and through the City Council's adoption of Ordinance No. 187130 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 October 26, 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

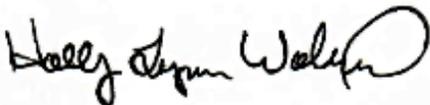
There is no impact to the General Fund associated with this action.

### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Venice Beach 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 Venice Beach 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 Venice Beach Business Improvement District's 2024 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

Venice Beach Business Improvement District's 2024 Fiscal Year Annual Planning Report

February 20, 2024

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

Subject: Venice Beach 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 Venice Beach Business Improvement District has caused this Venice Beach Business Improvement District Annual Planning Report to be prepared at its meeting on October 26, 2023.

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

Sincerely,

*Steve Heumann*

Steve Heumann  
President

Venice Beach  
Business Improvement District

2024 Annual Planning Report

**District Name**

This report is for the Venice Beach Business Improvement District (District). The District is operated by Venice Beach Property Owners Association, a private non-profit organization.

**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 October 26, 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 Programs: \$1,979,415.41 (72.00%)**

Examples include: bicycle, Segway, vehicular or foot patrols, sidewalk sweeping, pressure washing, landscaping, trash removal, graffiti/poster/sticker/gum removal and related activities.

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Clean encompasses all “Clean Team” sidewalk, curb and other right-of-way services in the District and includes: sweeping, litter removal, bulky item removal, enhanced emptying of trash cans, pressure washing/steam cleaning, graffiti/flyer/sticker/gum removal, tree trimming and weeding. Clean also includes the cost of equipment necessary to provide these services. Clean may also include property owner notification of conditions on private property that are unsafe or unfavorable to creating and preserving a clean and safe environment in the District (e.g. broken window/gate, vandalism, accumulated debris/garbage, etc.). Clean may also include notification to the City or other entities as appropriate (e.g. utilities) of any damage to public infrastructure or utilities.

Safe encompasses all “Safe Team” services in the District and includes: specially trained personnel on foot, bike, or other vehicles who will traverse the District to serve as a deterrent to crime, respond to calls for assistance, de-escalate situations, and provide directions, transit information, business information, event information, social service referrals, emergency assistance, crowd control, crime prevention activities (e.g. Neighborhood Watch), escort services and distribution of special bulletins (e.g. street closures, emergency alerts.) Safe also

includes the cost of equipment necessary to provide these services.

The goal of both clean and safe programs is the same: to establish and maintain a clean, safe, beautiful and welcoming District by providing these services to all of the individually assessed parcels in the District. Various levels of clean and safe activities will be required over time to maintain the District.

In 2024, Clean & Safe Programs will continue the clean and safe program services established in 2021 under the new BID cycle (2021-2026 contract with the City). Currently, the District offers both clean and safe services 7 days a week and expects to maintain that frequency of service. The days and hours for both Clean and Safe Team services are always available on the District website. Clean and safe statistics are published in the District monthly community updates (“newsletters”) sent out via the District email list and published on the website. The newsletters are distributed at each Board of Directors meeting. Oral clean and safe team reports are given at each District Board of Directors meeting. In 2024 the District will continue efforts to not only maintain, but improve the baseline of cleanliness and safety in the District.

#### Clean Team Goals:

In 2024, the Clean Team’s goal is to provide clean and beautification services to the district with locally hired team members participating in a transitional employment program with our current clean services contractor, Chrysalis. In 2024, Clean Team will make additional efforts, enhanced by the Engagement Team, to continue to hire locally, especially those who are experiencing homelessness. In 2024 Clean Team members will be invited to participate in quarterly professional development trainings led by the BID in an effort to enhance their skills and a goal of supporting their continued employment within the District (i.e. local businesses and L.A. City departments).

In 2024, the Clean Team will implement project-based initiatives throughout the year that will focus on specific targeted activities. These will include an “Alley Spring Clean”, where team members will focus on improving the more intense and detailed cleanings of the alleyways in District, beyond their everyday maintenance. Other planned project initiatives include “Blank Walls’ (enhanced graffiti removal), “Scent Refresh” (enhanced pressure washing of heavily impacted areas), and “Summer Sparkle” (additional short-term efforts in the lead up to heavy tourist season). These projects all lead to the common goal of a cleaner, more welcoming District. Additionally, the Clean Team will utilize a monthly schedule to ensure all routine activities throughout the District are met.

In 2024, the Clean Team will continue to deploy its restructured graffiti removal strategy, with a dedicated graffiti removal mobile cart that is used 5 days a week. The strategy has a noticeable visual impact, specifically on bins/dumpsters, throughout the District.

Additionally, this strategy improves response time to graffiti.

#### Safe Team Goals:

In 2024, the Safe Team’s goal is keeping the team at or above 12 members. Safe Team staff retention allows preferable team member rotations between foot, bike and vehicle patrol; allowing better coverage and ensuring all team members receive experience in all types of patrol. To achieve this goal, the Safe Team provider, Allied Universal, will implement new recruitment efforts. One such strategy is to participate in local events where they can both promote BID activities and recruit potential local hires. To better retain staff, raises were implemented in 2023. The BID is committed to keeping wages competitive in 2024.

In 2024 Safe Team will continue to implement a geographic approach to their scheduled patrols. This will promote area familiarity and allow the team to deter escalation of behaviors and mitigate situations in progress, while providing businesses and visitors immediate assistance at crucial times of the day. This will result in additional direct and immediate services to the District, including businesses, residents, and community members. The Safe Team prides itself on its ability to provide referrals and assistance to the district's unhoused population. In 2024 the Safe Team will work to expand their knowledge of service providers and agencies they can refer individuals in need. Additionally, they will continue to expand their direct relationships with service providers such as the Crisis and Incident Response through Community-led Engagement team. Maintaining and developing relationships with service providers has proven to make a critical difference in non-emergency situations. The Engagement and Safety Team Leads will continue building relationships with businesses and vendors to connect them with District services and deescalate interpersonal disputes that often occur between the two groups in the district. In 2024, the Safe Team plans to continue providing training opportunities for both team members and managers. This includes public relations training and exercises, Management of Aggressive Behavior (MOAB) training for conflict de-escalation techniques, and additional employee law and management training for supervisors. In addition to ongoing trainings, new training initiatives such as Active Shooter, Basic First Aid, and Venice Beach Attractions, will be implemented to improve the safety experience in District.

**Communication & Special Projects: \$247,426.92 (9.00%)**

Examples include: Website, newsletter, promotional efforts, outreach programs, special projects designed to compliment and enhance the delivery of BID services.

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Communications & Special Projects includes activities such as: production of a quarterly (minimum frequency) newsletter that shall be distributed to all property owners in the District, efforts to cultivate and recognize the satisfaction, retention and attraction of businesses, employees and customers/visitors, advertising, response to media inquiries, cultivation of media exposure, and promotion of the District as a great place to live, work or visit through a website and/or social media. To the extent that funds are available, it could also include holiday lighting, street banners, wayfinding activities, art installation or development of special events (e.g. festival) or other community identity and branding efforts that promote the District, its residents, businesses, services and amenities.

In 2024, District Identity & Special Projects will continue to develop the District website and provide District monthly community updates (“newsletter”) to District stakeholders. In 2024 the website will be improved with a new wayfinding project that will benefit both stakeholders and visitors. In an effort to enhance both communications and safety in the District, the BID will gather a comprehensive directory of businesses and stakeholders. This will allow the BID to better communicate directly with tenants during emergent situations while also collecting information needed to produce new wayfinding initiatives. Other special projects may be subsequently identified, discussed and approved by the Board in 2024.

The primary 2024 goals for this category are to raise the community’s awareness of the BID, it’s programs, support public space activation to enhance visitor experience and promotion of the District. Enhancements to the website, collateral materials, direct outreach and community collaboration are among the means by which the District seeks to achieve these goals in 2024.

**Administration & Management: \$522,345.73 (19.00%)**

Examples include: Personnel costs, city fees, formation costs, legal, accounting, insurance, office space, office supplies and equipment.

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Administration & Management includes activities such as personnel, operations, professional services (e.g. legal, accounting, insurance), production of the Annual Planning Report and Budget and quarterly reports, facilitation of meetings of the Owners' Association, Brown Act compliance, outreach to District property and business owners, and participation in professional peer/best practice forums such as the LA BID Consortium, the California Downtown Association or the International Downtown Association. It also covers the costs associated with District formation, as well as City and/or County fees.

In 2024, Administration & Management will continue to provide oversight and coordination for all District activities and programs with a focus on accounting/bill pay, legal, insurance, personnel hiring, training and support, facilities and equipment maintenance, board meeting coordination, all City compliance activities and reports, and more. In 2024, the District will also focus on Board development and on-boarding new Board members who can improve and expand organizational capacity.

In 2024 the Board will identify a planning committee to work with BID staff to produce a “Guiding Document”, that will undertake the vision and plan for the next two years of the current BID cycle. The Planning Committee will consider the organization’s vision, values, and determine how goals, established in the Management District Plan, will be accomplished. Property owners beyond the Board of Directors will be engaged to obtain feedback and generate ideas for the future through a survey and “meet and greets” with BID staff. In 2024 the BID will also hold a series of topic specific workshops for stakeholders and community members to learn about best practices and connect with local city partners.

**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 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 footage for two (2) Benefit Zones. Assessments are determined by parcel frontage linear footage, lot size square footage and building square footage. The

management district plan allows for a maximum CPI increase of 5%. The Board voted for no increase in 2024.

The assessment rates for 2024 are as follows:

Commercial/Industrial & Publicly Owned w/ Commercial Uses

Zone 1

Frontage \$31.9725

Lot \$0.121275

Bldg. \$0.0882

Zone 2

Frontage \$15.98625

Lot \$0.121275

Bldg. \$0.0882

Publicly Owned & Occupied

Zone 1

Frontage \$29.734425

Lot \$0.112786

Bldg. \$0.082026

Zone 2

Frontage \$14.867213

Lot \$0.112786

Bldg. \$0.082026

LAUSD

Zone 2

Frontage \$6.3945

Lot \$0.030319

Bldg. \$0.03528

**(There is No CPI increase for 2024)**

**Surplus Revenues: \$680,757.00**

Based on projected expenditures through the remainder of '23, the District expects to have a surplus of \$680,757 on 12/31/2023 to be carried over into the CY '24.

Source of '23 Surplus by category: Clean/Safe \$379,182, Comm/Special Projects \$83,733, Admin \$217,842.

The estimated surplus of \$680,757 reflects unexpected savings due to COVID- related hiring and labor vacancies, delayed personnel hiring in '21 and '22, less than anticipated costs for necessary leasehold improvement, and unused expenditures in '18 as previously reported. After review of expenditures in '23, it was determined that delays in Strategic Plan, contract staff hiring, special projects, and anticipated use of carryover funds were not met. However, a strong spend down plan was implemented in '23 and will continue in '24. It is noted that a significant portion of surplus funds originated from '18 funds collected when the District was operational only for half the year due to legal challenges. The 2020 City of LA Performance Audit, referred to the 2018 Total Net Assets (\$481,247) as the surplus amount, which included non-collected assessment revenue, restricted certificate of deposit, and office lease deposit, which are not liquid assets. At year end 2018 there was a total carryover amount (liquid assets) of \$274,490, which as previously reported, were spread to absorb the impact of the rapid increase in the minimum wage increases of \$12 to \$15 during the BID term and the corresponding increase in costs in CY 2019, 2020, 2021 as well as to fund several one-time projects in 2021 and pilot projects (such as the Engagement Lead positions.) However, COVID- related spending delays, contributed to the current estimated surplus of \$680,757. The District has created a plan to spend down the surplus over the course of the next three years. Below are estimates of this plan. As such, the District does anticipate to have carryover for the next three years in relation to the above reported budget.

3 Year Spend Down Plan: ('24) \$363,865; ('25) \$209,150; ('26) \$107,742.

In '23, the District's expenses (for the same or greater service levels as prior year) exceeded the annual assessment due to inflation costs. It is anticipated that this trend will continue in '24. In recognition of the projected surplus and the economic constraints placed on businesses and property owners due to COVID-19, the Board prioritized not raising assessment levels in '24. However, COVID-19 has drastically affected the conditions of the District, particularly in regard to increased homeless encampments, and in '24 the surplus will be used primarily to address the clean and safety issues that have risen as a result. Additional staffing positions in both our Clean and Safe Teams respectively, who are specialized in the engagement efforts with encampments and businesses, will continue in '24. Our stakeholders—and the Board—have been clear that current worsened conditions need substantial improvement, and they expect more services, not less, in the coming year.

In '24 the total surplus included in the projected expenditures is \$363,865. Breakdown by category:

Clean/Safe: \$287,126 of carryover funds are dedicated to enhanced clean and safe activities. Additional clean activities include weeding, additional trash pick-up, and beautification projects such as cleaning trash cans throughout the district. To accomplish these goals additional hours added to the weekly labor schedule for the clean team will continue through the end of Q4 '24.

Additionally, carryover funds are budgeted to support the continued program of our “Engagement Lead” positions on our Safe Team. These positions require additional reporting, relationship building, and benefit from low turn-over. To accomplish this carryover funds will be used to support competitive wages for the positions and monitor the program.

Timeline: New cleaning projects that require add'l labor will begin in Q1 and intensify in Q2 and Q3 (“Blank Walls” “Summer Sparkle” and “Scent Refresh”). Goal post for Q1 '24 is 5-7% increase in spend compared to Q1 '23 in C/S Programs.

Comms/SP: \$4,340 of carryover funds budgeted are primarily dedicated to the creation of a PR plan and external comms about the cleanliness and safety accomplishments in Venice. Over the past 3 years, the District has been impacted by media coverage of homeless encampments and crime levels. The BID has worked hard to mitigate these issues through our clean/safe programs. And progress has been made. As additional progress is made the District is looking to undertake a PR campaign that exemplifies the improvements in the District. Activities may include, but are not limited to, production of a video, wayfinding, public space activations to enhance visitor experience, and Stakeholder Toolkit.

Timeline: Promotional activities are anticipated to ramp up by Q2 and Q3 (historically the busiest in the Venice Beach District). Goal post for Q2 2024 is a 8-10% increase in spend compared to Q2 '23.

Admin: \$72,399 for '24 BID staff to present the Board with an option of the creation of a Guiding Document. The process of producing a "Guiding Document" will mirror that of a Strategic Plan but for a shorter term. The Document will address the best use of carryover funds, define goals and metrics for new programs, and lead the District into the next cycle, including the '28 Olympics. Activities will include stakeholder engagement, surveys, and board and staff time committed to the project. Associated costs will be \$65,000.

Timeline: Consultant and contract support to be sought during Q1 and initiated in Q2. Goal post for Q2 '24 is a 8-10% increase in spend compared to Q2 '23.

### **Anticipated Deficit Revenues**

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

### **Contribution from Sources other than assessments: \$31,241.00**

\$31,241 is attributed to general benefit income.

**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Venice Beach BID- FY 2024**

	Zone 1	Zone 2	Total	
<b>2024 Assessments</b>	\$1,393,401.63	\$643,788.43	<b>\$2,037,190.06</b>	
<b>Estimated Carryover from 2023</b>	\$465,625.63	\$215,131.37	<b>\$680,757.00</b>	
<b>Other Income</b>	\$21,368.29	\$9,872.71	<b>\$31,241.00</b>	
<b>Total Estimated Revenues</b>	<b>\$1,880,395.55</b>	<b>\$868,792.51</b>	<b>\$2,749,188.06</b>	
<b>2024 Estimated Expenditures</b>				<b>Pct.</b>
<b>Clean &amp; Safe Programs</b>	\$1,353,884.80	\$625,530.61	<b>\$1,979,415.41</b>	<b>72.00%</b>
<b>Communication &amp; Special Projects</b>	\$169,235.60	\$78,191.32	<b>\$247,426.92</b>	<b>9.00%</b>
<b>Administration &amp; Management</b>	\$357,275.15	\$165,070.58	<b>\$522,345.73</b>	<b>19.00%</b>
<b>Total Estimated Expenditures</b>	<b>\$1,880,395.55</b>	<b>\$868,792.51</b>	<b>\$2,749,188.06</b>	<b>100%</b>