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November 13, 2024

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 2025 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") 2025 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 2025 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 13, 2024, 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

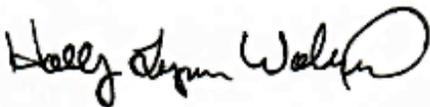
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Downtown Center Business Improvement District's 2025 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2025 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 2025 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott
City Clerk

Attachment:

Downtown Center Business Improvement District's 2025 Fiscal Year Annual Planning Report

November 13, 2024

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

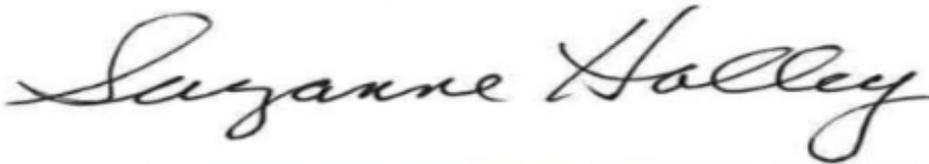
Subject: Downtown Center PBID 2025 Annual Planning Report

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 13, 2024.

This report covers proposed activities of the Downtown Center BID from January 1, 2025 through December 31, 2025.

Sincerely,

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

Suzanne Holley

Downtown Center BID Management Corporation

Downtown Center
Business Improvement District

2025 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 2025 Fiscal Year. The District Board of Directors approved the 2025 Annual Planning Report at the November 13, 2024 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2025.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2025.

2025 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean & Safe: \$6,012,190.80 (65.63%)

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. Personnel

receive annual training on current trends and issues that are pertinent to their respective duties. They are deployed 24-hours daily riding manual and electric-powered 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.

In 2025, the DCBID will purchase one new utility work truck to replace an older truck. It will be used by the safety team to address any issues throughout the District.

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 is home to nearly 1,500 trees. In 2025, we will continue the program of trimming

selected trees each year focusing on those that obstruct lighting and visibility. In 2024, we identified 28 tree wells that were empty and began working with Urban Forestry who would plant trees and that the DCBID would water them. Through this partnership, we were able to plant 10 trees. The goal in 2025 is to completely fill the final 18 tree wells with new trees.

The DCBID's expanded beautification program includes graffiti and sticker abatement, and paint refresh of the District's light poles and electrical boxes. Gum removal from sidewalks within District will also continue in 2025.

New for 2024 was 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: Market our existing Safe & Clean app to enhance how stakeholders and the public can report District issues. Develop a web version of the app.
- Ratepayer Surveys: Obtain ratepayer feedback on annual survey of visitors, workers, & visitors.
- 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.
- Tree Planting Program: Expand program to plant extra trees within the District boundaries and allocate necessary resources for watering.
- Hot Spot Audit: Identify public safety areas of concern and allocate and advocate for resources to address.
- Public Camera Access: Assist the Los Angeles Police Department in connecting with stakeholders to provide video in coordination with the real-time crime center.
- Safety Awareness Meetings: Continue to conduct customized safety meetings for office, residential, retail, and hospitality stakeholders.

Economic Development/Marketing: \$1,923,553.71 (21.00%)

- 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 are:

- Leveraging our position as the leading source of information about the Downtown market
- Supporting business investment and real estate development in DTLA
- Promoting DTLA as the best place in the region for employers

Our 2025 activities, guided by these strategies, include:

Research & Reports:

The DCBID will continue to be the #1 source of information about the Downtown market, with research covering key sectors, industries, and development projects. The economic development team will publish, distribute, and promote the following reports in 2025, 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: How the Creative Economy Shapes Downtown Los Angeles

Website: Having updated and optimized the business section of our downtownla.com website, we will undertake a promotional campaign to increase its visibility and traffic.

Press Strategy: We will continue our strategy of identifying and pitching positive stories and trends and responding to news with data and insights that counter negative narratives.

Employer Engagement: To support Downtown's office sector and major employers, the economic development team will continue its welcome & retention program assessing employer and employee satisfaction, identifying issues with their Downtown locations and increasing awareness of BID programs and services. The program includes direct outreach, meetings, and ongoing communication, and aligns with our engagement programs for property managers and office workers.

Business Community Engagement: As a complement to our business content and employer engagement programs and tied to the release of our annual "state-of-downtown" report: DTLA Outlook & Insights, the economic development team will produce our second annual DTLA Trends & Outlook Breakfast and sponsor Bisnow's annual State of the Downtown Market conference. Both events give us the opportunity to tell the story and shape the narrative of DTLA for key target audiences, including property and business owners, brokers, investors, real estate developers, and other professionals.

Technology, Data & Media Platforms: The economic development team will continue to utilize our DTLA Virtual Tour platform and data resources such as Placer.ai and CoStar, and explore development of new formats, such as videos and podcasts, to leverage our position as the leading source of information about DTLA.

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, digital, and social media channels.
- Outreach to residential and office buildings, and the residents, workers, and businesses

located within them to introduce the DTLA Alliance 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 DTLA Alliance'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 DTLA Alliance'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.
- Leverage the progress made in DTLA to launch a campaign that celebrates DTLA and captures the momentum of DTLA on the rise.
- Establishing DTLA as the best place to work in the region by improving the experience of employees in Downtown.

Our 2025 activities, as guided by these promotion strategies, include:

- A yearlong "DTLA Here & Now" campaign featuring street photography, personal stories, and paid advertorials both in print and digital.
- Leveraging 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
- Meetings with office property management teams
- Expanding and hosting office worker engagement events
- Facilitating the DTLA Marketing Roundtable Meetings
- Strategically deploying the Guides for community relations

Placemaking & Events:

Marketing and communications has expanded to 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 2025 activities, as guided by these placemaking strategies, include:

- Developing pilot projects and partnerships to revitalize hot spots and trouble areas.
- Partnering with the City for street lighting repairs and lighting installations.
- Hosting signature events including DTLA Dog Days and DTLA Halloween Festival for Kids.
- Encouraging and supporting community events to locate in DTLA.
- Producing a holiday lighting display project during Q4.
- Launching outdoor mural museum ahead of LA28 with first installation targeted in 2025.
- Bringing temporary art installations to key events or corridors.

Our goal is to get people out and about in DTLA and creating positive memories for visitors, residents, and office workers.

Management/City Fees: \$1,224,598.31 (13.37%)

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 2025 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:

- 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 2025

A breakdown of the total estimated 2025 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 at its meeting on April 10, 2024.

2025 assessment rates:

per assessable square foot:

Outside Maintenance Overlay - Zone 1: \$0.11158032

Inside Maintenance Overlay - Zone 2: \$0.13957011

(There is a 5.0% CPI increase for 2025)

Surplus Revenues: \$36,633.14

DCBID anticipates an estimated 2024 year-end carryover of \$36,633.14. This is due to maintenance staffing vacancies in Clean & Safe (100%).

Carryover funds have been rolled into the 2025 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 2025.

Contribution from Sources other than assessments: \$473,595.40

General benefit revenue of \$82,309.23 as calculated per the Engineer's Report, \$80,000.00 in

interest income, and \$9,513.30 in contributions from the DCBID Management Corp generated through third-party contract services.

In addition is \$281,772.87 in assessment revenue to be back-billed to 2 development projects -- The Grand LA, and Figueroa Eight -- that have not yet received their final Certificates of Occupancy; and \$20,000.00 in prior-year assessment receipts.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Center BID- FY 2025

	Outside Maintenance Overlay - Zone 1	Inside Maintenance Overlay - Zone 2	Total	
2025 Assessments	\$4,767,559.55	\$3,882,554.73	\$8,650,114.28	
Estimated Carryover from 2024	\$20,060.31	\$16,572.83	\$36,633.14	
Other Income	\$320,736.71	\$152,858.69	\$473,595.40	
Reserve Fund *	\$0.00	\$0.00	\$0.00	
Total Estimated Revenues	\$5,108,356.57	\$4,051,986.25	\$9,160,342.82	
2025 Estimated Expenditures				Pct.
Clean & Safe	\$3,181,862.49	\$2,830,328.31	\$6,012,190.80	65.63%
Economic Development/Marketing	\$1,177,107.97	\$746,445.74	\$1,923,553.71	21.00%
Management/City Fees	\$749,386.11	\$475,212.20	\$1,224,598.31	13.37%
ESTIMATED BUDGETED EXPENDITURE	\$5,108,356.57	\$4,051,986.25	\$9,160,342.82	100%
NON-REGULAR BUDGET ITEMS				
Reserve **	\$0.00	\$0.00	\$0.00	
Total Estimated Expenditures	\$5,108,356.57	\$4,051,986.25	\$9,160,342.82	100%

* Non-regular revenue item

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