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December 18, 2019

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
2020 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") 2020 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 2020 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 January 1, 2017 by and through the City Council's adoption of Ordinance No. 184556 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 December 13, 2019, 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

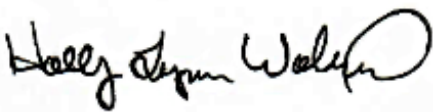
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Venice Beach Business Improvement District's 2020 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2020 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 2020 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 stamp. The signature is fluid and cursive.

Holly L. Wolcott

City Clerk

Attachment:

Venice Beach Business Improvement District's 2020 Fiscal Year Annual Planning Report

December 18, 2019

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

Subject: Venice Beach PBID 2020 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 December 13, 2019.

This report covers proposed activities of the Venice Beach BID from January 1, 2020 through December 31, 2020.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark L. Sokol", is positioned above a vertical line.

Mark Sokol
President
Venice Beach Property Owners Association

Venice Beach Business Improvement District

2020 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 2020 Fiscal Year. The District Board of Directors approved the 2020 Annual Planning Report at the December 13, 2019 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2020.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2020.

2020 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean and Safe: \$1,678,621.00 (74.44%)

Clean encompasses all 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 patrol/ambassadorial services in the District and includes: personnel on foot, bike, or other vehicles (e.g. segways, trucks, etc.), ambassadors (specially trained personnel able to provide directions, transit information, business information, event information, social service referrals, etc.), 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.

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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 the individually assessed parcels in the District. Various levels of clean and safe activities will be required over time to maintain the District.

In 2020, Clean & Safe Programs will continue the clean and safe program services established in 2018 and refined in 2019. Currently, the District offers both clean and safe services 7 days/week, and, expects to maintain that frequency of service. In 2018, the District established and later refined both summer and winter deployment schedules that were designed to best meet the clean and safe needs of the District with the budget available. The days and hours for both clean and safe team services are always available on the District website. Oral clean and safe team reports are given at each District Board of Directors meeting. Clean and safe statistics are published in the District monthly community updates (“newsletters”) that are distributed at each Board of Directors meeting, and also via the District email list. In 2019, the District will continue its efforts to not only maintain but improve the baseline of cleanliness and safety for the District.

Clean Team Goals:

In 2019, the Venice Beach BID Clean Team reached its goal of having 100% of its workforce coming from the local Westside community. In 2020, the Clean Team’s goal is to provide transitional employment with the Venice Beach BID for 50 or more different individuals throughout the year. New trainings will be offered; Q1 training will be offered on the topics of “Equity and Inclusion” and additional topics will be identified throughout the year that provide professional growth for our team members and improve customer service to our diverse and inclusive district.

In 2020, the Clean Team looks forward to a high level of communication and opportunities to collaborate with the on-site and off-site personnel managing Venice’s Bridge Home site to ensure a cleaner and safer neighborhood. Consistent communication about neighborhood issues and opportunities will help us to deploy our resources most effectively and achieve the best outcomes for all areas of our district.

Pressure-washing has proved to be one of the most requested and desired services in our district. In 2020, the Clean Team will develop a Pressure Washing Schedule and Handbook that will help ensure equitable distribution of this resource and improve overall efficiency. The Clean Team continues to research and try to utilize the most environmentally safe deodorizing and cleaning agents that are available to assist us in pressure washing.

The overall presence of graffiti has decreased significantly in our district; reoccurrence also decreased somewhat in the second half of 2019. We believe this trend is due at least in some part to the constant and rapid pace of graffiti removal. In 2020, the Clean Team will explore, in conjunction with Athens Waste Services, how we might both do more to reduce the graffiti on their bins/dumpsters.

Safe Team Goals:

The Safe Team currently has 12 team members, which does have some minor effects on

response time and coverage. A 2020 Safe Team goal is to increase the team to 14 members. This would allow us to create a more permanent schedule to rotate team members between foot, bike and vehicle patrol to achieve better coverage and ensure all team members have experience in all types of patrol. It would also allow us to create a permanent foot patrol during the summers and on weekends; in the winter, those team members would move to bike patrol. It would increase the coverage available to respond more quickly to repeat issues, or to remain at one site longer as necessary to better address an issue.

Another 2020 Safe Team goal is to spend more time in an ambassadorial role, and get to know a higher percentage of the residents, businesses and organizations in our BID. One way the Safe Team might achieve this would be staffing a booth on select busy days at busy locations to provide more information about our services. Another would be to allocate time specifically for team members to drop in to local businesses to engage any owners, employees or patrons who would like to know more about our services.

The Safe Team prides itself on its ability to provide referrals and assistance to our unhoused population. We also request services for individuals in crisis through programs like LA-HOP (LAHSA) as well as direct calls to relevant agencies. In 2020, the Safe Team will work to expand and update the service providers and agencies to whom we can refer individuals; we will also continue to expand our direct relationships with service providers, as we find this can make a critical difference in some situations.

In 2020, the Safe Team plans to expand training opportunities for both team members and managers. This includes public relations training and exercises, MOAB training (which teaches hands-on skills and strategies to avoid injury and de-escalate conflict) as well as additional employee law and management training for supervisors.

Administration and Management: \$413,659.63 (18.35%)

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.

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In 2020, Administration & Management will continue to provide oversight and coordination for all District activities and programs. It will 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. The District will also focus on Board recruitment and development, identifying new Board members who can bring volunteer time and skills to help improve and expand organizational capacity.

In 2020, the district will form a Steering Committee to undertake the district renewal. As part of this process, the Steering Committee will consider its strategic goals, and how those goals have changed since the district was formed. It will weigh what changes are necessary to the budget, Management District Plan and Engineer's Report to implement any new goals or changes in programs for the year 2022 and beyond. Property owners beyond the Board of Directors will be engaged to obtain feedback and generate ideas for the future.

The district also expects to hire new staff in 2020 and make some modest improvements to its office space and equipment.

District Identity and Special Projects: \$162,583.00 (7.21%)

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.

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The primary 2020 goal for this category is to expand our community's awareness of the BID, its programs, and the fact that, though our contracted service providers, we provide not only referrals to services, but an actual pathway out of homelessness through employment with our BID. Enhancements to our website, collateral materials and time spent on direct outreach are among the means by which we seek to achieve this goal in 2020.

Specific projects may be subsequently identified, discussed and approved by the Board in 2020.

Total Estimate of Cost for 2020

A breakdown of the total estimated 2020 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method for levying the 2020 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 assessment rates for 2020 are as follows:

Zone 1

Frontage \$31.97

Lot \$0.12

Bldg. \$0.09

Zone 2

Frontage \$15.99

Lot \$0.12

Bldg. \$0.09

(There is a 5.0% CPI increase for 2020)

Surplus Revenues: \$195,000.00

The estimated surplus of \$195,000 reflects unexpected savings in labor costs including position vacancies, reduced deployment on a higher-than-typical number of heavy rain days, and the BID's ability to procure many goods and services below their expected cost, or hold 2019 costs for some services (other than clean and safe) at 2018 levels. We anticipate nearly all of those costs to rise in 2020. In 2020, our expenses (for the same service levels as the prior year) will exceed our annual assessment revenue. We project that the entire surplus of \$195,000 will be consumed in 2020 to maintain the current service levels/current contracts as we experience the cumulative impacts of 3 successive annual wage increases of more than 5% that directly affect at least 2/3 of our budget. If we did not have the surplus funds, we would be forced to cut several full-time jobs in 2020 and reduce service levels or hours of operation. Our surplus and its utilization has been discussed by the Board and with members of the public at nearly 50% of our Board meetings since the inception of the BID, and we will continue to provide that same transparency in 2020.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2020.

Contribution from Sources other than assessments: \$20,394.69

General Benefit Funds.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Venice Beach BID- FY 2020

	Zone 1	Zone 2	Total	
2020 Assessments	\$1,293,520.94	\$745,948.00	\$2,039,468.94	
Estimated Carryover from 2019	\$123,677.58	\$71,322.42	\$195,000.00	
Other Income	\$12,935.21	\$7,459.48	\$20,394.69	
Total Estimated Revenues	\$1,430,133.73	\$824,729.90	\$2,254,863.63	
2020 Estimated Expenditures				Pct.
Clean and Safe	\$1,064,655.30	\$613,965.70	\$1,678,621.00	74.44%
Administration and Management	\$262,361.14	\$151,298.49	\$413,659.63	18.35%
District Identity and Special Projects	\$103,117.29	\$59,465.71	\$162,583.00	7.21%
Total Estimated Expenditures	\$1,430,133.73	\$824,729.90	\$2,254,863.63	100%

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