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March 4, 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
2019 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") 2019 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 2019 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 November 9, 2018, 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

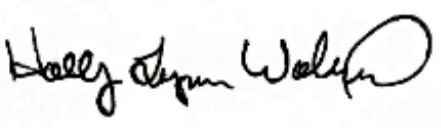
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Venice Beach Business Improvement District's 2019 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2019 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 2019 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 2019 Fiscal Year Annual Planning Report

March 3, 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 2019 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 November 9, 2018.

This report covers proposed activities of the Venice Beach BID from January 1, 2019 through December 31, 2019.

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

2019 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 2019 Fiscal Year. The District Board of Directors approved the 2019 Annual Planning Report at the November 9, 2018 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2019.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2019.

2019 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean and Safe: \$1,620,391.00 (72.44%)

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.

Administration and Management: \$456,199.70 (20.40%)

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.

District Identity and Special Projects: \$160,183.50 (7.16%)

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.

Total Estimate of Cost for 2019

A breakdown of the total estimated 2019 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The Method for levying the 2019 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 2019 are as follows:

Zone 1

Frontage \$30.45

Lot \$0.12

Bldg. \$0.08

Zone 2

Frontage \$15.23

Lot \$0.12

Bldg. \$0.08

(There is a 5.0% CPI increase for 2019)

Surplus Revenues: \$275,000.00

Under budget for 2018. The 2018 budget planned for 12 months of full services, however services were not fully implemented until the 5th month of the year, thus creating a surplus of funds. Some of that surplus was expended in 2018, most notably to extend clean team services from 5 days/week to 7 days/week. In 2019, the BID expects to use the surplus to continue providing 7 days/week coverage as long as budget permits. (Our original budget contemplated 5 days/week for clean team services.)

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2019.

Contribution from Sources other than assessments: \$19,423.51

The BID shall receive \$19,423.51 in non-assessment revenue in 2018. This is the general benefit contribution from the City.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Venice Beach BID- FY 2019

	Zone 1	Zone 2	Total	
2019 Assessments	\$1,231,450.34	\$710,900.35	\$1,942,350.69	
Estimated Carryover from 2018	\$174,350.00	\$100,650.00	\$275,000.00	
Other Income	\$12,314.51	\$7,109.00	\$19,423.51	
Total Estimated Revenues	\$1,418,114.85	\$818,659.35	\$2,236,774.20	
2019 Estimated Expenditures				Pct.
Clean and Safe	\$1,027,327.89	\$593,063.11	\$1,620,391.00	72.44%
Administration and Management	\$289,230.61	\$166,969.09	\$456,199.70	20.40%
District Identity and Special Projects	\$101,556.35	\$58,627.15	\$160,183.50	7.16%
Total Estimated Expenditures	\$1,418,114.85	\$818,659.35	\$2,236,774.20	100%

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