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January 22, 2021

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
2021 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") 2021 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 2021 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 3, 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 11, 2020, 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

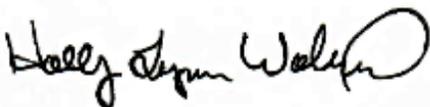
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Venice Beach Business Improvement District's 2021 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2021 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 2021 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

Venice Beach Business Improvement District's 2021 Fiscal Year Annual Planning Report

January 22, 2021

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

Subject: Venice Beach PBID 2021 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 11, 2020.

This report covers proposed activities of the Venice Beach BID from January 1, 2021 through December 31, 2021.

Sincerely,

Steven Heumann

Steve Heumann
President

Venice Beach
Business Improvement District

2021 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 2021 Fiscal Year. The District Board of Directors approved the 2021 Annual Planning Report at the December 11, 2020 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2021.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2021.

2021 IMPROVEMENTS, ACTIVITIES AND SERVICES

Clean and Safe: \$1,913,375.43 (73.60%)

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 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 2021, Clean & Safe Programs will continue the clean and safe program services established in 2018 and refined in 2019 and 2020. Due to the Coronavirus pandemic, 2020 was a year like no other for the District, and the world. The District will use its learnings from 2020 to plan for 2021. 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. In 2021, the District has budgeted to maintain a higher level of service throughout the winter months of the year to meet increased needs. In 2021 the Engagement Lead role, will be expanded on both Clean and Safe teams to respond to the rising needs of encampment areas and businesses in the District. The Engagement Team is responsible for trash collection around encampments, providing connections to community resources and employment, deescalating public conflicts, and connecting businesses to BID services. Beginning in Q1 2021, the District will expand specialized positions, such as the Engagement Team, on both Clean and Safe Teams. We expect the District to be impacted by COVID-19 throughout 2021, with economic impacts to our tourist-based district lasting beyond the next year. Clean and safe statistics, are published in the District monthly community updates (“newsletters”) sent out by the via the District email list. The newsletters are distributed each Board of Directors meeting. Oral clean and safe team reports are given at each District Board of Directors meeting. In 2021 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 2021, the Clean Team’s goal is to provide transitional employment with the Venice Beach BID for 40 or more different individuals throughout the year. In 2021, Clean Team will make additional efforts, enhanced by the Engagement Team, to continue to hire locally, especially those who are experiencing homelessness.

In 2021, the Clean Team will continue high levels of communication and opportunities to collaborate with the on-site and off-site personnel managing Venice’s A Bridge Home site to ensure a cleaner and safer neighborhood. The Clean Team will coordinate to remain consistent with COVID-19 adjusted policies for Sanitation and the City in the Enhancement Zone around Venice’s A Bridge Home, while still providing clean services. 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.

In 2021, the Clean Team will elevate their pressure washing program by purchasing a heated pressure washer, so that a deeper clean can be achieved and result in—sanitized surfaces, removal of graffiti and stubborn stains even faster. They will continue to ensure that they are using environmentally-friendly supplies to protect our district. In addition, the Clean Team will create a monthly schedule to remove any visible weeds around the district.

In 2021, the Clean Team will deploy its restructured graffiti strategy, with a dedicated graffiti removal mobile cart that is used 5 days a week. This will make a noticeable visual impact, specifically on bins/dumpsters, throughout the district. Additionally, this strategy improves response time to graffiti.

Safe Team Goals:

In 2021, the Safe Team has a goal of increasing the team to 15 members. This increase will allow the Safe Team to create a more permanent schedule team member rotation between foot, bike and vehicle patrol; achieving better coverage and ensuring all team members have experience in all types of patrol. In 2021, Safe Team will create a schedule that will increase foot patrol in the busiest areas of the district. This will 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 add additional direct and immediate services to all in the district, including businesses, residents, and community members.

In 2021, in response to changing conditions due to COVID-19, the Safe Team will adjust plans to grow the ambassadorial role through foot patrols and passing out informational materials about the BID directly to businesses. District stakeholders have provided feedback that increased Safe Team visibility and presence is desired to create a welcoming experience, especially as more visitors return to the area.

The Safe Team prides itself on its ability to provide referrals and assistance to the district's unhoused population. In 2021 the Safe Team will continue the newly implemented Engagement and Safety Lead position to build relationships with unhoused community members within the district. This role will be expanded in Q1 2021 to at least one additional Safe Team member (for a total of two) who will provide referrals to social service agencies, as well as employment referrals for the unhoused community members throughout the district. In 2021, all Safe Team members will be cross-trained in the engagement skill set of building relationships and providing guidance to services through a local resource card. The Safe Team will work to expand their knowledge of the service providers and agencies to whom they can refer individuals and will also continue to expand their direct relationships with service providers, as this has made a critical difference in numerous situations.

Additionally, the Engagement and Safety Leads will build relationships with business and vendors to connect them with BID services and deescalate interpersonal disputes that often occur between the two groups in the district.

In 2021, the Safe Team plans to continue 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), and additional employee law and management training for supervisors.

Administration and Management: \$507,416.77 (19.52%)

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 2021, 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. In 2021, the District will also focus on Board development, on-boarding new Board members who can bring volunteer time and skills to help improve and expand organizational capacity.

In 2021, the District will form a Strategic Planning Committee to undertake the vision and plan for the next five years of the new BID cycle. As part of this process, the Strategic Planning Committee will consider the organization's vision and values, and 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 virtual area "meet and greets" with District staff.

District Identity and Special Projects: \$179,071.43 (6.89%)

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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In 2021, District Identity & Special Projects will continue to develop the District website and provide District monthly community updates ("newsletter") to District stakeholders. Improvements to District data collection and presentation have been budgeted in 2021. In 2021, the newly implemented Service Request Form will be reviewed and improved upon based on user feedback we receive. It might also include technical improvements or upgrades to allow property owners to request services more efficiently and effectively throughout the District. In 2021, the District will enhance its data collection and contact management through a GIS system that will allow staff to track specific needs of properties and street assets. Specific projects may be subsequently identified, discussed and approved by the Board in 2021.

The primary 2021 goal for this category is to further expand the community's awareness of the BID, its programs, and how it's contracted service providers not only provide referrals for needed services, but are also the strongest testament that there is an actual pathway out of homelessness through employment with our BID. Enhancements to the website, collateral materials and time spent on direct outreach are among the means by which the District seeks to achieve this goal in 2021. In early Q1 2021, a local resource card, will be produced and made available to Clean and Safe Team members to pass out to those experiencing homelessness in the district.

Total Estimate of Cost for 2021

A breakdown of the total estimated 2021 budget is attached to this report as **Appendix A**.

Method and Basis of Levying the Assessment

The Method for levying the 2021 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 2021 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 No CPI increase for 2021)

Surplus Revenues: \$540,000.00

Based on projected expenditures thru the remainder of 2020, the District expects to have a surplus of \$540,000 at 12/31/2020 to be carried over into the Calendar Year (CY) 2021. There is no deficit to be carried over.

The source of \$540,000 surplus by category:

2020 Projected Surplus

Clean & Safe Programs: \$305,695

District Identity & Special Projects: \$76,500

Administration, Management & City Fees: \$157,805

The \$540,000 carryover is allocated in the 2021 Budget by categories as follows:

Clean & Safe Programs: \$305,695

District Identity & Special Projects: \$76,500

Administration, Management & City Fees: \$157,805

The estimated surplus of \$540,000 reflects unexpected savings due to COVID- related hiring

and labor vacancies, delayed personnel hiring, less than anticipated costs for necessary leasehold improvement, and unused expenditures in CY 2018 as previously reported. A significant portion of surplus funds that will be carried over into CY 2021 come from CY 2018 funds collected when the District was operational only for half the year due to legal challenges. As previously reported, those surplus funds 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 and 2020, as well as to fund several one-time projects in 2021 and pilot projects (such as the Engagement Lead positions.)

In 2021, the District's expenses (for the same or greater service levels as prior year) will not exceed the annual assessment. 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 2021 or 2022. However, COVID-19 has drastically affected the conditions of the District, particularly in regard to increased homeless encampments, and in 2021 the surplus will be used primarily to address the clean and safety issues that have arisen as a result. Additional staffing of two new positions in both our Clean and Safe Teams respectively, who are, specialized in the engagement efforts with encampments and businesses, and with expansion of these specialized positions are planned for Q1 2021. 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.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2021.

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

\$20,395 is attributed to general benefit income.

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Venice Beach BID- FY 2021

	Zone 1	Zone 2	Total	
2021 Assessments	\$1,293,520.94	\$745,948.00	\$2,039,468.94	
Estimated Carryover from 2020	\$342,491.76	\$197,508.24	\$540,000.00	
Other Income	\$12,935.21	\$7,459.48	\$20,394.69	
Total Estimated Revenues	\$1,648,947.91	\$950,915.72	\$2,599,863.63	
2021 Estimated Expenditures				Pct.
Clean and Safe	\$1,213,546.89	\$699,828.54	\$1,913,375.43	73.60%
Administration and Management	\$321,826.04	\$185,590.73	\$507,416.77	19.52%
District Identity and Special Projects	\$113,574.98	\$65,496.45	\$179,071.43	6.89%
Total Estimated Expenditures	\$1,648,947.91	\$950,915.72	\$2,599,863.63	100%