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CITY CLERK

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# City of Los Angeles

CALIFORNIA



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November 30, 2021

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 2022 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") 2022 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 2022 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 10, 2021, 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

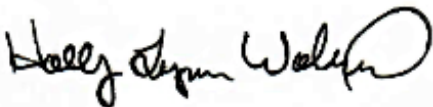
There is no impact to the General Fund associated with this action.

### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Downtown Center Business Improvement District's 2022 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2022 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 2022 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 background.

Holly L. Wolcott

City Clerk

Attachment:

Downtown Center Business Improvement District's 2022 Fiscal Year Annual Planning Report

November 30, 2021

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

Subject: Downtown Center PBID 2022 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 10, 2021.

This report covers proposed activities of the Downtown Center BID from January 1, 2022 through December 31, 2022.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne Holley".

Suzanne Holley

Downtown Center BID Management Corporation

# Downtown Center Business Improvement District

## 2022 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 2022 Fiscal Year. The District Board of Directors approved the 2022 Annual Planning Report at the November 10, 2021 Board of Director's meeting.

### **Boundaries**

There are no changes to the District boundaries for 2022.

### **Benefit Zones**

There are no changes to the District's benefit zone(s) for 2022.

### **2022 IMPROVEMENTS, ACTIVITIES AND SERVICES**

#### **Clean & Safe: \$5,261,882.00 (64.18%)**

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. They

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

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 four 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 13 “Big Belly Solar” and 194 traditional waste receptacles which are located throughout the District. The DCBID purchased 30 new receptacles in 2021—to replace outdated ones and add in new locations—and will continue to routinely replace and focus on adding receptacles as necessary to address the needs of the growing population of the District. The DCBID will also continue the program of trimming selected trees each year focusing on those that obstruct lighting and visibility.

The DCBID expanded its beautification program starting in 2019 to include an extensive

graffiti and sticker abatement, and paint refresh of the District's light poles and electrical boxes. This will continue in 2022.

In efforts to improve cleanliness of the District sidewalks in 2021, the DCBID purchased a club car (electric utility vehicle), equipped with pressure washing equipment, a gum removal machine and three gum removal brooms. In 2022, budgeted is the purchase of another club car to replace a sidewalk scrubber whose lease is expiring. An additional 24 hours per week has been added to the maintenance services budget to utilize this equipment in 2022.

### **Economic Development/Marketing: \$1,765,665.64 (21.54%)**

- 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 economic development strategy focuses on the following key sectors:

- Investment & Development
- Office
- Residential
- Retail
- Hospitality
- Arts & Culture

Our economic development goals for 2022 are to:

- Support Recovery of District Businesses following COVID-19
- Attract New Residents, Workers, Visitors, Companies & Investment
- Promote District & Properties
- Enhance District Streetscapes & Public Spaces
- Engage Local Residents, Workers & Visitors
- Reignite Enthusiasm for Downtown & District

The DCBID will also continue to be the #1 source of market information for Downtown, with research covering key market sectors, industries, and development projects.

Following is an outline of our 2022 economic development programs:

Small Business Support Initiative:

With the goal of directly supporting our District businesses as we emerge from the COVID-19 crisis, the BID is convening a local business alliance to address recovery and safety issues, encourage participation in BID marketing and promotional programs, and provide a forum for networking and collaboration amongst the businesses and with the BID and relevant City agencies. This initiative, building on our long-running Marketing Roundtable and leveraging our newly implemented customer relationship management (CRM) system, is designed to support District businesses more effectively with information, promotions, and other services.

#### DTLA Virtual, Videos, and Reports:

The DCBID is deploying its award-winning DTLA Virtual tour platform and well-known market reports, as well as original video content and other digital and social media, in an integrated strategy designed to promote the District and its properties, and attract new residents, workers, visitors, companies, and investment. This strategy is organized around marketing campaigns for the office, retail, residential, and hospitality sectors, with custom content for each. In addition to our existing guides to Downtown office, retail, and arts & culture, we will produce new guides to living in and visiting DTLA. We will also continue to publish our signature quarterly Market Reports—the leading source of real estate and development information on the Downtown market. Finally, the DCBID is partnering with the Central City Association and the Alliance for SoCal Innovation on producing a white paper report on Downtown LA as an innovation district, with the goal of attracting and supporting companies and talent in technology, media, and other creative industries.

#### 2022 DTLA Survey & Other Research:

The DCBID will publish its 8th biannual survey of Downtown residents, workers, and visitors, and distribute it to local business, investment, and civic communities, and broader regional and national audiences, with the goal of promoting the District, attracting companies and investment, engaging residents and workers, and reigniting enthusiasm for DTLA. This year's report will also feature data from Placer.ai, a leader in place-based mobility and visitation data, and key demographic data and other statistics, from the Value of Downtown, a new report DCBID produced in partnership with the International Downtown Association in 2021.

#### Placemaking & Public Art:

The DCBID is partnering with Now Art LA to develop and implement a placemaking and public art strategy that builds on the findings and recommendations of our 2020 placemaking study. Implementation will be a combination of installations, activations, and exhibits to advance our goals of attraction, promotion, community engagement, and making the District safe, clean, vibrant, and appealing. This strategy will focus on leveraging DCBID funding and staff in coordination with outside partners and funding sources to bring much larger projects to fruition than the DCBID could do with its resources alone.



## MARKETING & COMMUNICATIONS

Marketing and communications efforts are focused on creating awareness and driving traffic to District businesses and events through media outreach, advertising campaigns, marketing collateral, newsletters, special events, public relations, social media, DowntownLA.com and our expanded Downtown Guide program. Targeted advertising will be used 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, radio, digital, and social media channels.

The Marketing & Communications Department will continue to promote Downtown Los Angeles, and particularly Downtown Center businesses, events, and attractions, to residents, workers, visitors, and investors. This will be achieved through outreach to residential and office buildings, and the residents, workers, and businesses located within them. In addition to introducing the DCBID and its services, the outreach fosters and builds community among diverse groups within the Downtown Center. We also will continue to target our audiences via e-newsletters, social media, and our website, DowntownLA.com, to attract visitors, investors, and new tenants (both residents and businesses) to DTLA.

Community Outreach and Engagement will continue to be a high priority for the DCBID. We will do this through various types of community events throughout the year, and we also extend this engagement to our digital outlets (i.e. website, email and social). The DCBID plans to return to hosting our three large-scale annual events that support local businesses and build community for Downtown LA residents and workers. These events will include our 14th Annual Dog Day, 21st Annual Public Safety Appreciation BBQ, and 15th Annual Halloween Party for Downtown LA kids. We will continue upon the success of our 2019 Holiday Market in December. We will also partner with and attend (virtually or in-person) many Downtown community events that are hosted by DTLA-based organizations, like Grand Avenue Arts All Access, which are important ways that we aim to foster and build community for residents, workers, and businesses in Downtown LA.

In addition to our community events, we plan to engage both office workers and residents through targeted community engagement pop-ups and mixers. To engage District office workers and businesses as offices continue to open, we will implement a welcome back pop-up series where we will distribute tote bags, gift cards to local businesses, and collateral featuring our clean and safe team as well as what is open in DTLA. We will also host several ReMix (resident mixer) events to connect residents to our local businesses. Our Holiday ReMix will bring residents and representatives from local businesses to a social gathering in December to meet and mingle with their neighbors and receive a presentation on the DCBID's 2022 accomplishments.

DowntownLA.com will continue to be a centerpiece of the DCBID'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 a continued recovery campaign, as well as our annual summer and holiday marketing campaigns. DCBID's campaigns promote Downtown LA as a world-class destination for dining, shopping, arts and culture, and seasonal events to a regional audience. Promotional elements for the campaigns will include print, digital, social media, and radio advertising. Media partners will include Los Angeles Magazine, LA Downtown News, and iHeartMedia.

Video will be a keystone strategy across our promotional campaigns and channels. We will develop 4-5 videos that capture all that DTLA has to offer with an emphasis on the Downtown Center. These videos will also be used for economic development programs.

Strategic Public Relations will continue to be a focus for the Marketing & Communications Department. We will focus our PR efforts on promoting a positive image of Downtown through proactive media outreach. In addition, we will utilize PR to promote Downtown Center BID events, research reports, and economic development initiatives.

**Management/City Fees: \$1,170,500.70 (14.28%)**

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 2022 is a board retreat.

**Reserve: \$0.00 (Non-Regular Budget Item)**

Reserve

**Total Estimate of Cost for 2022**

A breakdown of the total estimated 2022 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 no (0%) CPI increase for 2021.

2022 assessment rates:

per assessable square foot:

Outside Maintenance Overlay - Zone 1: \$0.0973

Inside Maintenance Overlay - Zone 2: \$0.1217

**(There is a 3.5% CPI increase for 2022)**

### **Surplus Revenues: \$450,098.01**

DCBID anticipates an estimated 2021 year-end carryover of \$450,098. A positive year-end carryover is consistent with quarterly reports that indicated open positions in contract staffing for safety and homeless outreach, and a reduction of initiatives in marketing and economic development due to delay in post-COVID reopening.

Carryover funds have been rolled into the 2022 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 2022.

### **Contribution from Sources other than assessments: \$273,472.82**

Included is \$74,974 in assessment revenue back-billed to projects newly completed, \$110,719 in prior-year assessment receipts, general benefit revenue of \$71,689 as calculated per the Engineer's Report, \$10,660 in interest income, and \$5,431 in contributions from the DCBID

Management Corp generated through third-party contract services.

**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Downtown Center BID- FY 2022**

	Outside Maintenance Overlay - Zone 1	Inside Maintenance Overlay - Zone 2	Total	
<b>2022 Assessments</b>	\$4,096,147.72	\$3,378,329.79	<b>\$7,474,477.51</b>	
<b>Estimated Carryover from 2021</b>	\$247,103.81	\$202,994.20	<b>\$450,098.01</b>	
<b>Other Income</b>	\$113,775.89	\$159,696.93	<b>\$273,472.82</b>	
<b>Reserve Fund *</b>	\$0.00	\$0.00	<b>\$0.00</b>	
<b>Total Estimated Revenues</b>	<b>\$4,457,027.42</b>	<b>\$3,741,020.92</b>	<b>\$8,198,048.34</b>	
<b>2022 Estimated Expenditures</b>				<b>Pct.</b>
<b>Clean &amp; Safe</b>	\$2,699,924.57	\$2,561,957.43	<b>\$5,261,882.00</b>	<b>64.18%</b>
<b>Economic Development/Marketing</b>	\$1,056,635.00	\$709,030.64	<b>\$1,765,665.64</b>	<b>21.54%</b>
<b>Management/City Fees</b>	\$700,467.85	\$470,032.85	<b>\$1,170,500.70</b>	<b>14.28%</b>
<b>ESTIMATED BUDGETED EXPENDITURE</b>	<b>\$4,457,027.42</b>	<b>\$3,741,020.92</b>	<b>\$8,198,048.34</b>	<b>100%</b>
<b>NON-REGULAR BUDGET ITEMS</b>				
<b>Reserve **</b>	\$0.00	\$0.00	<b>\$0.00</b>	
<b>Total Estimated Expenditures</b>	<b>\$4,457,027.42</b>	<b>\$3,741,020.92</b>	<b>\$8,198,048.34</b>	<b>100%</b>

\* Non-regular revenue item

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