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CALIFORNIA



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November 15, 2022

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council Districts 9

REGARDING:

THE SOUTH LOS ANGELES INDUSTRIAL TRACT 2021-2024 (PROPERTY BASED)
BUSINESS IMPROVEMENT DISTRICT'S 2023 FISCAL YEAR ANNUAL PLANNING
REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the South Los Angeles Industrial Tract 2021-2024 Business Improvement District's ("District") 2023 fiscal year (CF 14-1072). 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 South Los Angeles Industrial Tract 2021-2024 Business Improvement District's Annual Planning Report for the 2023 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The South Los Angeles Industrial Tract 2021-2024 Business Improvement District was established on June 25, 2020 by and through the City Council's adoption of Ordinance No. 186688 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 8, 2022, 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

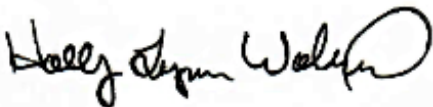
There is no impact to the General Fund associated with this action.

RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the South Los Angeles Industrial Tract 2021-2024 Business Improvement District's 2023 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2023 budget concurs with the intentions of the South Los Angeles Industrial Tract 2021-2024 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 South Los Angeles Industrial Tract 2021-2024 Business Improvement District's 2023 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:

South Los Angeles Industrial Tract 2021-2024 Business Improvement District's 2023 Fiscal Year Annual Planning Report

November 11, 2022

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

Subject: South Los Angeles Industrial Tract 2021-2024 PBID 2023 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 South Los Angeles Industrial Tract 2021-2024 Business Improvement District has caused this South Los Angeles Industrial Tract 2021-2024 Business Improvement District Annual Planning Report to be prepared at its meeting on November 8, 2022.

This report covers proposed activities of the South Los Angeles Industrial Tract 2021-2024 BID from January 1, 2023 through December 31, 2023.

Sincerely,

A handwritten signature in cursive script that reads "Susan Levi".

Susan Levi

South Los Angeles Industrial
Tract 2021-2024
Business Improvement District

2023 Annual Planning Report

District Name

This report is for the South Los Angeles Industrial Tract Business Improvement District (District). The District is operated by the South Los Angeles Industrial Tract Property Owners Association, a California non-profit corporation.

Fiscal Year of Report

The report applies to the 2023 Fiscal Year. The District Board of Directors approved the 2023 Annual Planning Report at the November 8, 2022 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2023.

Benefit Zones

There are no changes to the District's benefit zone(s) for 2023.

2023 IMPROVEMENTS, ACTIVITIES AND SERVICES

Security: \$769,576.03 (79.00%)

The South Los Angeles Industrial Tract BID security program mission is to support the property owners and tenants in overall crime prevention and reduction efforts, while offering a customer service orientation to tenants.

The security team provides services on a 24-hour basis through a combination of bicycle and vehicular patrol. These services are intended to deter property theft, illegal dumping, and other related issues. Uniformed safety patrol officers provide a variety of security and safety services by assisting property owners, patrons, visitors, and employees through their presence and interaction with and reporting criminal activities and quality of life issues to LAPD. Security personnel monitors the sixty video cameras 24 hours a day, 7 days a week. The video monitoring acts as a dispatcher by observing incidents and dispatching either the bike patrol or vehicle patrol to investigate. This allows the SLAIT BID to contact LAPD to formally assist when needed.

Security also includes the operation and maintenance of over a dozen automatic opening security gate arm pairs that serve as a "traffic calming" measure. Included in this service are costs associated with maintenance of the various security features (i.e. cameras, security software, and street crossing gates) as they become excessively worn and/or obsolete.

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In addition to the services outlined above, the BID will install an additional two 360 degree cameras, a larger server to accommodate the increased data produced by the cameras and add painted, directional signage and striping to assist vehicular traffic in using the gated entries.

Streetscape Services: \$80,334.00 (8.25%)

Streetscape Services includes regular programmed and response oriented sidewalk sweeping and pressure washing, graffiti abatement, removal of trash and discarded bulky items, and other streetscape related issues that may arise.

Marketing: \$1,200.00 (0.12%)

Included in the Marketing program are the costs for the production of a quarterly newsletter and conducting the annual meeting of property and business owners.

Program Management: \$79,652.00 (8.18%)

Included in the Program Management program are the costs for personnel to oversee the implementation of the Management District Plan and various programs, oversight of the Owners' Association's compliance with the terms of its contract with the City, accounting/bookkeeping fees, Directors & Officers and General Liability insurance.

Operations: \$43,442.00 (4.46%)

Included in the Operations program are the costs for office expenses, legal fees, production of the Annual Planning Report and Budget, quarterly reports, costs associated with the SLAIT BID renewal, as well as City and/or County fees associated with their oversight of the SLAIT BID.

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The BID has allocated funding to begin it's renewal process in 2023.

Total Estimate of Cost for 2023

A breakdown of the total estimated 2023 budget is attached to this report as **Appendix A.**

Method and Basis of Levying the Assessment

The method and basis of levying the 2023 assessment are the same as listed in the Management District Plan. The Management District Plan allows for maximum annual assessment increase of 5%.

2023 assessment rate:

Lot square footage \$0.093

(There is No CPI increase for 2023)

Surplus Revenues: \$136,823.00

The BID will be rolling over approximately \$136,823.00 of assessment revenue into the 2023 budget. These funds have been generated as a result of a number of factors.

As of the writing of this report, we have seen a surplus of \$62,000 in the security patrol component of the budget. There was a period where we were trying to fill our open Post Commander position as well as other positions that were being covered by unbillable overtime. It is very typical that some surplus is generated each year as a result of not running fully staffed.

Although many organizations are having staffing difficulties, a contributing factor to the BID running understaffed is that our pay rate is not as competitive as some of the downtown BIDs. We have found that many safety ambassadors can work at some of the larger BIDs for \$3-\$4 more per hour. This has definitely hindered our ability to attract and retain quality employees.

The BID and our security vendor has found a creative way to address the annual surplus while remaining competitive and maintaining a full staff. The vendor will implement an incentive program whereby each team member will have the opportunity to receive a monthly bonus that could equate to approximately \$3 more per hour. The bonus will be based on attendance and meeting each position's expectations.

We currently have a surplus of \$62,000 in the patrol category. We have 9 positions on the team that could be eligible for the bonus. If each position qualified for the bonus, then that would equate to just over \$56,160 over the course of the year. It could be slightly higher as management positions may receive more than \$3/hour. The bonus will only be available until the surplus is depleted. We anticipate that this will not only help with staffing but also improve performance. This method will deplete the surplus and preserve our budget while providing maximum benefit to our stakeholders.

The Management District Plan allows for the BID to reserve up to \$100,000 each year to upgrade the security surveillance system and related components. At the time that the MDP was written, it was not possible to upgrade the system in parts, but technology has been improved and we now can. Rather than reserve up to the maximum amount, the BID will utilize these funds for the purchase of two new cameras, another server and a necessary addition to the gated entry project.

The BID will purchase an additional two 360 degree Pan, Tilt, Zoom cameras to add to the 17

already installed. They are slowly replacing the existing 40-camera surveillance system. These cameras actually house five cameras in one unit, giving it the ability to see 360 degrees. As a result of adding the cameras, we need to purchase an additional, larger server to store the increase of data these cameras are receiving. A deposit on these upgrades has been paid and there is a remaining balance of \$27,267 that will be used for the completion of this project in 2023.

The BID still has one remaining gate arm from the project initiated in 2020 that has not yet been permitted. Council District 9 staff members recently met with the General Managers of both LADBS and BOE to try and get this resolved. We are hopeful that this meeting will finally resolve the delays and a permit will be issued.

Additionally, the BID has gone live with some of the operational gated entry points and experienced complications. Although there is ample signage instructing drivers on how to operate the gates, we are still finding that people often drive in the middle of the road during off-peak hours; thereby eliminating the sensor. As a result, the arms are being damaged as people forcefully try to lift them.

To resolve this issue, the BID will be painting directional signage on the road along with striping to separate the lanes. A deposit on this work has been paid and there is a remaining balance of \$37,556 that will be used for the completion of this project in 2023.

Finally, the BID has reserved \$10,000 towards our upcoming BID Renewal costs to begin in 2023. Half of that amount was reserved from 2021 and the remainder from this year.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2023.

Contribution from Sources other than assessments: \$15,277.00

General Benefit

APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE South Los Angeles Industrial Tract 2021-2024 BID- FY 2023

2023 Assessments	\$822,104.03	
Estimated Carryover from 2022	\$136,823.00	
Other Income	\$15,277.00	
Total Estimated Revenues	\$974,204.03	
2023 Estimated Expenditures		Pct.
Security	\$769,576.03	79.00%
Streetscape Services	\$80,334.00	8.25%
Marketing	\$1,200.00	0.12%
Program Management	\$79,652.00	8.18%
Operations	\$43,442.00	4.46%
Total Estimated Expenditures	\$974,204.03	100%