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CALIFORNIA



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January 13, 2023

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  
2023 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") 2023 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 2023 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 August 3, 2021 by and through the City Council's adoption of Ordinance No. 187130 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 October 28, 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

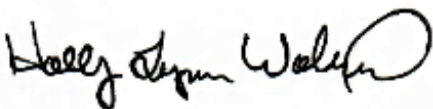
There is no impact to the General Fund associated with this action.

### RECOMMENDATIONS

That the City Council:

1. FIND that the attached Annual Planning Report for the Venice Beach 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 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 2023 fiscal year, pursuant to the State Law.

Sincerely,



Holly L. Wolcott

City Clerk

Attachment:

Venice Beach Business Improvement District's 2023 Fiscal Year Annual Planning Report

January 11, 2023

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

Subject: Venice Beach 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 Venice Beach Business Improvement District has caused this Venice Beach Business Improvement District Annual Planning Report to be prepared at its meeting on October 28, 2022.

This report covers proposed activities of the Venice Beach BID from January 1, 2023 through December 31, 2023.

Sincerely,

*Steve Heumann*

Steve Heumann  
President

# Venice Beach Business Improvement District

## 2023 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 2023 Fiscal Year. The District Board of Directors approved the 2023 Annual Planning Report at the October 28, 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**

### **Clean & Safe Programs: \$1,956,128.38 (70.71%)**

Examples include: bicycle, Segway, vehicular or foot patrols, sidewalk sweeping, pressure washing, landscaping, trash removal, graffiti/poster/sticker/gum removal and related activities.

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Clean encompasses all “Clean Team” 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 “Safe Team” services in the District and includes: specially trained personnel on foot, bike, or other vehicles who will traverse the District to serve as a deterrent to crime, respond to calls for assistance, de-escalate situations, and provide directions, transit information, business information, event information, social service referrals, 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.

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 2023, Clean & Safe Programs will continue the clean and safe program services established in 2021 under the new BID cycle (2021-2026 contract with the City) In 2020-2022 the District experienced “out of the ordinary” circumstances that make predictions difficult. The District's recent unique experiences from 2020, 2021, and 2022 will prepare and inform District planning in 2023. 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 2023, the District is budgeted to maintain a higher level of service throughout the winter months of the year to meet increased needs. Clean and safe statistics are published in the District monthly community updates (“newsletters”) sent out via the District email list. The newsletters are distributed at each Board of Directors meeting. Oral clean and safe team reports are given at each District Board of Directors meeting. In 2023 the District will continue efforts to not only maintain, but improve the baseline of cleanliness and safety in the District.

#### Clean Team Goals:

In 2023, the Clean Team’s goal is to provide clean and beautification services to the district with a locally hired team members participating in a transitional employment program with Chrysalis. In 2023, Clean Team will make additional efforts, enhanced by the Engagement Team, to continue to hire locally, especially those who are experiencing homelessness.

In 2023, the Clean Team will invest in updates to existing equipment and incorporate new equipment to enhance services beyond trash pick up. Updates include motor assisted pull carts, a small maintenance vehicle, and graffiti removal supplies. Clean Team will continue the use of environmentally-friendly supplies to protect the District. In addition, the Clean Team will create a monthly schedule to further enhance services to alley’s in the District.

In 2023, the Clean Team will continue to deploy its restructured graffiti removal strategy, with a dedicated graffiti removal mobile cart that is used 5 days a week. The strategy has a noticeable visual impact, specifically on bins/dumpsters, throughout the District.

Additionally, this strategy improves response time to graffiti.

#### Safe Team Goals:

In 2023, the Safe Team’s goal is keeping the team at or above 12 members. Safe Team staff retention allows the Safe Team a more permanent schedule team member rotation between foot, bike and vehicle patrol; allowing better coverage and ensuring all team members receive experience in all types of patrol. In 2023, Safe Team will create a schedule that will assign specific geographic areas to each patrol. This will promote area familiarity and 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 result in additional direct and immediate services to the District, including businesses, residents, and community members.

The Safe Team prides itself on its ability to provide referrals and assistance to the district’s unhoused population. In 2023 the Safe Team will be the sole provider of the Engagement

Lead position to build relationships with unhoused community members within the district. This role will be expanded in Q1 2023 to incorporate cross training among all Safe Team members. 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 such as the Crisis and Incident Response through Community-led Engagement team, as this has made a critical difference in numerous situations. Additionally, the Engagement and Safety Team Leads will build relationships with businesses and vendors to connect them with District services and deescalate interpersonal disputes that often occur between the two groups in the district. In 2023, the Safe Team plans to continue providing training opportunities for both team members and managers. This includes public relations training and exercises, Management of Aggressive Behavior (MOAB) training for conflict de-escalation techniques, and additional employee law and management training for supervisors.

**Communication & Special Projects: \$289,987.43 (10.48%)**

Examples include: Website, newsletter, promotional efforts, outreach programs, special projects designed to compliment and enhance the delivery of BID services.

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Communications & Special Projects 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.

In 2023, 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 are budgeted in 2023. In 2023, the District will enhance its data collection and contact management through implementation of user input technology that can be used in the field by both teams. This will be accomplished using handheld devices. Specific projects may be subsequently identified, discussed and approved by the Board in 2023.

The primary 2023 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 2023. In early Q1 2023, an updated 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.

**Administration & Management: \$520,315.25 (18.81%)**

Examples include: Personnel costs, city fees, formation costs, legal, accounting, insurance, office space, office supplies and equipment.

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Administration & Management 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.

In 2023, Administration & Management will continue to provide oversight and coordination for all District activities and programs with a 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 2023, 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 2023, the District will form a Strategic Planning Committee to undertake the vision and plan for the next five years of the new BID cycle. 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.

**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 for levying the 2023 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 2023 are as follows:

Commercial/Industrial & Publicly Owned w/ Commercial Uses

Zone 1  
Frontage \$31.9725



Lot \$0.121275  
Bldg. \$0.0882

Zone 2  
Frontage \$15.98625  
Lot \$0.121275  
Bldg. \$0.0882

Publicly Owned & Occupied

Zone 1  
Frontage \$29.734425  
Lot \$0.112786  
Bldg. \$0.082026

Zone 2  
Frontage \$14.867213  
Lot \$0.112786  
Bldg. \$0.082026

LAUSD

Zone 2  
Frontage \$6.3945  
Lot \$0.030319  
Bldg. \$0.03528

**(There is No CPI increase for 2023)**

**Surplus Revenues: \$698,000.00**

Based on projected expenditures through the remainder of 2022, the District expects to have a surplus of \$698,000 on 12/31/2022 to be carried over into the CY 2023. There is no deficit to be carried over.

The source of \$698,000 surplus by category:

Clean & Safe Programs: \$379,189

District Identity & Special Projects:\$87,662

Administration, Management & City Fees: \$231,149

Total: \$698,000, 2023 Budget allocations by categories as follows.

C/S Programs 2023 Estimated Revenue: \$1,502,466

C/S 2022 Carryover - \$453,662

C/S FY 2023 Total - \$1,956,128

Communications & Special Projects 2023 Estimated Revenue - \$175,403

Comm 2022 Carryover - \$114,585

Comm FY 2023 Total - \$289,988

Administration, Management & City Fees 2023 Estimated Revenue - \$390,562

Admin 2022 Carryover - \$129,753

Admin FY 2023 Total - \$520,315

The estimated surplus reflects unexpected savings due to COVID- related hiring vacancies, delayed personnel hiring, and unused expenditures in CY 2018 as previously reported. This amount reflects the total carryover from 2021. After review of expenditures in 2022, it was determined that delays in Strategic Plan, hiring, and special projects, anticipated use of carryover funds were not met. However, a strong spend down plan has been developed and implementation began in 2022 and will continue in 2023. It is noted that a significant portion of surplus funds that will be carried over into CY 2023 come from FY 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, 2020, 2021.

The District has created a plan to “spend down” it’s surplus over the course of three years. Below are estimates of this plan. As such, the District does anticipate to have carryover for the next three years in relation to the above reported budget.

Spend down plan for the next three years:

Year 1 (2023): \$272,562//Year 2 (2024): \$300,000//Year 3 (2025): \$125,484

2023: Total Carry Over included in operational budget \$272,562

Clean & Safe: Of the total carryover amount, \$165,370 is budgeted in our C/S Programs.

Additional clean activities include weeding, additional trash pick-up, and beautification projects such as cleaning trashcans throughout the district. To accomplish these goals 104 hours were added to the weekly labor schedule for clean team and will extend through the end of Q4 2023.

Additionally, carryover funds are budgeted to support the expansion of our “Engagement Lead” positions on our Safe Team. These positions require additional reporting, relationship building, and benefit from low turn-over. To accomplish this carryover funds will be used to support competitive wages for the positions and monitor the program.

Communications & Special Projects: \$42,909 of carryover funds budgeted to be part of the “spend down” in our Comm/SP category are primarily dedicated to the creation of a public relations plan and external communications about the cleanliness and safety accomplishments in Venice. The District is looking to undertake a public relations campaign that exemplifies the improvements in the District. Activities may include, but are not limited to, production of a video, community email campaign, and Stakeholder Toolkit. Unfortunately, an unforeseen gap in the staffing of the District delays, but does not change, the project. As thus, this project will carry over into 2023.

Admin & Management: \$64,283 is allocated in 2023 opp budget. The 2022 plan presented to the Board advised Strategic Planning as the new cycle of the District began. The Strategic Plan addresses the best use of carryover funds, define goals and metrics for new programs, and lead the District into the next cycle, including the 2028 Olympics. A request for proposal will be utilized to enlist the assistance of a consultant to lead the District in its Strategic Plan. Activities will include stakeholder engagement, surveys, and board and staff time committed to the project. Hiring difficulties during Q2 2022 delayed initial plans. An RFP for Strategic

Planning will go out in early 2023 and carryover into 2024. Anticipated costs associated is \$80,000.

In 2023, the District's expenses (for the same or greater service levels as prior year) will exceed the annual assessment due to inflation costs. In recognition of the projected surplus and the economic constraints placed on property owners due to COVID-19, the Board prioritized not raising assessment levels in 2023. However, COVID-19 has drastically affected the conditions of the District, particularly in regard to increased homeless encampments, and in 2023 the surplus will be used primarily to address the clean and safety issues that have risen as a result.

### **Anticipated Deficit Revenues**

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

### **Contribution from Sources other than assessments: \$31,241.00**

General Benefit Funds

**APPENDIX A- TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE Venice Beach BID- FY 2023**

	<b>Zone 1</b>	<b>Zone 2</b>	<b>Total</b>	
<b>2023 Assessments</b>	\$1,292,075.57	\$745,114.49	<b>\$2,037,190.06</b>	
<b>Estimated Carryover from 2022</b>	\$442,702.31	\$255,297.69	<b>\$698,000.00</b>	
<b>Other Income</b>	\$19,814.42	\$11,426.58	<b>\$31,241.00</b>	
<b>Total Estimated Revenues</b>	<b>\$1,754,592.30</b>	<b>\$1,011,838.76</b>	<b>\$2,766,431.06</b>	
<b>2023 Estimated Expenditures</b>				<b>Pct.</b>
<b>Clean &amp; Safe Programs</b>	\$1,240,662.69	\$715,465.69	<b>\$1,956,128.38</b>	<b>70.71%</b>
<b>Communication &amp; Special Projects</b>	\$183,922.79	\$106,064.64	<b>\$289,987.43</b>	<b>10.48%</b>
<b>Administration &amp; Management</b>	\$330,006.82	\$190,308.43	<b>\$520,315.25</b>	<b>18.81%</b>
<b>Total Estimated Expenditures</b>	<b>\$1,754,592.30</b>	<b>\$1,011,838.76</b>	<b>\$2,766,431.06</b>	<b>100%</b>