

# **Downtown Industrial District Business Improvement District Management District Plan Summary**

**For  
A Property Based  
Business Improvement District Renewal and Expansion  
In the Downtown Industrial District of Los Angeles**

**October 2020**

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***The full Downtown Industrial District BID Management District Plan and  
Engineer's Report can be found at [http://www.industrialdistrictla.com/2021-bid-  
renewal](http://www.industrialdistrictla.com/2021-bid-renewal)***

## Management District Plan Summary

The name of the renewed Property-based Business Improvement District is the “Downtown Industrial District Business Improvement District” (the “District”). The District is being renewed pursuant to Section 36600 et seq. of the California Streets and Highways Code, The “Property and Business Improvement District Law of 1994 as amended”, hereinafter referred to as State Law.

Developed by the Downtown Industrial District Renewal Committee, the Downtown Industrial District Business Improvement District Management Plan conveys special benefits to assessed parcels located within the Downtown Industrial District Business Improvement District area. The District will provide continued activities in three program areas including: Clean & Safe, Economic Development & Communication and Management/City Fees/Contingency. Each of the programs is designed to meet the goals of the District which are to improve the safety of each individual assessed parcel within the District, to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the District.

The boundary of the Downtown Industrial District Business Improvement District is bounded roughly by 3<sup>rd</sup> Street, Alameda Street, Olympic Boulevard/9<sup>th</sup> Street and San Pedro Street. The property uses within the general boundaries of the Downtown Industrial Business Improvement District are a mix of wholesale, manufacturing, industrial, retail, residential, non-profit, education, and publicly owned. Services and improvements provided by the District are designed to meet the goals of the district by providing special benefits to improve the economic vitality in the District by increasing building occupancy and lease rates, encouraging new business development, attracting wholesale serving businesses and customers, attracting retail tenants and customers, attracting new residents and students that provide a special benefit to wholesale, manufacturing, industrial, retail, residential, non-profit, education, and publicly owned parcels. All of which specially benefit from the improvements and activities of the District.

**Boundary:** See Section 2, Page 5 and map, Page 7.

**Budget:** The total District budget for the 2022 year of operation is approximately \$3,334,145.

### Improvements, Activities, Services:

<b>CLEAN &amp; SAFE</b>	<b>\$2,737,277</b>	<b>82.10%</b>
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#### Enhanced Safe Programs:

A Downtown Industrial District Business Improvement District Safe Team to deter crime for parcels in the District will consist of some of the following:

- Bicycle and Vehicle Patrol

#### Enhanced Clean Programs will consist of the following:

- Sidewalk Sweeping
- Sidewalk Pressure Washing
- Graffiti & Handbill Removal

- Trash Removal, Illegal Dumping Removal
- Tree Trimming

**ECONOMIC DEVELOPMENT/COMMUNICATION** **\$247,498** **7.42%**

- Media and Communication Programs
- Economic Development Activities
- Planning Activities
- District stakeholder communications
- Website

**MANAGEMENT/CITY FEES/CONTINGENCY** **\$349,370** **10.48%**

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works (see Section 3, for detail on allocation). 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 six days a week. A well-managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs.

**2021 CARRYOVER FUNDS**

The estimate for assessment funds carried over from the current Downtown Industrial District Business Improvement District to the first year 2022 budget is \$225,000. The amount of actual prior year carryover funds, if any, from the 2021 budget will be applied to the 2022 District budget. The funds will be applied to the same budget line item in 2022 as the line item in 2021 that was the source of the carryover funds. Carryover funds from 2021, if any exist, are projected to be from the clean and safe line item. Therefore, the Clean and Safe budget line item of \$2,737,277 could increase to as much as \$2,962,277 if the total \$225,000 carryover becomes a reality and is totally from the Clean and Safe line item.

**Method of Financing:** A levy of special assessments upon real property that receives special benefits from the improvements and activities.

**Benefit Zones:** The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each assessed parcel receives from the improvements. In order to match assessment rates to benefits, 3 benefit zones have been created within the District. Additionally, Zone One includes a separate non-profit rate. Each zone receives a different level of services and a different level of benefit. Each zone pays an assessment rate that reflects 100% of the special benefit received. See Section 2 for detailed description of the Zones.

**Cost:** Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Two property assessment variables, parcel square footage (80%) and building square footage (20%), will be used in the calculation for Zone One, Zone Two and Non-Profit parcels, and one assessment variable, lot square footage (100%), will be used in the calculation for Zone Three. The 2022 assessments per assessment variable will not exceed amounts listed in the following chart:

	<b>Assessment Rates</b>
<b>Zone 1 Parcel Square Footage</b>	\$0.3908
<b>Zone 1 Building Square Footage</b>	\$0.1090
<b>Non-Profit Parcel Square Footage</b>	\$0.1053
<b>Non-Profit Building Square Footage</b>	\$0.0151
<b>Zone 2 Parcel Square Footage</b>	\$0.1159
<b>Zone 2 Building Square Footage</b>	\$0.0304
<b>Zone 3 Parcel Square Footage</b>	\$0.1418

**Increases:** Annual assessment increases will not exceed 7% per year. Increases will be determined by the Business Improvement District Owners' Association Board of Directors and will vary between 0 and 7% in any given year. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. Including surpluses from the prior District 2021 budget. The budget will be set accordingly, within the constraints of the Management District Plan to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the annual report each year.

**District Formation:** District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

**Duration:** The District will have a 5-year life beginning January 1, 2022 and ending December 31, 2026.

**Governance:** The Owners' Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The Owners' Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

## **Section 2**

### **Downtown Industrial District Business Improvement District Boundaries**

The Downtown Industrial District Business Improvement District includes all property within a boundary formed by:

**Summary** – The proposed District is bounded on the West by both sides of Crocker from 9<sup>th</sup> Street to 8<sup>th</sup> Street, the east side of San Pedro Street from 8<sup>th</sup> Street to 7<sup>th</sup> Street and both sides of San Pedro from 7<sup>th</sup> Street to 3<sup>rd</sup> Street. On the North by 3<sup>rd</sup> Street. On the East by Alameda Street. On the South by Olympic Boulevard/9<sup>th</sup> Street. The Downtown Industrial District Business Improvement District includes all property within a boundary formed by:

Beginning at the intersection of 3<sup>rd</sup> Street and Alameda Street turn south along Alameda Street to the intersection of Olympic Boulevard. At Olympic Boulevard turn west along Olympic Boulevard which becomes 9<sup>th</sup> Street to the western boundary of parcel number 5146-025-033. At parcel number 5146-025-033 turn north along the parcel's western boundary to 8<sup>th</sup> Street. At 8<sup>th</sup> Street turn west along 8<sup>th</sup> Street to San Pedro Street. At San Pedro Street turn north along San Pedro Street to the second parcel facing on the west side of San Pedro Street north of 7<sup>th</sup> Street, parcel number 5148-025-010. Beginning with parcel number 5148-025-010 continue north following the west parcel lines of parcels facing on the west side of San Pedro Street until 3<sup>rd</sup> Street. At 3<sup>rd</sup> Street turn east along 3<sup>rd</sup> Street until reaching the beginning point at 3<sup>rd</sup> Street and Alameda Street.

#### **Benefit Zones**

Zone One is made up primarily of smaller parcels than Zone Two with buildings that front on the street and tend to have more than one business within a building. Zone One's parcels are predominately occupied by small wholesale businesses. Zone One contains the highest concentration of small wholesale with some retail uses that primarily serve the needs of the immediate neighborhood within the District, the highest pedestrian counts and the highest demand for clean and safe services based on data from over 21 years of operation. Zone One also contains a number of non-profit social service providers. The west boundary for zone one is the west boundary for the District. The north boundary is 3<sup>rd</sup> Street. The east boundary is Central Avenue and the south boundary is Olympic Boulevard.

Zone Two is made up primarily of large parcels with buildings that are set back, are completely fenced and house only one business. Zone Two has a much lower historical demand for clean and safe services based on data from over 21 years of operations. Zone Two is predominately wholesale, industrial and market uses such as a seafood market, which have very little pedestrian traffic and operate predominately during the night hours. The west boundary for Zone Two is Central Avenue. The north boundary is 3<sup>rd</sup> Street. The east boundary is Alameda Street and the south boundary is 7<sup>th</sup> Street and Olympic Boulevard.

Zone Three is made up of four of the largest parcels in the District with buildings that are both walled off and/or set back from the street. Zone Three has the lowest historical demand for clean and safe services based on data from over 21 years of operations. Zone Three is predominately wholesale, industrial and market uses such as the wholesale produce market, which have almost no pedestrian traffic and operate predominately behind walled or fenced enclosures with controlled access. The west boundary for Zone Three is Ceres Avenue and Central Avenue. The north boundary is 7<sup>th</sup> Street and

8<sup>th</sup> Street. The east boundary is Alameda Street and the south boundary is Olympic Boulevard.

### **District Expansion**

The Downtown Industrial District Business Improvement District boundaries have expanded to the south to include all parcels south of the current boundary between 8<sup>th</sup> Street to the north, 9<sup>th</sup> Street to the south, and Central Avenue on the east and the west side of Crocker on the west. The area is detailed on the map on page 7. Parcels within this area have similar uses to Downtown Industrial District Business Improvement District parcels such as wholesale, manufacturing, industrial, and education.



- ZONE 1 BID PROPERTIES (PROPERTY BASED)
- ZONE 1 EXPANSION PROPERTIES
- ZONE 2 BID PROPERTIES (PROPERTY BASED)
- ZONE 3 BID PROPERTIES (PROPERTY BASED)
- B.I.D. BOUNDARY

**DOWNTOWN INDUSTRIAL DISTRICT**