



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JANUARY 31, 2017**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – RENEWAL AND EXPANSION OF  
THE SAN PEDRO HISTORIC WATERFRONT BUSINESS  
IMPROVEMENT DISTRICT**

**SUMMARY:**

Staff requests approval to authorize the Executive Director to vote in favor of the renewed and expanded San Pedro Historic Waterfront Business Improvement District (District). Renewal and expansion requires a majority vote in favor of the District, weighted by the amount assessed to each property owners. If approved, the District would be renewed for ten years and include downtown San Pedro and San Pedro Waterfront areas from the Vincent Thomas Bridge to the Breakwater. The City of Los Angeles Harbor Department (Harbor Department) assessment for the proposed District renewal and expansion in year one is \$389,863 with annual Consumer Price Index increases up to 3 percent per year. The proposed year one assessment would be an increase of \$158,760 from the existing District's Fiscal Year (FY) 16/17 assessment of \$231,103.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management.
2. Authorize the Executive Director to sign the Property Owner Ballot and transmit to the City Clerk's Office to support the renewal and expansion of the District upon the Los Angeles City Council's finding of majority support for the renewal of the District, and following the City Council's authorization of a District election;
3. Authorize the expenditure of funds for the City of Los Angeles Harbor Department's 2018 assessment obligation for the District with annual adjustments not to exceed three percent per year for a ten-year term; and
4. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: RENEWAL AND EXPANSION OF P-BID**

**DISCUSSION:**

Background – The California Property and Business Improvement District Law of 1994 authorizes the City of Los Angeles (City) to establish property and business improvement districts (P-BIDs). P-BIDs are special benefit districts established to create a stable revenue source to fund special benefits accrued to the property owners within the district. Revenues are generated through an assessment on parcels, which in turn are used to fund special benefits. These benefits may include cleaning of the public rights of way, trash and graffiti removal, security services, landscape maintenance, visitor service activities, marketing and promotion, and special events.

Previous Board Action – On January 17, 2007, the Board authorized the Executive Director to execute the Property Owner Ballot in support of the District's establishment and on July 9, 2008, the City approved the establishment of the District for five years. On June 13, 2012, the Board authorized the five-year renewal and expansion of the District. The renewed District boundaries included downtown San Pedro and the San Pedro Waterfront area south of the Vincent Thomas Bridge to the S.P. Slip south of Ports O' Call (Transmittal 1). In FY 16/17, the Harbor Department was assessed \$231,103.

Proposed Second Renewal and Expansion – The District has begun the reauthorization process for a second renewal for ten years, which if approved would commence on January 1, 2018. Staff requests Board approval to authorize the Executive Director vote in favor of the renewed and expanded District. The expanded area would add areas south of the existing District to the Cabrillo Beach and the breakwater (Transmittal 2). Inclusion of the proposed expanded area would allow for District services on those parcels. The primary service provided for the increased assessment is expanded Trolley stops throughout the San Pedro waterfront.

District services vary based on the amount assessed. The two zones comprising the Harbor Department's assessment receive less total services and therefore have a lower unit value assessment than the downtown San Pedro area which received the full suite of services. Generally, the proposed District provides four major service categories: 1) Visitor, Ambassador and Security services; 2) Sanitation, Beautification, and Capital Improvements; 3) Marketing and Special Events; and 4) Administration and District Management.

Reauthorization requires the approval of a majority vote of ballots received. The vote is weighted by the amount of assessment each property owner has in the District. The City of Los Angeles Harbor Department (Harbor Department) represents approximately 30 percent of the total assessments. Should the Harbor Department decide to vote against the renewal of the District, the reauthorization of an expanded District could proceed, including the Harbor Department properties, provided a majority of the property owners within the District support the reauthorization. The Harbor Department has a total of four representatives on the District Board of Directors, including one staff representative and three Harbor Department tenants.

**SUBJECT: RENEWAL AND EXPANSION OF P-BID**

Harbor Department assessment for the proposed District renewal and expansion in year one is \$389,863, with annual CPI increases up to 3 percent per year. The proposed year one assessment would be an increase of \$158,760 from the existing District's FY 16/17 assessment of \$231,103.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to renew and expand the San Pedro Historic Waterfront District Business Improvement District, which assesses a fee in real property within the District to fund special benefits within the District. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The proposed renewal and expansion of the PBID would increase annual PBID assessments payable by the Harbor Department \$158,760 from \$231,103 per annum to \$389,683 per annum beginning January 1, 2018. Funds for this amount will be requested to be budgeted in Center 0429, Account 59710, Program 000 as part of the annual budget adoption process, upon Board approval.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed this Board report and has no legal issues at this time.


**TRANSMITTALS:**

- 1. Current District Boundary Map
- 2. Proposed District Boundary Map



MICHAEL J. GALVIN  
Director of Waterfront & Commercial Real Estate

FIS Approval:  (initials)  
CA Approval:  (initials)



MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:



For EUGENE D. SEROKA  
Executive Director