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May 04, 2026

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

Council Districts 15

REGARDING: THE SAN PEDRO HISTORIC WATERFRONT 2018-2027 (PROPERTY BASED) BUSINESS IMPROVEMENT DISTRICT'S 2026 FISCAL YEAR ANNUAL PLANNING REPORT

Honorable Members:

The Office of the City Clerk has received the Annual Planning Report for the San Pedro Historic Waterfront 2018-2027 Business Improvement District's ("District") 2026 fiscal year (CF 15-0417). 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 San Pedro Historic Waterfront 2018-2027 Business Improvement District's Annual Planning Report for the 2026 fiscal year is presented with this transmittal for City Council's consideration as "Attachment 1."

BACKGROUND

The San Pedro Historic Waterfront 2018-2027 Business Improvement District was established on January 14, 2018 by and through the City Council's adoption of Ordinance No. 185047 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 January 11, 2026, 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 San Pedro Historic Waterfront 2018-2027 Business Improvement District's 2026 fiscal year complies with the requirements of the State Law
2. FIND that the increase in the 2026 budget concurs with the intentions of the San Pedro Historic Waterfront 2018-2027 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 San Pedro Historic Waterfront 2018-2027 Business Improvement District's 2026 fiscal year, pursuant to the State Law.

Sincerely,
Patrice Lattimore
City Clerk

A handwritten signature in black ink, appearing to read "Pat. Latt", written in a cursive style.

**San Pedro Historic
Waterfront 2018-2027
Business Improvement District**

2026 Annual Planning Report

District Name

This report is for the San Pedro Historic Waterfront Business Improvement District (District). The District is operated by the San Pedro Property Owners Alliance, a California non-profit corporation.

Financial Year of Report

The report applies to the 2026 Fiscal Year. The District Board of Directors approved the 2026 Annual Planning Report at the January 10, 2026 Board of Director's meeting.

Boundaries

There are no changes to the District boundaries for 2026.

Benefit Zones

There are no changes to the District boundaries for 2026.

2026 IMPROVEMENTS, ACTIVITIES AND SERVICES

Visitor, Ambassador & Security : \$467,600.00 (33.33%)

The Visitor Program includes shuttle services with multiple shuttle stops and is designed to attract visitors and tourists to businesses in the District. The Ambassador/Security Services uses uniformed security services to help prevent, deter and report illegal activities in the District.

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A) Visitor, Ambassador & Security: \$467,600 (33.33%)

The San Pedro Property Owners' Alliance (SPPOA) is committed to continuing its Visitor, Ambassador, and Security service initiatives in 2026. The SPPOA Board of Directors has approved the continuation of the following programs:

Ongoing software maintenance and upkeep of the District's 85 security cameras.

Continuation of uniformed private security officer services.

Trolley operations, including maintaining existing service and improving route visibility.

Visitor and Ambassador services to enhance the experience of Downtown San Pedro and the LA Waterfront

In 2026, SPPOA staff will oversee these initiatives and continue to contract with qualified service providers as needed, based on district priorities and operational requirements.

The SPPOA has completed four phases of expansion for its security camera program, with cameras installed throughout Benefit Zone 1. All security cameras, DVRs, and related operating equipment are PBID-owned and securely housed at the SPPOA office. Since the initial installation in October 2018, the camera program has supported local law enforcement and private security efforts by deterring criminal activity and providing critical evidence to assist in investigations. The District currently operates a total of 85 security cameras, including nine license plate reader cameras.

Continuation of Security Services

SPPOA currently contracts with Peak Security, which began providing private security services in March 2023. Peak Security will continue to deliver comprehensive security patrol services throughout the District, including daytime, evening, and overnight patrols. In 2025, the patrol schedule was expanded to include bicycle patrol coverage from 8:00 AM to 5:00 AM, five days per week. This enhancement addresses the 2:00 AM to 5:00 AM period, historically the most active hours for criminal and quality-of-life incidents.

Peak Security will continue to provide detailed daily reports documenting patrol activity, incidents, and vandalism, including photographs and written summaries. These reports are reviewed by SPPOA staff and presented to the Board of Directors to ensure transparency, accountability, and effective oversight.

Trolley Operations

In 2026, the San Pedro Trolley Program will focus on delivering reliable, visible, and visitor-friendly transportation while preparing for major regional and global events, including increased tourism activity tied to waterfront development and international sporting events leading into 2028. Core trolley routes will continue to serve residents, and visitors. Route adjustments will be guided by ridership data and community feedback to ensure the trolley remains a practical and welcoming way to access San Pedro's waterfront and downtown areas. Tripshot software will be fully implemented by Q2 of 2026, allowing riders to access live tracking of the trolleys. The software will also provide DOT with GTFS data putting the trolley program in the position to become a true last-mile transportation organization. SPPOA plans to start the transition to electric trolleys in 2026 by launching a pilot program and planning future infrastructure needs. The program will prioritize efficiency and sustainability. Emphasis will be placed on strategic scheduling and incremental infrastructure improvements that enhance the

rider experience. The 2026 plan also positions the trolley program for future growth by strengthening partnerships, pursuing grant funding, and evaluating emerging technologies, ensuring the system remains adaptable and ready for the changes ahead.

Visitor & Ambassador Services

In 2025, the Merchant Marketing Committee and Ambassador Program successfully engaged with businesses and local merchants in Downtown San Pedro and the Historic Waterfront Arts District. Ambassadors served as a direct link between the community and the SPPOA by promoting available services, resources, and district initiatives, while also supporting events and marketing efforts. In 2026, the program will continue to expand outreach and strengthen collaboration among local businesses, residents, and the PBID to build greater district-wide synergy.

Sanitation, Beautification & Capital Improvement : \$394,225.00 (28.10%)

This program provides sidewalk sweeping, pressure washing, illegal dumping pickup, graffiti removal, clean-up patrols, tree trimming, landscape watering and streetscape improvements.

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B) Sanitation, Beautification & Capital Improvement: \$394,225.00 (28.1%)

This program provides sidewalk sweeping, pressure washing, illegal dumping pickup, graffiti removal, clean-up patrols, tree trimming, landscape watering and streetscape improvements.

Ongoing Daily Maintenance Services

SPODD Maintenance - Capital Improvement Maintenance

Construction and Unveiling Phases of Archway/Monument Signage

Public Art

Parklet Repairs

The San Pedro Property Owners' Alliance is planning to continue the Sanitation, Beautification, and Capital Improvement service initiatives for 2026. The Board of Directors is moving forward with the planning of the projects listed below. In May of 2025, the SPPOA obtained a new service provider for cleaning, sanitation, and maintenance. Safe and Clean Maintenance, which was the previous provider, was terminated. Coastal Cleaning and Maintenance was hired as the new contractor.

With this new provider, the SPPOA purchased its own equipment to reduce ongoing costs, year over year. Equipment purchased in 2025 included two electric Gem carts, 1 pickup truck, 2 power washers with water tanks, landscaping equipment, and a mobile office unit for storage of equipment to be housed with solar panels. Additionally, miscellaneous tools, trash bags, doggy bags, and uniforms were purchased for the crew. In 2026, no additional equipment will need to be purchased. Moving forward, this equipment will be utilized and maintained to keep the boundary cleaning and beautification needs met. Owning this equipment should lower our monthly maintenance costs.

In 2026, the Coastal Cleaning and maintenance team includes 1 owner operator and 2 day porters. Their schedule will be 5 days a week, 6 AM to 2:30 PM for daily trash removal, bulky item pick up, power washing, graffiti removal, and light landscaping.

In addition to Coastal Cleaning and maintenance, the 2026 budget includes landscaping empty tree wells in the boundary. The goal for 2026 is to plant additional trees in areas where planters are underutilized which in turn will create more shade in the future.

A public art project is also planned to be executed in 2026. A matching grant was obtained to assist with funding of the project. Approximately (7) cast resin sea-lions will be made and local artists will add their own personal style by painting them. The sea lions will be installed throughout the boundary on platforms that will include QR codes detailing the artist information. A self guided walking tour of these seals will be marketed and promoted on our BID website.

2025 was a positive year for progress made on the long awaited San Pedro Archway Monument sign. The SPPOA with assistance of Council District 15 staff were able to obtain the long awaited A and R permits, as well as a tree trimming permit needed to begin construction on the sign. The required B permit is still pending approval in 2026. The permit application process through the City of LA has been a long and tedious process. In 2025 the proposed design and plans changed from electrical to solar panels to save time and money on installation. Previous carry over funds for the sign have been spent down in 2025. Payments were utilized toward deposits to our sign contractor, permit deposit fees, and fees to civil engineering consultants. Remaining costs for the sign are estimated to be at \$120,000. These costs have been included in the 2026 budget. The increase in cost is related to additional requirements from the Bureau of Engineering Geotechnical, Structural, and Civil groups all of whom requested additional corrections be addressed on B Permit plans that required the Business

Improvement District to contract with subject matter experts. These additional services included a shoring specific engineer, traffic management plan engineers, and a civil engineer. The B Permit is the only outstanding permit for the finalization of plan check, the Business Improvement District anticipates finalizing this process in the first quarter of 2026.

Marketing & Special Events : \$241,981.86 (17.25%)

Marketing includes: website development and updates, newsletter publication, branding and marketing program development, advertising, public relations activities and special events as well as business attraction, recruitment and retention. Special events include concerts, festivals and Los Angeles Fleet Week events. Each marketing initiative and special event is designed to build a positive District identity designed to increase vehicle, pedestrian and visitor traffic to the District and, in turn, increase exposure and visibility to the assessed parcels and their businesses and other attractions within the District.

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C) Marketing & Special Events: \$241,981.86 (17.25%)

Marketing includes: website development and updates, newsletter publication, branding and marketing program development, advertising, public relations activities and special events as well as business attraction, recruitment and retention. Special events include concerts, festivals and Los Angeles Fleet Week events. Each marketing initiative and special event is designed to build a positive District identity designed to increase vehicle, pedestrian and visitor traffic to the District and, in turn, increase exposure and visibility to the assessed parcels and their businesses and other attractions within the District.

The San Pedro Property Owners' Alliance (SPPOA) will continue its Marketing and Special Event initiatives in 2026. The SPPOA recognizes that funding in this category must provide a clear benefit to all assessed property owners and will modify or redirect activities as needed to ensure compliance with PBID requirements. Planned marketing and promotional efforts include:

- Social media activation and website maintenance
- Public relations and social media management
- Digital advertising campaigns
- Special events and visitor attraction initiatives
- Tourism promotion and outreach

In 2026, SPPOA staff will manage these initiatives and continue to contract with qualified service providers as necessary, subject to district needs and priorities.

Marketing and Website

In 2025, the SPPOA redesigned the DiscoverSanPedro.com website to reflect current marketing content for Downtown San Pedro and the LA Waterfront, including updated trolley information with GPS tracking. In 2026, staff will maintain the redesigned website by keeping content, events, and visitor information current. The goal of DiscoverSanPedro.com is to serve as a centralized destination marketing platform that highlights the amenities, attractions, and experiences available throughout Downtown San Pedro and the LA Waterfront. Costs to redesign the website were allocated and spent in 2025. Moving forward in 2026, staff will be able to make revisions and updates internally which will save on funds.

In addition, the SPPOA will continue to participate in regional and statewide tourism conferences to promote San Pedro as a visitor destination and strengthen relationships with tour operators. In 2025, the Executive Director attended the California Downtown Association Conference in San Francisco and the Smart Cities Congress in Barcelona, Spain, to support these efforts.

Marketing, Public Relations, and Digital Outreach

In 2024, the San Pedro Property Owners' Alliance (SPPOA) engaged a social media and public relations consultant, resulting in measurable increases in foot traffic to Downtown San Pedro and the LA Waterfront, as well as higher attendance at local events within the PBID boundary. The SPPOA's social media presence has grown to more than 30,000 followers, significantly expanding the district's reach and visibility. Notably, the 15th Annual San Pedro Día de los Muertos Festival received regional media coverage, including a feature on Good Day LA, along with coverage from additional local and regional media outlets.

In 2026, the SPPOA will continue contracting with a PR and Digital Marketing Consultant to implement strategically targeted marketing and advertising campaigns. These efforts will focus on promoting special events and drive increased foot traffic throughout the district. The primary goals for 2026 are to attract new visitors from outside San Pedro while continuing to raise awareness among local residents

of the diverse offerings in Downtown San Pedro and the LA Waterfront.

Special Events and Visitor Attraction

May and October 2025 marked the return of the annual LA Fleet Week and Día de los Muertos events, both of which were overwhelmingly successful. The 15th Annual Día de los Muertos Festival drew an estimated 20,000 attendees to Downtown San Pedro—the largest crowd in the event’s history—and expanded to its largest footprint to date. Feedback from community members, business owners, and attendees was overwhelmingly positive. The SPPOA plans to build on this momentum in 2026. Due to budget constraints, event funding in 2026 will require increased sponsorship support to offset production and operational costs. Not to mention the 2026 World Cup in which Los Angeles is hosting several games and San Pedro has been designated (2) fan zones. We will market these zones to attract consumers to our district and waterfront.

Seasonal Markets and Ongoing Activations

Beginning in 2023, the SPPOA launched seasonal holiday markets along 7th Street to drive additional foot traffic to local merchants. These events continued to perform strongly in 2025, demonstrating their effectiveness as an economic activation tool. In 2026, the SPPOA plans to host both Spring and Holiday Markets on 7th Street. These events will complement the long-standing monthly First Thursday activation, which remains a key component of the district’s ongoing community engagement and visitor attraction strategy.

Administration/District Management : \$299,233.00 (21.33%)

Included in the Administration/District Management are the costs for internal staffing, overhead, accounting, legal, bank charges, annual report and Directors and Officers and General Liability insurance and other office and operation expenses. Administration/District Management also includes City fees and County collection fees, allowance for delinquent assessment payments and other variable expenses related to each program element.

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The San Pedro Property Owners’ Alliance (SPPOA) will continue its Administration and District Management initiatives in 2026. In 2025, the SPPOA engaged a consulting team to initiate the PBID renewal process, which will continue through 2026 and is expected to be completed by 2028. This consulting team has resulted in a budget increase for this category to cover their fees for 2026. In the fourth quarter of 2025, the SPPOA experienced a budget shortfall due to inflation, unrecovered unpaid property assessments and the decision not to implement the allowable annual 3% assessment increase in prior years. As a result of rising service costs and inflation, the SPPOA secured a short-term loan from a property owner to address the deficit. The organization is actively working with the County to recover outstanding assessments.

To ensure fiscal responsibility, the 2026 budget has been reduced across all categories to generate funds for loan repayment. Staff will continue to operate efficiently while managing services and advancing key projects throughout 2026.

Total Estimate of Cost for 2026

A breakdown of the total estimated 2026 budget is attached to this report as **Appendix A**

Method and Basis of Levying the Assessment

The Method and Basis for levying the 2026 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 building square footage and lot square footage. The management plan allows for a maximum annual CPI increase of 3%. The Board voted for a 0% CPI increase for 2026.

2026 assessment rates:

Commercial Zoned Parcels

Zone 1

Parcel: 0.1267
Building: 0.1838

Zone 2
Parcel: 0.0633
Building: 0.0919

Zone 3
Parcel: 0.0102
Building: 0.0000

Residential Zoned Parcels (R4 or higher)

Zone 1
Parcel: 0.1267
Building: 0.0919

Zone 2
Parcel: 0.0633
Building: 0.0460

Zone 3
Parcel: 0.0000
Building: 0.0000

Surplus Revenues: \$0.00

There are no surplus revenues that will be carried over to 2026.

Anticipated Deficit Revenues

There are no deficit revenues that will be carried over to 2026.

Contribution from Sources other than assessments: \$13,947.11

General Benefit

APPENDIX A - TOTAL ESTIMATED REVENUES/EXPENDITURES FOR THE San Pedro Historic Waterfront 2018-2027 - FY 2026

2026 Estimated Revenues	Zone 1	Zone 2	Zone 3	Total	
2026 Assessments	\$1,403,039.86	\$0.00	\$0.00	\$1,403,039.86	
Estimated Carryover from 2025	\$0.00	\$0.00	\$0.00	\$0.00	
Other Income	\$0.00	\$0.00	\$0.00	\$0.00	
Total Estimated Revenues	\$1,403,039.86	\$0.00	\$0.00	\$1,403,039.86	
2026 Estimated Expenditures	Zone 1	Zone 2	Zone 3	Total	PCT %
Visitor, Ambassador & Security	\$467,600.00	\$0.00	\$0.00	\$467,600.00	33.33%
Sanitation, Beautification & Capital Improvement	\$394,225.00	\$0.00	\$0.00	\$394,225.00	28.10%
Marketing & Special Events	\$241,981.86	\$0.00	\$0.00	\$241,981.86	17.25%
Administration/District Management	\$299,233.00	\$0.00	\$0.00	\$299,233.00	21.33%
Total Estimated Expenditures	\$1,403,039.86	\$0.00	\$0.00	\$1,403,039.86	100.00%