



# Administrative Report

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L.1., File # 24-1720

Meeting Date: 11/5/2024

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**To: MAYOR AND CITY COUNCIL**

**From: GREG KAPOVICH, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR**

## **TITLE**

PUBLIC HEARING TO CONSIDER THE CALENDAR YEAR 2024 ANNUAL REPORT OF THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT, RE-APPOINTMENT OF THE RIVIERA VILLAGE ASSOCIATION AS THE DISTRICT'S ADVISORY BOARD AND LEVYING OF AN ASSESSMENT FOR THE DISTRICT FOR CALENDAR YEAR 2025

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2411-105, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPOINTING AN ADVISORY BOARD IN CONNECTION WITH THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT AND DIRECTING THE PREPARATION OF A REPORT FOR CALENDAR YEAR 2025

ADOPT BY TITLE ONLY, RESOLUTION NO. CC-2411-106, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, APPROVING THE REPORT OF THE ADVISORY BOARD FOR 2024-2025 IN CONNECTION WITH THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT

ADOPT BY TITLE ONLY, ORDINANCE NO. 3284-24, AN ORDINANCE OF THE CITY OF REDONDO BEACH, CALIFORNIA, AMENDING REDONDO BEACH ORDINANCE NO. 2922-03 TO INCREASE THE ASSESSMENT AMOUNT LEVIED AGAINST BUSINESSES WITHIN THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT

APPROVE AN AGREEMENT WITH THE RIVIERA VILLAGE ASSOCIATION FOR SERVICE AS THE RIVIERA VILLAGE BUSINESS IMPROVEMENT DISTRICT'S ADVISORY BOARD

## **EXECUTIVE SUMMARY**

The Riviera Village Business Improvement District (RVBID) was established by the City Council in 2003. In accordance with State law pertaining to business improvement districts, each year City Council must appoint an advisory board to manage RVBID funds and implement improvements and programs. Historically, the City Council has appointed the Riviera Village Association to manage the RVBID. The advisory board is required to deliver an annual report that identifies improvements and activities proposed by the RVBID for the upcoming calendar year (2025) and highlights the accomplishments for the current Calendar Year (2024).

The BID Advisory Board recommends an increase to the fee assessment for Calendar Year 2025. The proposed increase represents the first increase to the fee assessment levied on participating

businesses since 2005 and is intended to address increased operating expenses associated with inflationary pressures. The increased assessment is expected to raise annual revenue from \$79,000 in 2024 to an estimated \$106,000 in 2025.

Staff recommends the City Council approve a resolution to re-appoint the Riviera Village Association as the District's Advisory Board and an agreement to manage the District's activities and annual reporting, a second resolution approving the RVBID's 2024-25 report, along with an ordinance to increase the fee assessment rate.

### **BACKGROUND**

The RVBID was established by the City Council in 2003, pursuant to the California Parking and Business Improvement Area Law of 1989 to promote the economic revitalization and physical maintenance of the Riviera Village Business District. The City Council formed an Advisory Board for the BID to advise the City Council on the method and basis for the levy of assessments within the BID and the expenditure of revenues derived from those assessments.

In accordance with State law pertaining to business improvement districts, the RVBID Advisory Board prepared its annual report, which is attached. The report is to be received and filed by the City Council and be maintained on file with the City Clerk. The Report identifies improvements, activities, and associated costs proposed within the RVBID for Calendar Year 2025 (January 1, 2025 - December 31, 2025) and includes highlights and accomplishments to date for Calendar Year 2024. The Advisory Board recommends the method and basis for levying assessments be increased for Calendar Year 2025. The proposed assessments within the BID have remained unchanged since 2005, despite significant increases in inflation and increased costs associated with managing the parklet program in response to the COVID-19 pandemic.

The proposed assessment would be implemented as follows: Each business license holder would pay a base fee of \$125 plus a fee of \$34 per employee per year for a maximum assessment of \$1,400. This is an increase from the existing rate which includes a base fee of \$100 plus a fee of \$29 per employee for a maximum assessment of \$1,000 per year. Those licensees who are property owners, and are assessed on a per unit basis, would pay BID fees of \$125 plus \$34 per rental unit per year for a maximum assessment of \$1,400. This is an increase from the existing rate which includes a base fee of \$100 plus a fee of \$29 per rental unit for a maximum assessment of \$1,000 per year. As examples, a licensee with 10 employees would pay a total annual assessment of \$465, and a licensee with no employees would pay a total annual assessment of \$125. A licensed property owner with four rental units would pay an annual assessment of \$261. The assessment increase is expected to raise annual revenue from \$79,000 to an estimated \$106,000 in 2025.

Pursuant to State law, notice for the Public Hearing was given to all interested parties. The Public Notice for this Public Hearing and the Resolution of Intention was published in The Easy Reader on October 24, 2024. The Resolution of Intention was also mailed to each business in the BID area during the week of September 18, 2024.

### **ANNUAL REPORT**

As noted above, the Report is required to list the accomplishments of the BID for the current Calendar Year 2024 and upcoming projects for Calendar Year 2025.

### Parklet Program

The parklet program continued to be managed successfully by the Riviera Village Association in 2024. Though parklet utilization has waned in the cooler months, restaurants opt to remain in the program to take advantage of its summer and fall popularity. The recent parklet refurbishment provided a cohesive clean look to the Village landscape.

### Beautification Funds

At the July 2024 Riviera Village Association Board meeting, a \$30,000 allocation was approved for beautification project(s). Projects under consideration would replace more tree wells with planter boxes, as was done in 2023, and could also include installing public art project painting areas of asphalt such as intersections, crosswalks, and protected corners. The BID continues to work with a landscaping company to maintain/replenish sidewalk pots and planter boxes along Catalina Ave, Avenue I, Avenida del Norte, and Elena to enhance the look of Riviera Village. Board members removed hanging pots and metalwork from lamp posts deemed irreparable and unattractive due to corrosive coastal weather conditions.

### Joint Projects with the City

The BID Board continues to coordinate with City staff on a number of projects. Funds for the permanent paver program have been allocated. There are plans to add permanent pavers to Avenida Del Norte in early 2025. Another proposed 2025 joint project is the placement of a Riviera Village touch screen directory on Esplanade at Avenue I, for which the RVA has already allocated the funds and is working with the City on environmental impacts. The RVBID Board has approved replacing the current directory kiosk at 1799 S Catalina with a touch screen directory that features an engaging video function. An ongoing item is installing permanent retractable bollards in key areas of the Riviera Village for ease of street closures and pedestrian safety during community events. The BID Board is also seeking the guidance of an RVA member with expertise in grant writing to seek out grants to potentially finance bollards and other non-essential, but desired projects.

### Marketing/Promotional Funds

Marketing funds were allocated to advertise and produce a professional video promoting Riviera Village as a shopping, dining, and relaxation destination as well as a reminder to shop at local brick and mortar retailers. The video shows several business owners inviting the viewer to, "Meet me in the Village." In May 2024, Riviera Village marketing reached out to Terranea Resort about developing a strategic partnership. The following month, the two collaborated on a joint giveaway valued at \$2,700, which yielded a spike in social media followers, several thousand entries, and approximately 1,200 new email contacts. The promotion went so well, that a second giveaway is being developed. Future collaborations include Terranea's involvement in the Halloween Trick or Treat, Holiday Stroll, having Riviera Village featured in Terranea's in-room entertainment, and potentially, resurrecting a shuttle service between the two locations.

The current digital advertising plan is based on maintaining a steady increase of social media followers, raising overall awareness, informing the community of Village-wide events/business events. The Riviera Village is aiming to reach the 15,000 followers' milestone on Instagram by the end of 2024. Since 2017, the RVA's marketing has been managed by a paid local professional whose responsibilities include social media, email marketing, website content management, project management, and content creation. In 2024, paid advertisements have promoted the farmer's market, retailers, restaurants, services, and large-scale community events.

INSTAGRAM FOLLOWERS 13,700 | + 34% YTD

FACEBOOK FOLLOWERS 9,800 | +9% YTD

Video "Reels" views have increased by 25% with 330,643 views to date.

#### Halloween Trick or Treat & Holiday Stroll

Both the 2023 Riviera Village Halloween Trick or Treat and Holiday Stroll had increased attendance from the previous year. The 2024 Riviera Village Halloween Trick or Treat took place on October 31, 2024. The Riviera Village Association expects an equally enthusiastic turnout this year. The community enjoys walking the village in costume with their family and collecting treats in a safe environment closed to motor vehicles. Event producer, Start to Finish Events, organized attractions including interactive photo opportunities with classic holiday characters, inflatables for kids, a DJ, up-lit palm trees, and snowflakes projected on the asphalt. Santa and the Grinch made a grand entrance in a vintage fire truck led by members of the Redondo Union High School marching band. The dynamic event was attended by thousands. The RVBID is seeking sponsorship of several attractions to offset costs that have traditionally been funded internally. Start to Finish Events is working with a professional to secure partners.

#### Riviera Village Summer Festival

The Riviera Village Summer Festival returned the last week of June 2024 and followed a similar program to year's past. The event was attended by local media which produced a live segment from the event. The BID is working with a new producer, VR Events, and vendor booths for the festival sold out, turning a profit of \$77,796, which is an increase from the \$55,359 secured in 2023.

#### Merchant Mixers

RVA Merchant Mixers are held twice per year in April and November at a Riviera Village restaurant. The mixers provide an environment to unwind, meet fellow business owners, talk with BID Board members, RBPD, City Council Members, and, for some, discover a new restaurant.

#### Certified Farmers Market

The BID continues to support the Certified Farmers Market located in the Triangle Parking Lot on Sundays. Hours have been adjusted to 9:00 AM- 2:00 PM to 8:30 AM-1:30 PM to more closely align with consumer shopping habits. Market attendance has been growing at a gradual pace, and positive feedback has been received from families regarding the Kids Zone. The Kids Zone was conceived by vendor Yummmm Bar in cooperation with the market, providing a space for parents and kids to craft and play. Social media advertisements have featured the market since early 2022, and the manager of the Farmers Market has excelled in curating a high caliber and diverse vendor selection, focusing on organic farmers and a high-quality shopping experience. The market continues to be a source of income for the BID.

#### Administrative Funds

A coordinator was hired in 2022 who helps with the ongoing operations of the RVBID. The coordinator's responsibilities include drafting board meeting agendas, inviting outside guests to board meetings, notifying board members of meetings, assisting the board secretary with meeting minutes, organizing the annual report, and other projects as needed. Board members serve in their volunteer positions managing specific village tasks and projects, including the farmers market, plant maintenance, lamp post banners/holiday decor, insurance, and events.

### Insurance Policies

The RVA has secured the following insurance coverage as required by the City of Redondo Beach:

- General Liability Insurance
- Officers and Directors Liability Insurance
- Certificate of Insurance for Events (Outside Dining Parklets & Sidewalk Sale during COVID-19)

### Projects/Goals Anticipated For Calendar Year 2025

In 2025, the RVBID will continue advancing key initiatives, including the ongoing retractable bollards project in Riviera Village. This project aims to develop a comprehensive plan to identify funding opportunities, secure grants, and install bollards using a phased approach. This includes coordinating with the City of Redondo Beach and the Coastal Commission on recently proposed plans to widen sidewalks on South Catalina Avenue, shift the design of parking from angled to parallel, and create bike lanes. The RVBID continues to focus on the City's Sidewalk Pavers Capital Improvement Project (CIP), as each segment that gets completed adds to the ambiance of the Riviera Village. Another goal in 2025 is the beautification on Avenida del Norte, as well as improving safety and adding a unique feature to the village with a Roundabout at Catalina Ave & Avenue I. This project will improve traffic flow while separating pedestrians from vehicle traffic inside the roundabout. The RVBID also continues to vet possible solutions to the short-term and long-term parking challenges in the Village.

### COORDINATION

The RVBID renewal is coordinated by the Waterfront and Economic Development Department with assistance from the City Manager's Office, City Attorney's Office, and the Financial Services Department. The Financial Services Department assists with the annual BID assessment, receipt of payments, and processing of all BID assessments and payments.

### FISCAL IMPACT

RVBID assessments are restricted for use exclusively by the RVBID and must be reported to the City Council annually. The RVBID encourages activity and retail growth, potentially resulting in additional sales tax revenue for the City. RVBID funds are often directed towards projects that improve City right-of-way areas and, as a result, offset potential City expenses.

### **APPROVED BY:**

*Mike Witzansky, City Manager*

### ATTACHMENTS

- Reso - Appointing Riviera Village Association as the Advisory Board and Directing Preparation of a 2025 Report
- Reso - Approving the 2024 Riviera Village Business District Annual Report
- Agreement Riviera Village Association 2025
- Riviera Village Association Annual Report, 2024-2025
- Ord - Text Amendment to Ordinance No. 2922-03 to increase the Fee Assessment
- Ord - Ordinance No. 2922-03 Establishing the Riviera Village Business Improvement District and Levying an Assessment, December 2, 2023

- Public Hearing Notice - The Easy Reader, October 24, 2024
- RVA BID Public Hearing Presentation, November 5, 2024