



# Information Item

**Date: July 5, 2012**

To: Mayor and City Council

From: Andy Agle, Director of Housing and Economic Development

Subject: Santa Monica Business Districts and the Local Economy Study Session Update

## **Introduction**

On [November 1, 2011](#), the City Council conducted a Study Session on key issues facing local businesses and the local economy. Representatives from Downtown Santa Monica, Inc. (DTSM), Main Street Business Improvement Association (MSBIA), Pico Improvement Organization (PIO) and the Montana Avenue Merchants Association (MAMA) business improvement districts (BIDs), along with the Santa Monica Chamber of Commerce (Chamber) provided input to Council on efforts the City could support to help local businesses and its business partners. This Information Item provides an update on actions and progress since that meeting.

## **Discussion**

At the [November 1, 2011](#) Council meeting, staff was directed to follow-up on the top five issues presented by the BIDs and the Chamber and to provide additional information on any associated costs. An interdepartmental team was formed to monitor progress on City efforts to support the BIDs, address the issues raised at the Study Session and identify opportunities for funding, staff assistance and support. In addition, a BIDs Leader committee was formed and meets bimonthly at the Chamber's office. It includes representatives from each of the four BIDs, the Chamber, and the City's Economic Development team. Below is a summary of the BID requests. The complete updated chart of BID requests is included as Attachment A.

The short-term accomplishments can be summarized as follows:

1. District Walk-Throughs: The BIDs requested a walk-through of their districts with City staff. The first round has been completed. The Pico District walk-through on February 16, 2012 focused on landscaping, public art, signage and the gateway “pocket park.” Staff is working with the PIO to submit an encroachment permit application to CALTRANS to adopt the gateway site at 3327 Pico Blvd. The Montana Avenue walk-through on March 13 focused on maintenance and repair issues and streetscape improvements. Staff worked closely with the BID on the street repaving and sidewalk repair program that was recently completed. The Main Street walk-through on March 27 highlighted new businesses and focused on pedestrian safety and parking issues. As follow up, three new bike corral parking areas were installed on Main Street in places that do not displace a vehicle parking space. Meanwhile, DTSM is working closely with staff to identify priorities and solutions through the Downtown Specific Plan and has made progress in leveraging parking inventory (See Item 4 below). The BIDs intend to have these walk-throughs with City staff at least twice a year.
2. Ombudsperson: Staff created and distributed a City of Santa Monica Business Resource Contact List for local businesses, the Chamber and BIDs. The list identifies key contacts in each City department. The BIDs are distributing the list to their members. In addition, EDD provides staff support to each BID’s Board of Directors. The Santa Monica Alliance partnership between the City and Chamber also has identified ombudspersons in each department. This information is promoted on the SM Alliance website ([www.SantaMonicaAlliance.com](http://www.SantaMonicaAlliance.com)).
3. Streamlining the Permitting Process: City staff hosted a business outreach workshop on April 19, 2012 titled “Doing Business in Santa Monica” in partnership with the Santa Monica Small Business Development Center. The

goal of this workshop was to inform prospective and existing business operators about the City's permitting process. This workshop was attended by approximately 50 current and future Santa Monica business owners. Staff is considering offering this workshop again in the autumn. City staff is also working to fine tune the E-Plans submittal process based on case studies and feedback from applicants, while further enhancing business support through the recent appointment of a Building & Safety Division envoy to local businesses. In addition, a new and improved "Opening a Business" flowchart was uploaded on the [City's website](#) and was published in the 2012 Chamber Business Directory. The City has also enlisted the support of the SM Alliance Growth Committee to help monitor progress and develop case studies to build awareness.

4. Parking: On May 14, 2012, Santa Monica began a process to expand the use of parking meter sensors, in conjunction with new credit card and phone-enabled parking meters that have been installed citywide. Real-time parking maps are also now available online. Collectively these tools provide significantly improved parking management service as well as customer service enhancements. Parking staff has attended BID meetings to talk about these enhancements and to gather feedback on proposed parking rate adjustments. The citywide bike installation project is also underway, with new bike racks being installed in every district, resulting in an increased range of access options for shoppers in each district and relief to traffic and on-street parking congestion. In Downtown, staff is working closely with DTSM and private property owners to leverage private inventory for public use on weekends and evenings. Planning staff have been investigating shared parking opportunities in Montana Avenue district and continue to monitor the Pico employee permit parking program.

Following are some medium to long-term goals that the BIDs and staff identified that have budgetary implications:

1. Capital Improvement: Capital Improvement Program (CIP) proposals were prepared for Montana Avenue Streetscape Project, Pico Gateway Improvements, Over-the-Street Banners and Main Street parking structure for the FY 2012/13 and 2013/14 budget cycle. The CIP requests ranged from \$75,000 to \$125,000 with the anticipation of the BIDs providing some level of match-funding for the projects within their areas. Given the extremely limited CIP budget and the loss of Redevelopment funds, these projects did not make the list of prioritized projects that were presented to Council on [June 12, 2012](#). Economic Development (EDD) staff will continue to advise the BIDs on other funding and any future CIP opportunities.
  
2. Public/Private Partnerships: Staff is working with the BIDs to help identify additional funding sources and opportunities to leverage public/private investment in each district. Planning staff have secured grant funding for the Downtown SM way-finding program and citywide bike rack installation program. EDD staff secured a grant from the Buy Local SM program to fund demonstration storefront improvements in each district, matching local artists with local businesses. The City's annual repair and infrastructure budget has funded the Montana Avenue street repaving and sidewalk repairs that were completed this year. Public Works and OSE staffs are advising on incremental streetscape/landscape improvements in the districts, including possible grant funds. The possibility of parklettes was also raised at the Study Session. This would require additional staff investigation. Long Beach and San Francisco have launched successful pilot programs with the cost of each parklette averaging \$25,000.
  
3. Additional budget needs identified: In 2011, the BIDs requested that Council consider providing additional grant funding support to assist with the cost of producing community events. Funding for BID-sponsored community events is not included in any departmental operating budget. Council discretionary funds

have helped provide funding support for a number of community events (see below for further discussion). The Buy Local Santa Monica program also has provided support to the BIDs this past year by providing the opportunity for each BID to receive a marketing grant (up to \$1,500 in FY2011-12) and a local artist storefront improvement grant (of \$1,000 with match-funding to be provided by the BID and merchant/property owner). In 2010, the City contributed funds to create the Passport to Santa Monica. This marketing material is used by the Chamber, the BIDs and City staff to support business recruitment and retention activities in Santa Monica. For FY 2012-13 there is a desire for the City to allocate additional funding (e.g. \$5,000-10,000) to assist with the creation of updated passports, welcome to Santa Monica packs and other marketing materials. Chamber partners have match-funded Alliance marketing materials previously and would be likely to do so in the future.

Lastly, some issues have been identified as policy issues where Council may choose to direct staff to investigate further:

1. Co-Produced Events: Given that BIDs are established by City Ordinance, the BIDs requested that BID-produced events be defined as ‘City-produced.’ This classification would result in reduced or waived City permitting and associated event fees, but this request has legal, financial, and staffing implications. The City’s [Administrative Instruction for Events](#) defines City-produced or Co-produced events as “developed and implemented in its entirety by a City department or departments. The City department(s) must have sole responsibility for the event from inception to completion, including concept development, creative direction, funding and fund development, marketing and media relations, and staffing and support services to directly implement the event.” Therefore, City staff would need to be directly involved in all aspects of planning and developing the event, together with a non-city entity. To help address the financial concerns by the

BIDs, at its [May 26, 2011](#) meeting, Council approved allocating \$2,500 in City Council contingency funds to the Pico, Montana and Main Street BIDs for a total of \$7,500 in support of BID-produced events. This Council Discretionary Fund program has been deemed successful since each BID used the funds to offset the increase in City permit fees or other expenditures associated with their community events this past year. To further support the BIDs and its community events, at its [June 12, 2012](#) meeting, Council approved another allocation of Council contingency funds to the smaller BIDs. For FY 2012-13, this amount will be \$3,750 each for a total amount of \$11,250. The Buy Local Santa Monica program has also supported the BIDs and their events by offering marketing grants to help raise awareness of local businesses and the buy local message. In the meantime, staff has streamlined the Temporary Use Permit (TUP) process to offer reduced “umbrella” fee for multiple, annual BID-produced events (e.g. one TUP application to cover Montana Avenue’s three sidewalk sales events taking place during the fiscal year). Staff will continue to work with the BIDs to identify other potential streamlined efficiencies and cost savings.

2. Street Feedings: At the [November 1, 2011](#) Council BID Study Session, DTSM expressed concern about outdoor meal providers serving food to homeless people in the downtown area public spaces. Outdoor meal providers assert that they have a right to conduct feedings in public spaces and expressed the concern that moving their activities indoors might limit access to food for some homeless persons. While City staff continues to monitor the conditions and impacts of these activities, this requires active involvement of the Los Angeles County Department of Public Health.
3. Pedestrian Safety: The BIDs expressed concern for pedestrian safety in each of their Districts and advocated for a reduction in vehicular speed (e.g. from 30 mph to 20-25 mph), and improved pedestrian crosswalks. The City’s Transportation Engineering staff has conducted speed surveys and has reviewed the requests

for traffic signals at unsignaled crosswalks. To date, staff review of the findings has not warranted the installation of additional traffic signals at this time. The Santa Monica Police Department Traffic Enforcement Unit is making efforts to improve pedestrian safety through targeted monthly enforcement. These efforts include stopping and ticketing vehicles that fail to yield to pedestrians in crosswalks, motorists who drive while texting or talking on a cellphone, bicyclists who fail to follow the rules of the road, jaywalkers, etc.

### **Next Steps**

The BIDs have expressed a desire to have annual Council “Santa Monica Business District and Local Economy” Study Sessions with the next one occurring in February 2013 so that any proposals with budget impacts may be considered prior to the City budget process. City staff, representatives from the four BIDs and the Chamber will continue to meet regularly as a means to monitor issues, share best practices and find solutions to common problems impacting local businesses. Additionally, city staff will continue to help the BIDs coordinate district walk-throughs twice a year to help address particular concerns in each district.

**Prepared By:** Erika Cavicante, Senior Development Analyst

Attachments:

- A. Top Issues Facing Santa Monica BIDs Chart

## Top Issues Facing Santa Monica BIDS

Item	BID	Task	Timeframe	Budget	Overseeing Department(s)	Staff Feedback	Next Steps
1	Shared Concern	Identify ombudsperson in City Hall to support business community's needs	Completed	N/A	HED	<a href="#">Click here</a>	City of Santa Monica Business Resource/Contact list has been created + distributed to each BID + Chamber for their members. List also posted on the EDD website. The EDD team will continue to provide a City ombudsperson to each BID.
2	Shared Concern	Broaden the definition of City Co-Produced Events to include community event produced by the Chamber & BIDs	Mid term	Policy Issue with potential budget ramifications	CCS, CAO and HED	<a href="#">Click here</a>	Given that BIDs are established by City Ordinance, they have requested that BID events be included as City-produced events. Staff has investigated feasibility of broadening the definition which has budget and staffing implications. Expanding number of City-sponsored events to include BID events unlikely given other staff responsibilities. Efforts to streamline permit process + reduce fees are being reviewed by staff.
3	Shared Concern	Quarterly district walk-throughs with City Hall liaisons	Underway	N/A	HED	<a href="#">Click here</a>	EDD is coordinating with each BID board to schedule biannual district walk-throughs. Pico Blvd. first walk through was 2/17 (pocket park, landscaping, signage). MT Ave was 2/28 (streets, sidewalk repairs). Main St was 3/27 (pedestrian safety, parking + transport issues). The intent is to have these walkabout biannually, as needed.
4	Shared Concern	Streamline processes and improve predictability within Building & Safety, Planning and Code Enforcement for new businesses and remodels	Underway	Funding for some outreach materials and PR asst (case studies, checklist, etc)--e.g. \$10,000 initial in FY 2012/13 for PR, graphic design & printing support	PCD	<a href="#">Click here</a>	Opening a Business in SM flowchart created + uploaded to City website + included in 2012 Chamber Business Directory. The SM Alliance will continue to monitor the City's planning and permitting processes and provide feedback to City staff with input from the BID leaders. Progress underway includes: E-Plans, the appointment of Gustav Bohm, Building + Safety envoy to SM businesses and creation of a Code Compliance Division. Code Compliance Manager Joe Trujillo is in process of reaching out to each BID leader to schedule a time to meet. City staff conducted a "Doing Business in SM" workshop on 4/19 in partnership with the Small Business Development Center.
5	Shared Concern	Implement a shuttle to synchronize with the Expo Light Rail train and other existing transit	Long term	To be considered with future BBB service changes	BBB	<a href="#">Click here</a>	Future project. BBB will coordinate planning efforts with other City departments (PCD, HED) over the next 3-4 years to ensure timely, efficient and coordinated transit connections will exist to serve the Expo Light Rail stations. Community outreach will be conducted to solicit input prior to holding public hearings seeking Council approval.
6	Downtown SM	Infrastructure improvements/ Addressing aging infrastructure.	Long term	CIP budget request for FY2014/15	Public Works	<a href="#">Click here</a>	Improvements pending the recommendation of the DTSM study and completion of the Downtown Specific Plan. Any budget requests must go through the CIP process, with the next opportunity in FY14.
7	Downtown SM	City project maintenance budget	Underway	Existing budget (Maintenance Agreement)	HED + Public Works		City's Maintenance of Efforts being sustained. Promenade Maintenance is within the Public Works Maintenance Agreement with DTSM, approved by Council. Future funding needs can also be addressed through the FY14 CIP budget process.
8	Downtown SM	Circulation and way-finding	Mid term	Existing project budgets to be reviewed to see how current funding can be leveraged to support improvements	PCD	<a href="#">Click here</a>	The Metro Grant-Funded Real-Time Travel and Parking System Project has started (Metro grant to PCD in CY 2012) and will include wayfinding components. Real-time Beach Parking project will construct six new dynamic message boards at key entrance points to the City. DTSM Specific Plan and D. Suisman recommendations in progress to advise on overall wayfinding actions. Potential to leverage existing CIP projects.

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9	Downtown SM	Mobile vending trucks	Underway	none required	CMO, HED	<a href="#">Click here</a>	City contacted legislative representatives to amend Vehicle Code to provide cities greater authority to regulate on-street mobile vending. The Southern California Mobile Food Vendors Association (SoCalMFVA) is in discussion with the City to hear more about our specific concerns and to offer suggestions on how to achieve our goals under current state statute.
10	Downtown SM	Street feedings	Mid term	N/A	PD + CCS	<a href="#">Click here</a>	Food providers often serve from more than one 8' table, from open trays; LA County Department of Public Health support may be needed.
11	Pico Blvd	Zoning regulations to stimulate active frontage	Underway	none required	PCD	<a href="#">Click here</a>	City of SM Zoning administrator Jory Phillips attended the PIO General Meeting on 2/1 to discuss the zoning ordinance update process and discuss this issue with the BID. On-going outreach to community stakeholders about preparation of revised Zoning Ordinance is underway and will include working with each BID.
12	Pico Blvd	Ombudsperson to help open new businesses (see shared concern #1)	Underway	none required	EDD	<a href="#">Click here</a>	See Shared Concerns #1 reponse. Staff to help advise PIO on creation of a "Welcome to Pico Blvd" pack. Staff has provided to MAMA "Welcome" pack information based on MSBIA's Welcome Pack. New businesses were invited to the "Opening a Business in SM" workshop on 4/19.
13	Pico Blvd	Parking: update meters to accept credit cards	Completed	none required	Finance	<a href="#">Click here</a>	Completed
14	Pico Blvd	Traffic light at 31st/Pico	Mid term		PCD	<a href="#">Click here</a>	Flashing pedestrian crossing signs installed. Per Transportation Division, traffic light is not warranted at this location. PIO is not satisfied and feels strongly that a pedestrian activated street light is needed. On May 16th SMPD officers were in the area from 9am to 10:30am and wrote 16 tickets to motorists who failed to stop for pedestrians at this crosswalk.
15	Pico Blvd	Deregulate sign restrictions	Mid term	none required	PCD	<a href="#">Click here</a>	PCD to distribute additional info to BIDs on new sign opportunities, including a Guide to Signage flyer.
16	Pico Blvd	1) Help PIO realize its goals for developing the Pico Art District	Underway	Buy Local Grant funds available (FY12/13). Recommendation: CIP budget request for pocket park submitted for FY's12-14.	EDD + CCS		Staff working with PIO to realize Pico Art District goals, including assisting with annual Pico Art Walk festival. Buy Local Shop + Art Grant demonstration project underway. Staff supporting PIO on application to CALTRANS for signage/ public art/ landscape proposal. Staff reviewing cost estimates for "parkettes" in the various districts, including Pico.
17	Main Street	Employee parking program	Underway		PCD	<a href="#">Click here</a>	On Council July 10, 2012 agenda; employee parking at the beach lots for \$27/month and to keep the beach lots open past sunset.
18	Main Street	New and improved crosswalks.	Mid term		PCD	<a href="#">Click here</a>	SEE BELOW FOR DETAIL:
18.a		1) Improve existing crosswalks at Strand, Hollister and Kinney	Mid term		PCD		Transportation Mgt has determined that these intersections do not warrant traffic signals. BIDs maintain that pedestrian-activated traffic signals at the cross walks will improve safety for pedestrians and are needed.

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18.b		2) Install new mid-block crosswalk between Ashland + Hill	Mid term		PCD		MSBIA has requested that staff pursue this request once employee parking program is implemented, as implementation will mean a loss of on-street parking bays.
19	Main Street	Transportation fee adjustment (to reward alternative transportation)	Underway		PCD	<a href="#">Click here</a>	In progress as part of Transportation Management Ordinance update and TMA feasibility study.
20	Main Street	City pursuit of contract change in Lot 11	Short term		HED, Finance	<a href="#">Click here</a>	City staff has reviewed lease agreement and signage and staff is in communication with owner.
21	Main Street	Zoning change north of OPB to allow 2 restaurants per block	Completed	N/A	PCD	<a href="#">Click here</a>	Complete; first reading of Ordinance to amend zoning occurred at the February 14, 2012, Council meeting.
22	Montana Avenue	Parking availability for employees + customers	Mid to long term		PCD, Finance	<a href="#">Click here</a>	See following responses on specific suggestions
22.a	<i>Parking suggestions submitted by MTMA</i>	1) Build a multi-level parking structure	Long term		PCD, HED		MTMA, with assistance from EDD staff, can search for potential sites. A property-based assessment district might be required to finance land acquisition construction, similar to the DTSM Parking Assessment District.
22.b		2) Enable multi-use parking spaces (off-hours parking available to businesses open while others are closed)	Mid term		PCD	<a href="#">See response above</a>	This project to be raised with the new TDM Program Manager.
22.c		3) Enforce parking plan on buildings with more units than available parking spaces.	Mid term		PCD		City Code Enforcement staff are available to investigate specific concerns related to approved use of off-street parking on private property.
22.d		4) Reduce # of vehicles by shuttling employees/ customers/ tenants from other city-owned lots	Long term		BBB, PCD		BBB service currently serves all commercial districts in Santa Monica and connects them with regional transit resources. This suggestion will be evaluated as part of an overall Transportation Demand Management (TDM) strategy as well as any study for future shuttle services and/or transit enhancements.
22.e		5) Reduce restrictions--Grant employers Zone 5 parking permits for employees	Mid term		PCD		On-going issue in BIDs: residential permit parking zones vs. employee parking.
23	Montana Avenue	Infrastructure repairs and beautification	Mid term	Recommendation: CIP budget request submitted for FY12-14.	Public Works, PCD + HED	<a href="#">Click here</a>	Work with MTMA to prioritize list of priority improvements. Seek CIP funding for streetscape plan + implementation. Work with BID to identify grant opportunities and leveraging MTMA match funding.
23.a		1) Upgrade streetlamps--replace bulbs with white light. Retrofit to add pedestrian lights.	Mid term		Public Works		PW/Facilities Management in progress

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23.b		2) Repair sidewalks. Power wash regularly.	Mid term		Public Works		City has identified some locations on Montana for sidewalk repairs, commercial district of Montana Ave. between 7th & 17th Streets re-paved mid-May 2012. The BIDs have been encouraged to work together to negotiate a contract for power washing in each of their areas, using collective purchasing power. DTSM is leading this effort for the BID/ Chamber partnership. RRR to assist with process.
23.c		3) Repaint the curbs and street markings.	Short term		Public Works		Completed when the City re-paved the street between 7th and 17th Streets mid-May 2012.
23.d		4) Landscaping. Trim trees regularly, add sidewalk plantings.	Mid term		OSE, Public Works		OSE provided landscaping parkway guidance for plant material + irrigation requirements. Urban Forester to advise on tree trimming schedule + plantings under the street trees on MT. Landscaping would form part of overall MT Ave Streetscape Plan and would require a significant budget (from City or MTMA and/or their shops/ property owners). Staff have also reviewed potential of MSR V funding for this area, however, the Montana Avenue stormdrain outlet has historically met storm water quality requirements.
24	Montana Avenue	Street safety (Pedestrian Safety)	Mid term		PCD	<a href="#">Click here</a>	City's Traffic Engineer evaluating.
24.a		1) 25 MPH speed limit between 6th + 26th Street posted with larger speed limit signs.	Mid term				The City will be initiating new speed surveys in 2012 in order to comply with State regulations regarding the establishment of speed limits on local roadways, and Montana Avenue will be included in the speed survey.
24.b		2) Install 4-corner "pedestrian crossing" signage at all un signaled crosswalks. Restripe existing crosswalks to improve visibility.	Short term				The City will be paving Montana Avenue between 7th and 17th Streets sometime between April and June 2012. Re-stripping will occur as part of the re-paving project.
24.c		3) Install 4-way fully automated signals(and/or diagonal crossing phase) at 11th, 14th and 17th Streets. Keep all four directions RED until vehicle triggers green.	Mid term				Not fully vetted, requires staff review.
25	Montana Avenue	Mobile vending trucks	Mid term		CMO, HED	<a href="#">Click here</a>	See reponse to DTSM Issue #4
26	Montana Avenue	Absentee ownership	Short term	Buy Local Grant funds secured for 2011/13. Future grant funding opportunity (City and BID)?	HED	<a href="#">Click here</a>	In March 2012, the Buy Local SM Committee launched a pilot shop improvement demo project on MT Avenue (matching a Buy Local MT business with a local artist). This could lead to future affordable facade projects to be undertaken by local property owners and businesses. A Chamber/ BID meeting on this topic suggested ways in which each BID could connect with the property owners in the district. Potential for BIDs to utilize vacant storefronts for "pop-ups" or public art or signage.