



THIRD  
STREET  
PROMENADE

DOWNTOWN SANTA MONICA, INC.

# Annual Report 2019-2020



## A Letter from the CEO



Fiscal Year 2019/2020 began with so much promise as a diverse coalition of Downtown Santa Monica champions united around a monumental vision of reimagining and reinvesting in our beloved Third Street Promenade, the ever beating heart of our seaside community.

So much passion and focus were directed towards Promenade 3.0, a comprehensive community process to breathe new life into the Promenade via a major capital improvement program, a robust series of outdoor events and activities, expanded public safety efforts, streamlined permitting, and a more flexible zoning code. It was truly inspiring to join with residents, business owners, property owners, City staff and elected officials around a single goal to create a downtown we could all enjoy for decades to come.

## A LETTER FROM THE CEO

Then the world as we knew it was turned upside down when we experienced an incomprehensible global pandemic. The coronavirus confined us in our homes and altered the way we live, work, communicate and take care of one another. In places like ours, designed for people to socialize and conduct business, the virus shook us to our core and created an uncertain future. Would it ever be safe to be the gathering place for our community again? It closed our businesses, effectively stopped social interaction and programming, put many aspects of Promenade 3.0 on hold, and dramatically restructured City departments and functions that once provided necessary resources and services for our district.

As caretakers of our downtown, Downtown Santa Monica, Inc. (DTSM) staff immediately pivoted from expanding programming and amenities in the public realm and on private property, to severely limiting it and assisting our stakeholders as they navigated closures and life under quarantine.

From "Safer at Home" to "Safer At Work and In Our Community," the phased reopening of businesses and public spaces, DTSM has been the hub of vital information and support for our merchants, providing daily email communication and one-on-one guidance and advice. We championed swift enactment of emergency ordinances allowing our businesses to efficiently operate curbside pick up and delivery programs and to reopen indoor and outdoor operations safely. Our friendly ambassadors, who once spent their shifts greeting patrons, providing directions and snapping photos, bravely became the keepers of our downtown streets and sidewalks, ensuring they remained clean and safe while most people worked from home and then began slowly to return.

What this pandemic has reinforced is our belief that a vibrant downtown is predicated on the bonds we have with one another — that we are in every way stronger together. From the restaurant owner doing everything in her power to keep both our neighbors and her employees fed, to the weary healthcare worker putting himself at risk to heal our loved ones, to the hopeful property owner who has been a lifeline for their tenants helping them to stay afloat, each of us has a role to play in creating a resilient, compassionate, connected and welcoming downtown to support our community.

The people who live and work here every day are our greatest resource, and we must do everything in our capacity to see them through these harrowing days.

The following report provides greater detail into the work this organization performed during FY19/20 in each of our core function areas. In this review you will detect a stark theme, "Promenade 3.0 to COVID-19." Though it was not the year we were all hoping for, this report still serves as a source of pride, inspiration and reflection and helps us dedicate ourselves anew to our mission to serve the residents, property owners, merchants and those who visit us every year, no matter what the circumstance.

Thank you,



SPECIAL THANK YOU TO OUR SPONSOR

# Witkoff



## ABOUT WITKOFF

WITKOFF is a vertically integrated real estate firm that brings inventive thinking to a traditional industry. In so doing, we play whatever role will make each project most successful. More than a collection of buildings, we are a multi-faceted business in it for the long run, with over 30 years of being a trusted partner to prove it. We do not settle for the standard. We have an eye for original ideas and unique partnerships. This has led us to hold a diverse portfolio that includes hotels, residential properties, commercial buildings, and operating businesses, as well as land for future development.

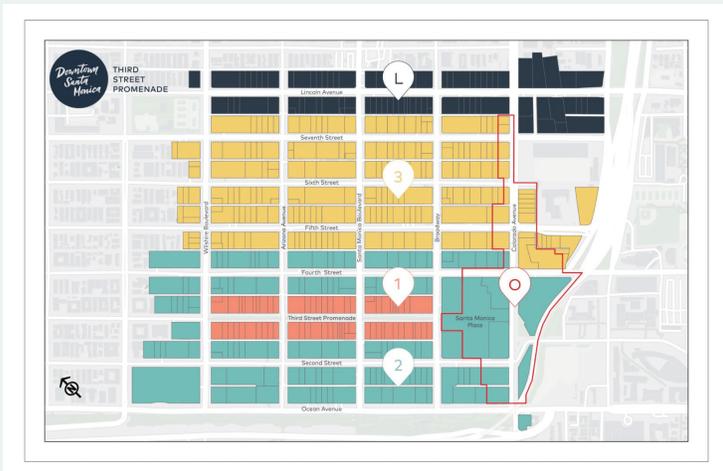
For more information, please visit [witkoff.com](http://witkoff.com).

MISSION STATEMENT

The mission of DTSM is to work with the City of Santa Monica to promote economic stability, growth and community life within Downtown Santa Monica through responsible planning, development, management and coordination of programs, projects and services designed to benefit the community as a whole, which includes downtown businesses, property owners, residents and visitors.

## Downtown Benefit Zones

Downtown property owners are assessed annually based on the zone in which their property is located.



The map illustrates the five benefit zones and their respective total assessments.

ZONES	6/30/2020 (FY19/20)	6/30/2019 (FY18/19)
Zone 1	\$1,004,204	\$967,350
Zone 2	\$2,680,063	\$2,589,433
Zone 3	\$1,007,905	\$946,680
Zone L	\$483,228	\$469,321
Zone O	\$377,058	\$365,152

## Financial Overview

Following is a summary of DTSM's FY19/20 financial statements for all programs and operations.

STATEMENT OF ACTIVITIES	6/30/2020 (FY19/20)	6/30/2019 (FY18/19)
Property Assessments	\$5,641,726	\$5,112,923
Business Assessments	\$1,807,776	\$1,778,634
Enterprise Programs	\$2,496,318	\$2,174,059
<b>Total Revenues</b>	<b>\$9,945,820</b>	<b>\$9,065,616</b>

STATEMENT OF ACTIVITIES	6/30/2020 (FY19/20)	6/30/2019 (FY18/19)
Organizational Management	\$754,815	\$745,326
Economic Development	\$400,376	\$384,348
Marketing, Communication & Events	\$2,165,249	\$2,573,691
Planning, Design & Infrastructure	\$557,181	\$357,208
Policy & Advocacy	\$333,959	\$340,706
Public Space Management	\$5,637,151	\$4,834,960
<b>Total Expenses</b>	<b>\$9,848,730</b>	<b>\$9,236,241</b>

STATEMENT OF FINANCIAL POSITION	6/30/2020 (FY19/20)	6/30/2019 (FY18/19)
Cash/Cash Equivalents	\$4,274,099	\$1,879,782
Accounts Receivable	\$765,009	\$2,269,894
Other Assets	\$201,472	\$249,989
<b>Total Assets</b>	<b>\$5,240,580</b>	<b>\$4,399,665</b>
Liabilities	\$2,059,719	\$1,063,877
Total Net Assets	\$3,180,861	\$3,170,762
<b>Total Liabilities &amp; Net Assets</b>	<b>\$5,240,580</b>	<b>\$4,399,665</b>

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### ABOUT COMMERCIAL BANK OF CALIFORNIA

Commercial Bank of California (CBC) is committed to providing a 'second to none' banking experience for our clients, whether they utilize our advanced technology offerings, avail themselves of the proactive, responsive service provided by the outstanding CBC team, or any combination of these channels. CBC's unique combination of financial strength, advanced technology, and personal service is what is making us the bank of choice for businesses and professionals in Southern California. Recognized as a BauerFinancial, Inc. "Five Star Superior Bank" for its financial strength and stability, CBC provides the financial expertise of a major bank while maintaining a commitment to personalized service for every CBC client.

For more information, please visit [cbcal.com](http://cbcal.com).

## 2019-2020 By the Numbers

### Total Taxable Sales (2019)

A white dollar sign (\$) centered within a solid orange circle.

TOTAL TAXABLE SALES

**\$1.20 Billion**



**-1.5%**

CHANGE OVER 2018

\*SOURCE: City of SM

# Parking (FY 2019/2020)

## PARKING STRUCTURE AVG. DAILY PEAK OCCUPANCY



AVERAGE DAILY OCCUPANCY (PRE-COVID-19)

58%

AVERAGE DAILY OCCUPANCY (COVID-19)

10%

TOTAL PUBLIC FACILITY CAPACITY

6,195

\*SOURCE: City of SM, Parking Operations

## Third Street Promenade Pedestrians (2019Q3–2020Q1)



TOTAL PEDESTRIAN IMPRESSIONS  
-28% CHANGE OVER 2018/2019



PEDESTRIAN IMPRESSIONS ON HIGHEST DAY (LA MARATHON 03/08/20)



PEDESTRIAN IMPRESSIONS ON AVERAGE WEEKEND (PRE-COVID-19)



PEDESTRIAN IMPRESSIONS ON AVERAGE WEEKDAY (PRE-COVID-19)



PEDESTRIAN IMPRESSIONS ON AVERAGE DAY (COVID-19)

\*SOURCE: DTSM, Springboard

# Downtown Resident Profile (2020)



Median Household Income projected to increase 35% over the next 5 years. The US median is projected to increase only 14% over the same period.

## SEX



**51.7%**  
MALE



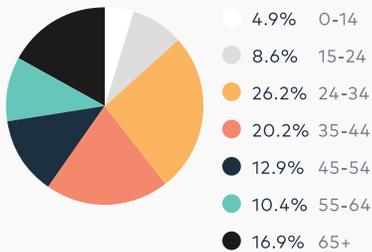
**48.3%**  
FEMALE

## MEDIAN AGE

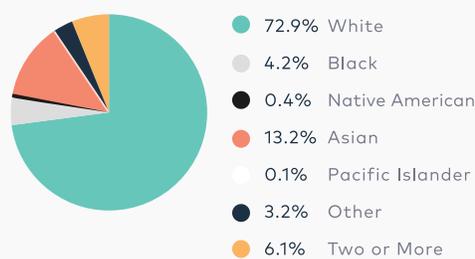


**39.5**

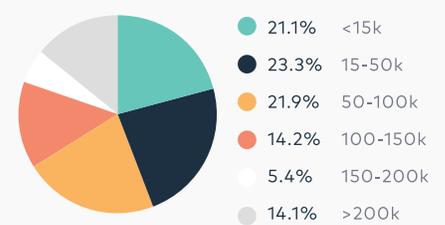
## AGE DISTRIBUTION



## RACE DISTRIBUTION



## INCOME DISTRIBUTION



# Workforce Profile (2019)

## TOP INDUSTRY SEGMENTS



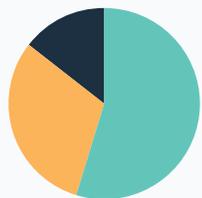
\* Professional, Scientific, Technical and Information Services



\*SOURCE: City of SM

# Visitor Profile (2018)

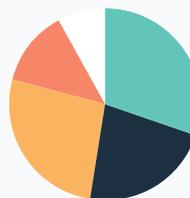
## VISITORS ORIGIN



- 54.8% International
- 14.3% CA, Outside LA
- 30.9% US, Outside LA

31.6% California	3.3% Nevada
5.4% New York	3.2% Oregon
4.5% Arizona	3.1% Wisconsin
4.0% Florida	2.9% Massachusetts
3.6% Colorado	34.9% Other
3.5% Texas	

## VISITORS AGE



- 30.4% 18-29
- 22.4% 30-39
- 26.5% 40-49
- 13% 50-59
- 7.8% 60+

## VISITORS ORIGIN, INTERNATIONAL



- 13.8% Western Europe
- 13.0% Asia
- 12.3% Mexico/Central America
- 11.2% Australia/New Zealand
- 8.5% Utd. Kingdom/Ireland
- 41.3% Other

## VISITORS INCOME



- 13.5% <30k
- 11.5% 30-50k
- 12.4% 50-75k
- 17.6% 75-100k
- 16.8% 100-150k
- 11.5% 150-200k
- 16.6% >200k

\*SOURCE: SMTT

## Multi-family Residential Real Estate (FY 2019/2020)



**3,223**  
HOUSING UNITS



**7.7%**  
VACANT



**\$2,976**  
AVERAGE 1-BR RENT



**696**  
NEW UNITS UNDER  
CONSTRUCTION



**561**  
NEW UNITS APPROVED



**1,513**  
NEW UNITS PROPOSED

\*SOURCE: COSTAR

## Hospitality (FY 2019/2020)



**1,400**  
TOTAL NUMBER OF  
ROOMS



**66%** **-23%**  
AVERAGE  
OCCUPANCY  
RATE AVERAGE  
OCCUPANCY  
RATE YoY



**90.6%**  
OCCUPANCY HIGH



**10.5%**  
OCCUPANCY LOW  
(APRIL 2020)



**\$279** **-17%**  
AVERAGE  
NIGHTLY  
ROOM RATE AVERAGE  
NIGHTLY ROOM  
RATE YoY



**\$382**  
AVERAGE HIGH  
NIGHTLY ROOM RATE  
(JULY 2019)



**\$138**  
AVERAGE LOW NIGHTLY  
ROOM RATE (APRIL 2020)

\*SOURCE: STR GLOBAL

## Commercial Real Estate (FY 2019/2020)

OFFICE



**\$68.28**

(+9.2% vs. 2018/2019)

AVERAGE GROSS RENT PER  
SQ. FT. PER YEAR

RETAIL



**\$88.48**

(-4.4% vs. 2018/2019)

AVERAGE NNN RENT PER SQ.  
FT. PER YEAR



**89.9%**

(-3.9% vs. 2018/2019)

AVERAGE OCCUPANCY



**92.6%**

(-1.4% vs. 2018/2019)

AVERAGE OCCUPANCY

\*SOURCE: COSTAR

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American  
Commercial  
Equities

#### ABOUT AMERICAN COMMERCIAL EQUITIES

Based in Malibu, CA, American Commercial Equities is a private real estate company specializing in the acquisition and management of premier retail property in prime locations and prestigious markets. Founded in 2005 by B. Wayne Hughes, Jr., we have rapidly become known for the high quality of our portfolio, which consists of more than 54 retail and mixed-use properties in California and Hawaii.

For more information, please visit [americancommercialequities.com](http://americancommercialequities.com)

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#### ABOUT FEDERAL REALTY

Founded in 1962, we are one of the oldest US REITs. We focus on the ownership, operation and development of high-quality retail properties — from grocery-anchored shopping centers to large-scale mixed-use neighborhoods. The flexible nature of our portfolio lends itself to continual evolution through remerchandising and reinvestment that positions our assets for the future. Our developments are backed by 20-plus years of proven experience creating live, work, and play destinations.

For more information, please visit [federalrealty.com](http://federalrealty.com)



# Economic Development

Our vision for economic development is to maximize the vitality of downtown and promote community prosperity through a balanced, diverse, high-quality economic environment with a sustainable mix of businesses offering a full range of products and services.

Before COVID-19, retail was struggling to reinvent and resize itself globally and we saw this playing out in downtown, particularly on Third Street Promenade. While COVID-19 created an additional storm in this already turbulent climate, experts feel that in many cases the impacts of the virus accelerated existing trends. The major bankruptcies occurring through COVID-19 are predominantly by businesses that were already expected to go dark or reorganize in the next five years.

What we are seeing locally in leasing is that some businesses are looking for opportunities that will be created by the many vacancies brought on by the virus: newly favorable lease terms may be snapped up by tenants that remain viable. Many businesses will not survive the effects of the pandemic, but in their wake new opportunities will be created.

## STREETSENSE

In February, DTSM engaged retail consultant team Streetsense to conduct a preliminary analysis of business and environmental conditions on the Promenade and produce a report on challenges that may impede retailers or inhibit the leasing of vacant storefronts. The report includes recommendations to aid the Promenade in retaining its competitive advantages to remain a successful shopping destination into the future. While the report is not a definitive roadmap to the Promenade's future success, it does establish a point in time record of key issues. The unexpected and significant impacts of the COVID-19 pandemic and civil unrest have upended economic conditions, making some recommendations more urgent to address than ever, while others seem less relevant.

Feeling this sense of urgency, DTSM advocated to push several areas of need through the City's economic recovery efforts including the adoption of an Interim Zoning Ordinance by City Council that eases permitting and regulatory restrictions on establishments serving alcohol and supports creative reconfigurations of ground floor space. DTSM is also currently working with the City on amendments to the sign code that will offer businesses better visibility. Other issues are more complex and require further investigation and an allocation of resources by the City, DTSM, or both.

## INTERIM ZONING ORDINANCE PACKAGE

In June, Santa Monica City Council accepted DTSM's recommendations, developed through the Promenade 3.0 process, for an Interim Zoning Ordinance to streamline the permitting process and provide greater flexibility for dining and nightlife establishments. The changes include later hours of operation and standardized operating conditions for food establishments serving alcohol. The rules on loading zones have changed so that it is easier to use alley-fronting space for other uses. On the Promenade, there are no more restrictions on the number of tv screens, video and other amusement games, live entertainment and dancing, or converting restaurant space to retail. Light industries like breweries and roasteries are now expressly permitted on the ground floor.

To share more information about the updated zoning ordinance with current and prospective tenants, DTSM created a marketing presentation titled "The Vibe to Imbibe."

## NEW BUSINESS RECRUITMENT

DTSM continues to refresh [ChooseSantaMonica.com](https://www.choose santamonica.com) to track available space and promote downtown to prospective businesses. We are also working on ways to market the Interim Zoning Ordinance changes and key data points to attract new and exciting uses.

## COVID-19 ECONOMIC RECOVERY RESOURCES

At the onset of COVID-19, DTSM organized a major effort to reach downtown businesses most impacted by the Stay at Home order. This involved identifying, tracking, and making contact by phone, email, social media, and mail to businesses with the goal of having personal conversations with as many owners and managers as possible to offer support and determine what help was most needed.

Staff developed and shared resources to support businesses in navigating loan options, negotiating rent, understanding the emergency orders, and how to safely reopen. Staff also collaborated with the local Small Business Development Center to secure a dedicated adviser for Downtown Santa Monica businesses. Many downtown businesses have made use of this free, one-on-one financial counseling support.

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# SANTA MONICA *place*

## ABOUT SANTA MONICA PLACE

The award-winning, LEED® Gold-certified Santa Monica Place sits complementary to Third Street Promenade, the Pacific Ocean, and the iconic Santa Monica Pier. The luxury shopping center offers 70-plus premier shops and restaurants, plus a third-level open-air dining and entertainment venue featuring The Cayton Children's Museum, The Gourmandise School of Sweets & Savories, ArcLight Cinemas and more. Retail attractions include Nordstrom, Louis Vuitton, Rolex, Tesla, Hugo Boss, Tiffany & Co., and UNIQLO. Santa Monica Place is home to a growing set of engaging, digitally native brands: b8ta, Peloton, Indochino, Purple, and others.

For more information, please visit [santamonicaplace.com](https://santamonicaplace.com).



## Marketing, Communications and Events

Our vision for marketing is to protect and build upon downtown's reputation as an authentic, diverse, culturally significant and forward-thinking district; fostering its identity and brand through marketing, communication, partnerships and events.

DTSM's marketing team began the fiscal year with the goal of enhancing the visitor experience through community focused, inclusive, free events for the entire family.

Fun was on the menu, but that quickly changed.

Energy shifted significantly as the COVID-19 pandemic took hold. No longer able to host events, and seeing businesses struggle with stay at home orders and rapidly changing operating guidelines and protocols, staff put all efforts into communicating directly with health officials, City staff, businesses and property owners so that they could navigate these challenging times. DTSM launched a curbside pickup program, introduced new health and safety messaging in the public realm, beefed up social media postings to highlight open businesses, and created new online resources for visitors and merchants with COVID-related information.

## ACTIVATING PUBLIC SPACES

With retail vacancies increasing and consumer habits changing, it is more imperative than ever to provide guests with more to see and do. DTSM began the fiscal year by adding more activities and interactive elements to the public realm, specifically to Third Street Promenade, which included the street's first-ever children's play area in Center Court and a semi-permanent performance stage on the 1200 Block.

For nearly two months, the stage featured a different activity each night of the week including fitness classes, trivia, live music performances, karaoke, comedy and family crafts. DTSM observed each activity and collected feedback from participants to ascertain the types of programming patrons preferred so that we can better plan for future events.

## MARKETING, COMMUNICATIONS AND EVENTS

In addition to the Winterlit Holiday Market, Community Tree Lighting Celebration and enhanced decor, during the holiday season DTSM once again produced Ice at Santa Monica, turning a surface parking lot into a winter wonderland with ice skating for the community and beyond. DTSM partnered with local restaurants to offer food and beverages for sale, hosted holiday and birthday parties, and, with funding from title sponsor The Plaza at Santa Monica, offered guests a weekly live music series tailored to kids and their parents.

DTSM kicked off 2020 by partnering with KCRW-National Public Radio, Santa Monica College and the City of Santa Monica to bring StoryCorp to the Third Street Promenade. The popular oral history project returned after more than a decade's absence for a six-week run. A customized Airstream trailer with a recording booth was set up on the 1200 Block of the Promenade and residents and visitors were encouraged to record their personal stories and life experiences, selections of which were then shared via KCRW-National Public Radio.

To celebrate Leap Year, DTSM hosted our first silent disco birthday party complete with birthday cupcakes from Carlo's Bakery. Three separate DJ's hosted the silent disco dance party and hundreds of guests stopped to enjoy the festivities.

Also for the first time, the Promenade played host to the Los Angeles Marathon's post-race celebration, welcoming thousands of runners and their families to the 1200 and 1300 Blocks with a lounge, music and health and wellness vendors.

Wanting to continue recognizing the contributions of the LGBTQ+ community following last year's inaugural SaMo PRIDE celebration, DTSM in June installed rainbow-colored lights along the Promenade. A festival on the Promenade was planned, but with the inability to host events, lighting the street was seen as a good alternative, giving people an opportunity to celebrate PRIDE Month while social distancing. To promote the light display, and downtown's open-air environment and abundant public space for social distancing fun, we enlisted the help of three social media influencers who have a large following and advocate for the LGBTQ+ community. The campaign launched mid-June and garnered an impressive engagement rate of 4.3 percent and over 195K impressions.

### COVID-19 STAKEHOLDER COMMUNICATION

Recognizing the need to consolidate and elevate important and relevant COVID-19 information for businesses, DTSM engaged in a robust communication program that includes nearly daily emails to stakeholders with health and safety information, operational protocols and guidelines for businesses.

We also added new sections to the DowntownSM.com website that document DTSM's pledge to keep public spaces clean and safe, present health and safety guidelines and protocols for various business sectors, and identify new opportunities to serve customers, including enhanced outdoor dining, curbside pickup, and virtual programming that was shared daily on social media channels. Helpful consumer information was posted to DTSM's blog, SantaMonicaCentric.com, which also includes in-depth articles about issues impacting downtown and video profiles of business owners and community members who make Downtown Santa Monica the dynamic destination that it is.

### FIND YOUR PLACE UNDER THE SUN

To unify all of these efforts, the marketing team launched Find Your Space Under the Sun messaging that emphasizes Downtown Santa Monica's ample public space, fresh air dining, enhanced maintenance schedule and commitment to being a safe, clean and welcoming place for all. The campaign includes new signage on the Promenade, such as reminders to wear a clean facial covering and to maintain proper physical distancing, as well as a Welcome Back letter to visitors. The messaging has been incorporated into a regional advertising campaign to make sure Downtown Santa Monica remains top-of-mind for those searching for places to go and things to do safely and comfortably.

### PUBLIC RELATIONS

DTSM and its public relations team from The ACE Agency secured numerous broadcast segments on local news outlets that featured Ice at Santa Monica and the weekly live music series Ice Breakers sponsored by The Plaza at Santa Monica; the Community Holiday Tree Lighting Celebration; our Promenade activation partnership with StoryCorps., KCRW and Santa Monica College; as well as enhanced maintenance efforts; expanded dining and entertainment opportunities for businesses; and the Third Street Promenade pedestrian flow plan.

SANTA MONICA CENTRIC FEATURES

# Faces OF Downtown



## Marketing by the Numbers

FOLLOWERS

f 17,921

@ 8,085

t 13,306



### PUBLIC RELATIONS

IMPRESSION

10.4B

PRESS CLIPS

7,534



### FILMING

TOTAL FILMING IN DTSM

54



### EVENTS

TOTAL SPECIAL EVENTS HOSTED ON THIRD STREET PROMENADE

40



### ICE AT SANTA MONICA

TOTAL SKATERS

53,712

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# Douglas Emmett

## ABOUT DOUGLAS EMMETT

Douglas Emmett, Inc. is a fully integrated, self-administered and self-managed real estate investment trust (REIT), and one of the largest owners and operators of high-quality office and multifamily properties located in the premier coastal submarkets of Los Angeles and Honolulu. Headquartered in Santa Monica, Douglas Emmett focuses on owning and acquiring a substantial share of top-tier office properties and premier multifamily communities in neighborhoods with significant supply constraints, high-end executive housing and key lifestyle amenities.

For more information, please visit [douglasemmett.com](http://douglasemmett.com).

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#### ABOUT RELATED CALIFORNIA

For more than 30 years, Related California has undertaken a range of transformational developments across California from the redevelopment of obsolete public housing to best-in-class high rise residential and large scale mixed-use and mixed-income developments. Known for creating distinctive world-class urban spaces that blend seamlessly into the fabric of existing communities, in Santa Monica, Related developed Ocean Avenue South, the first major residential development located on Ocean Avenue in more than two decades, and an urban mix of luxury condominiums and affordable apartments combined with 20,000 square feet of retail and restaurants. Related is partnering with the Albertsons Companies to entitle a new mixed-use, mixed-income development with 300 residential units plus a major grocery store that will transform the corner of Lincoln and Broadway in Downtown Santa Monica.

For more information, please visit [relatedcalifornia.com](http://relatedcalifornia.com).



## Planning, Design and Infrastructure

Our vision for planning is to position downtown as an engaging, accessible, thoughtfully-crafted destination through strategic ongoing investments in placemaking, urban planning, capital improvements, beautification and development.

As we embarked upon FY19/20, we were full steam ahead on design and infrastructure projects intended to upgrade the visitor experience in Downtown Santa Monica. From the comprehensive Promenade 3.0 project to streetscape beautification on Lincoln Boulevard and upgraded pedestrian lighting for our key alley connections, the year ahead looked full of promise and renewal.

The COVID-19 pandemic forced us to divert our focus to the immediate needs of our stakeholders, developing creative ways to bring our businesses outdoors and to redirect our pedestrians in a manner that allows them to safely roam our streets.

It has also led us to pause, re-evaluate and reset our plans for the future. DTSM and the City of Santa Monica are currently considering the appropriate timeline for certain aspects of our planning projects, particularly those dealing with significant monetary investments in new infrastructure to determine our next steps forward.

### PROMENADE 3.0

DTSM continued to work with the City, property owners and community representatives to develop the plan for Promenade 3.0. In August 2019, DTSM renewed The

Experiment — a placemaking pilot activation designed to collect community feedback for capital and streetscape improvements — by adding an extra layer of amenities to the Promenade. Shade structures, colorful Adirondack seating, “lawn” games, planters, and play structures composed of recycled wooden boxes were all added to the Promenade. DTSM staff managed the daily deployment, arrangement, and sanitation of all amenities. Feedback was collected via online surveys and presented to the design team.

Streetscape renderings were developed along with refinements to the project scope and were presented in December to the Santa Monica City Council, which unanimously approved.

Unfortunately, plans to move forward on the capital improvements have been stalled due to COVID-19, but our efforts to make zoning changes that would significantly ease permitting and operating guidelines for district businesses progressed. In May, council approved an interim zoning ordinance based on the recommendations from the Promenade 3.0 Task Force. Those ordinances have been shared with prospective tenants via our economic development efforts.

### LINCOLN BEAUTIFICATION

Lincoln Boulevard is home to a variety of thriving businesses, from fitness studios and banks to wine bars and grocers, as well as new mixed-use housing developments, turning the former state highway into an exciting neighborhood with plenty of potential. However, the corridor lacks pedestrian-scaled infrastructure and enhancements that are typical of a street with its emerging uses. The existing street and sidewalk conditions vary in quality and character producing an unwelcoming and inconsistent streetscape.

The boulevard, which came under local control in 2012, is currently in the midst of a construction boom with five significant mixed-use projects underway and another five in the development pipeline. Current and anticipated development along Lincoln is expected to increase the activity of all user groups. The Downtown Community Plan, adopted in 2017, identified the need for thoughtful streetscape and sidewalk improvements along Lincoln, especially as these developments — and subsequent expanded sidewalks — come online.

DTSM staff worked with the Lincoln Steering Committee to scope out and budget for the development of a placemaking design package to reinvigorate the pedestrian experience. DTSM issued a request for proposal for design services in late January 2020. Candidate interviews and vendor selection have been delayed due to COVID-19, but we expect to move forward with planning in 2021.

### 4TH COURT ALLEY ENHANCEMENTS

The 1500 block of 4th Court between Broadway and Colorado is identified in the 2011 Bicycle Action Plan as a direct connection from the Downtown Expo Station and Colorado Esplanade cycle track to Broadway and the City’s network of bike lanes. Based on community and stakeholder outreach conducted in partnership with DTSM in Spring 2018, the City developed a guiding document with program recommendations and placemaking improvements to enhance

pedestrian scale lighting, provide additional safety and wayfinding signage and utilize public art to identify the alley as an active shared space for bikes, pedestrians and vehicles.

In an effort to efficiently expedite the project and to ensure the design aligns with downtown brand assets, the City approached DTSM to manage the planning and implementation process. DTSM negotiated a budget of \$110,000 in City funds for the upgrades and executed an agreement with the City staff. We look forward to resuming this project in 2021.

### A PHYSICALLY DISTANCED DOWNTOWN

TAs we headed into summer 2020 — normally our peak season — the pandemic showed no signs of slowing. Recognizing the immediate need to increase the capacity of local businesses, DTSM and City staff joined forces to implement programs and procedures for the temporary use of public and private space for business activity.

DTSM staff published a detailed plan for the safe use of the Promenade that included expanded outdoor dining patios with six-foot buffer zones, queuing and pedestrian flow guidelines and a signage program to identify these designated spaces and inform visitors of health and safety protocols.

Simultaneously, DTSM worked with City staff to create and implement guidelines for the shared use of sidewalk space and on-street metered parking spaces for parklets.

At the time of publication of this document, the COVID-19 pandemic continues to surge. Creating a way for businesses to utilize the public realm has offered a sliver of hope in an otherwise bleak environment. These programs will allow restaurants and other eligible businesses to operate safely and responsibly for the duration of the public health emergency.

### SMARTER SIGNAGE

Before the pandemic, DTSM began evaluating digital technology for outdoor wayfinding and signage options that would give us the ability to share and update in real time our business directory and map, event information, public service announcements and more.

DTSM is collaborating with IKE Smart City, an urban media company who developed an interactive kiosk that enables downtowns and cities to effectively communicate with their residents and visitors. The self-sustaining program is paid for by the sale of digital advertising space, built into the system.

The COVID-19 crisis has exacerbated our need to share vital and timely information with visitors, with recurring operating costs that are not sustainable. Feeling the urgency, DTSM successfully advocated for the need to operate this program in the downtown and recently worked with the City on ordinance modifications that will allow for this type of public-private investment in wayfinding infrastructure. We hope to begin installation of new kiosks on the Promenade and in our downtown public parking structures in the year ahead.

A photograph of the Fairmont Miramar Hotel & Bungalows, a large, light-colored building with a classic architectural style, surrounded by lush greenery and trees. The image is slightly dimmed to allow text to be overlaid.

SPECIAL THANK YOU TO OUR SPONSOR

*Fairmont*  
MIRAMAR HOTEL & BUNGALOWS  
SANTA MONICA

ABOUT FAIRMONT MIRAMAR HOTEL & BUNGALOWS

North of Santa Monica Pier and spanning across five acres, Fairmont Miramar Hotel & Bungalows is comprised of guest rooms, suites and 32 secluded bungalows outfitted in surf modern, beach chic decor, designed by LA-based interior designer Michael Berman. The property is home to FIG Restaurant, a seasonal California bistro serving a rotating menu of locally-sourced dishes, with ingredients straight from the farmers and purveyors of Southern California, as well as The Bungalow, a top day and nightlife destination in Los Angeles.

For more information, please visit [fairmont-miramar.com](http://fairmont-miramar.com)

An aerial photograph of The Plaza at Santa Monica, a modern multi-story building with a glass facade, surrounded by palm trees and greenery. The image is slightly dimmed to allow text to be overlaid.

SPECIAL THANK YOU TO OUR SPONSOR



The  
Plaza  
at  
Santa  
Monica

ABOUT THE PLAZA AT SANTA MONICA

The Plaza at Santa Monica will serve as a revenue stream for the City, generating hundreds of new jobs downtown. This exciting new hub of life aims to connect our community as we work, dine, garden, shop, enjoy the arts, take in the views, or simply relax over a picnic. With big and small-scale arts and entertainment programs, and fun, free daily activities near the restaurant, shopping, hotel, and office space, The Plaza expands to embrace even more.

For more information, please visit [theplazaatsantamonica.com](http://theplazaatsantamonica.com)



## Policy and Advocacy

Properly managing a downtown requires research, interpreting data and trends, and monitoring the state of the district to proactively identify issues and advocate for solutions that best serve the interests of the downtown community.

Before the pandemic our downtown was experiencing the impacts of online shopping on brick-and-mortar retail, increased competition from new private entertainment centers, and the public's need for a more modern social experience.

Our residents had less of a need for national retail outlets and more desire for active public spaces with unique and varied uses close to home and work. The three lanes of the Promenade 3.0 project were devised to address these impacts by creating an updated physical environment, changing the zoning code and overhauling the permit process to make it easier to do business in the district, and allowing more frequent and robust community events on Third Street Promenade. DTSM dedicated research efforts to learning more about what the community wanted from their downtown and how to best advocate to make these changes a reality.

When the pandemic hit we had to redirect our attention to the immediate needs of our businesses to ensure that they could survive the shutdown and slow reopening. We continue to track data to help us make program decisions and recommendations to the City and are starting to see positive results.

### LET THE DATA DECIDE

DTSM continues to grow our research and data program to better inform our policies and measure success. It is the means through which we understand who is downtown, how they move about, and what they value. By examining data produced by our programs, we are able to evaluate their impact, make improvements or eliminate those that are not cost effective.

During the Safer At Home emergency order, DTSM used data we collected through a curb-use survey to successfully advocate for allowing businesses to use on-street parking meters for curbside pickup and delivery. We are also closely tracking pedestrian impressions to gauge consumer behavior and to have a better sense of how many people feel comfortable using outdoor public space.

Much of our research is readily available on our websites [DowntownSM.com](http://DowntownSM.com), [ChooseSantaMonica.com](http://ChooseSantaMonica.com) and [DTSMAnnualReport.com](http://DTSMAnnualReport.com).

### SPURRING NEW HOUSING DEVELOPMENT

It's no secret that demand for retail space has been on the decline, impacting downtowns and shopping centers nationwide, including in Downtown Santa Monica. The COVID-19 pandemic has only served to diminish the market absorption of retail square footage as retailers and office tenants adapt to new realities about conducting business in-person and in close quarters.

To spare ourselves more retail vacancies, which can lead visitors to develop a negative perception of our downtown, and to develop housing in our district, DTSM has advocated for modifications to the Downtown Community Plan that would allow more flexibility to accommodate a wide array of uses in traditional housing projects. These changes include eliminating the 90,000 sq. ft cap on Development Review Permits for Tier 3 housing projects, revising the code definition of "housing project" to remove the requirement that nonresidential uses be sited only on the ground floor, and retention of an existing local standard that limits nonresidential uses to 25% of project square footage rather than adopting the state standard of 33%. These recommendations were implemented by the Santa Monica City Council in the late summer of 2020.

### MAINTAINING CITY SERVICES

The City of Santa Monica was hit particularly hard by the coronavirus pandemic and was forced to drastically cut their budget and staff. In Downtown Santa Monica, this impacted operation of the dinosaur fountains and landscaping on Third Street Promenade and lowered the frequency at which trash is collected from public bins in the district and neighboring parks. To maintain our high standards of cleanliness and beautification, DTSM stepped in to supplement operating expenses and personnel. While other water features were being turned off around the city,

DTSM took over the contract to turn on and maintain the dinosaur fountains on the Promenade and agreed to fund new plantings on a quarterly basis. Our downtown ambassadors have added trash bins to their list of items to monitor during their shifts and will empty full trash cans as needed.

## NAVIGATING THE PANDEMIC

The COVID-19 pandemic and resulting recovery effort are some of the greatest challenges DTSM has ever faced as an urban place management organization. We find ourselves taking on new and expanded roles to assist our businesses and property owners in this time of renewal, even while operating on reduced revenues. We are exploring different channels to connect with our residents and visitors, even as the traditional public gatherings ingrained in the DNA of our organization falter. We are facing countless difficult decisions, including pulling back on some of our broader initiatives and perhaps even our beloved traditions to focus on what matters most — exceptional execution of the services only DTSM can provide to help our community heal and prosper once more.

DTSM has focused our efforts on the following objectives to accelerate the district's recovery from the pandemic and resulting economic, social and operational challenges.

## Organizational Management

- 1.1 Exercise enhanced fiscal prudence, including reducing expenses, conservatively projecting revenues, conserving operating reserves, and presenting a balanced FY21 budget with no increased fiscal burden to district stakeholders.
- 1.2 Adjust service offerings to retain programs of value to the vitality of the district but financially infeasible for partner organizations.
- 1.3 Assess staffing levels and attempt to retain essential functions and service offerings of the organization and maximize impact on recovery efforts.

## Economic Development

- 2.1 Provide consultation and direct support to businesses in accessing available resources, including funding, programs and information.
- 2.2 Assist property owners in seeking tenants for vacancies predating the pandemic or caused by resulting business failures.
- 2.3 Implement programs to assist businesses operating at a reduced capacity due to phased market re-entry and social distancing.
- 2.4 Support housing construction and development on key sites as indicators of investment, retained value and renewed optimism.

## Marketing, Communication & Events

- 3.1 Prepare businesses, property owners, and other stakeholders for market re-entry and recovery through dissemination of timely information, templates, programs and promotional opportunities.
- 3.2 Amplify messaging about proactive efforts to protect our people, places and economic vitality.
- 3.3 Create virtual and physical programming to welcome residents, employees and visitors back to the district in appropriately sized groups and with necessary safety precautions.
- 3.4 Promote downtown and its business offerings through regional advertising and digital media campaigns.

## Planning, Design & Infrastructure

- 4.1 Reconfigure placemaking amenities and activations to support appropriate social distancing.
- 4.2 Adjust timelines for implementation of streetscape and pedestrian realm design plans to reflect fiscal and operational limitations.

## Policy & Advocacy

- 5.1 Partner with the City of Santa Monica and other community organizations to advocate for accelerated recovery and overall community prosperity, ensuring downtown's representation and participation in resulting initiatives.
- 5.2 Measure and analyze impacts to the overall vitality of the district, its stakeholders and the organization.

## Public Space Management & Operation

- 6.1 Restore service delivery levels for hospitality and maintenance ambassadors, maintaining appropriate protocols and personal protective equipment to safeguard our workforce.
- 6.2 Enhance sanitization of public touchpoints and expand public access to handwashing facilities and other sanitary supplies.
- 6.3 Collaborate with the City of Santa Monica and social service providers to address the vulnerability of individuals experiencing homelessness through service referrals and other program support.
- 6.4 Support public health and public safety initiatives by the City of Santa Monica and other regional partners to enhance the safety of the district.

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# HARDING LARMORE KUTCHER & KOZAL, LLP

ATTORNEYS AT LAW

## ABOUT HARDING LARMORE KUTCHER & KOZAL

Harding Larmore Kutcher & Kozal, LLP (HLKK) is a law firm representing applicants, property owners, business owners and investors in land use and real estate transactions. HLKK has been working in Santa Monica for over 30 years representing clients before the Santa Monica City Council, Planning Commission, Landmarks Commission, other City boards and commissions, and the California Coastal Commission. HLKK has also been involved in analyzing, monitoring, commenting on, and applying land use regulations. HLKK's attorneys take pride in being civically engaged in the community and have volunteered countless hours in support of our local schools and local non-profit organizations, including the Santa Monica Education Foundation, the Boys and Girls Club of Santa Monica, Santa Monica Conservancy, WISE and Healthy Aging, Step Up, Upward Bound House, Community Health Councils, Many Mansions, and the Santa Monica Rotary Club.

For more information, please visit [hlkklaw.com](http://hlkklaw.com).



## Public Space Management and Operations

Our goal of cultivating a vibrant, engaged community is achieved by serving as stewards for the quality and use of downtown's physical spaces with regard to cleaning, safety, hospitality, maintenance, parking and social outreach.

DTSM began the fiscal year with the expansion and enhancement of our public space management programs. Staff executed a contract with the City to deploy hospitality ambassadors at Reed Park seven days a week. Subsequently, the DTSM Command Center launched to better support our growing operations. We were managing more ground than ever before and doing it in an efficient and organized manner.

And then the pandemic reached Los Angeles County. With fewer visitors on the street and a spotlight on public health, DTSM redirected a majority of our resources to cleanliness and sanitation. Hospitality ambassadors swapped walking maps for latex gloves and bottles of spray cleaner. New custodial protocols were implemented to ensure that all high-touch surfaces were wiped

down even more frequently, from stair railings to "Push to Walk" crosswalk buttons. Furnishings and amenities were removed from the Promenade to streamline maintenance and sanitation efforts.

## EXPANDED HOSPITALITY SERVICES IN REED PARK

Ambassador services expanded into Reed Park in August 2019 for an initial six-month pilot period. The Reed Park program is similar to DTSM's other programs in Tongva and Palisades Parks; ambassadors staff restrooms full time, offer guidance and information to guests, and conduct social service outreach to those experiencing homelessness. In addition, the ambassadors run a small recreational equipment checkout

program offering amenities such as giant chess, basketballs, and frisbees for short-term rental (the rental program is currently not operating due to COVID-19). The six-month pilot was eventually extended through the remainder of the fiscal year and renewed for the upcoming year as well.

**UPGRADED MAINTENANCE EQUIPMENT**

DTSM welcomed a new addition to its vehicle fleet. The Tennant ATLV 4300, or more affectionately known as "The Elephant," is a ride-on litter vacuum that allows our maintenance staff to clean large swaths of public space — including hard to reach areas — in a fraction of the time.

**DOWNTOWN SANTA MONICA COMMAND CENTER**

The DTSM Command Center opened for operation in mid-August 2019. Dispatchers worked around-the-clock to answer multiple phone lines, log and track incidents using a new IMS (incident management software), route maintenance requests, and act as air traffic controllers for ambassador deployment throughout the district and parks. With additional meeting and storage space, the Command Center began serving as the full-time base of operations for the Quality of Life Team, which expanded from 2 full-time equivalents (FTE) to 4 FTE in FY20/21.

**CIVIL UNREST CLEAN UP**

As a wave of peaceful protests cascaded across the country in the wake of the death of George Floyd while in police custody, Santa Monica entered the limelight — both nationally and locally — as an epicenter of activism. Multiple marches took place throughout the day of May 31st as residents and visitors took to the streets to protest systemic, societal racism.

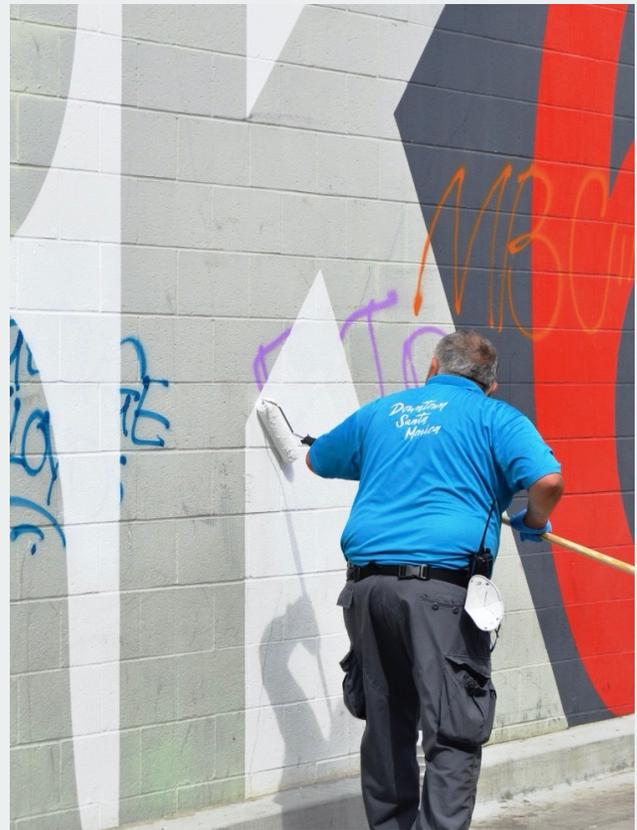
As day turned into night, peaceful protestors were overwhelmed by organized looters and vandals. Downtown Santa Monica became ground zero for property destruction, larceny, and arson that was seen citywide. Hardly any block in Downtown Santa Monica was spared.

As night turned into day, the extent of damage to our downtown became evident. But so did the strength of our community. Residents, visitors, and volunteers from across the region descended on Downtown Santa Monica to help clean up, many of them bringing their own cleaning supplies from home.

DTSM staff began the day with an early morning meeting with Public Works to coordinate our joint efforts across downtown. Staff divided up the downtown, walking every single block to assess the damage to public infrastructure and private property. Meanwhile, staff partnered with Public Works again to spearhead a graffiti-removal task force, procuring supplies and handing out graffiti-removal kits to groups of volunteers.

We'd like to take a moment to recognize and thank all of those who volunteered their time, supplies, and efforts to clean up our shared Downtown. We couldn't have done it without you.

Not all heroes wear capes:





## Marketing by the Numbers



### HOSPITALITY

**201,293**  
Total Hospitality Interactions

**432,162**  
Total Visitors to a Staffed Restroom

**1,627**  
Total Safety Escorts

**52,030**  
Total Public Space Violations



### MAINTENANCE

**196,527**  
Total Graffiti/Stickers/Debris Removed

**27,419**  
Total Spot Pressure Wash Requests

**2M+**  
Total Sf Pressure Washed



### QOL/COMMAND CENTER

**10,925**  
Total Incidents

**2,215**  
Total Calls For Service

**6,532**  
Total Social Service

## Organizational Management

To effectively manage critical partnerships with stakeholders and direct place-based initiatives, we maintain a strong and efficient organization with high standards of professional administration and customer service.

SPECIAL THANK YOU TO OUR SPONSOR



#### ABOUT BLOCK BY BLOCK

Block by Block is proud to be the team behind the teams. Since 2009 we've provided the management and support to the Downtown Santa Monica Hospitality and Maintenance Teams. Our company provides turnkey Ambassador Programs in more than 110 places across the country and approximately 30 within California alone. Our highly experienced management team provides the guidance and best practices for front line ambassadors every day, thereby allowing the Downtown Santa Monica, Inc. staff to focus on the bigger picture needs of serving the stakeholders of the downtown neighborhood.

For more information, please visit [blockbyblock.com](http://blockbyblock.com).

SPECIAL THANK YOU TO OUR SPONSOR



#### ABOUT STEAVEN JONES DEVELOPMENT COMPANY

Steaven Jones Development Company, Inc. was founded by Steaven in 1965. It develops and manages commercial properties in greater Los Angeles County, focusing on creative office and mixed use projects on the Westside of Los Angeles and in Santa Monica, in particular. It currently manages 22 buildings with over 250 tenants, and prides itself on maintaining excellent tenant relationships as evidenced by a 95% tenant retention rate.

For more information, please visit [sjdcinc.com](http://sjdcinc.com).



# Board of Directors

DTSM is governed by a 13-member volunteer board of directors. Six board members are elected by downtown property owners; six board members are appointed by the Santa Monica City Council; and one board seat is reserved for the City of Santa Monica's city manager or their designee.

## BOARD & COMMITTEE MEETINGS

All board and committee meetings of the DTSM Board of Directors are open to the public. Agendas are posted in advance at [DowntownSM.com](http://DowntownSM.com) and with the Santa Monica City Clerk. To join the distribution list for meeting notices, please email [info@downtownsm.com](mailto:info@downtownsm.com).

## BOARD & COMMITTEE MEETINGS



**Rob Rader**  
CHAIR, OVATION, LLC.



**Barry Snell**  
SECRETARY/TREASURER,  
ACCOUNTING FIRM OF  
BARRY A. SNELL



**Patricia Hoffman**  
VICE CHAIR, RESIDENT



**Julia Ladd**  
VICE CHAIR, MACERICH/  
SANTA MONICA PLACE



**Juan Matute**  
VICE CHAIR, UCLA



**Scott Schonfeld**  
VICE CHAIR, LINCOLN  
PROPERTIES/LINWOOD  
VENTURES



**Michele Aronson**  
MEMBER, DOUGLAS  
EMMETT



**Tara Barauskas**  
MEMBER, COMMUNITY  
CORP



**Rick Cole**  
MEMBER, CITY OF SANTA  
MONICA



**Bruria Finkel**  
MEMBER, RESIDENT



**Joshua Gilman**  
MEMBER, WALTER N.  
MARKS, INC



**Eric Sedman**  
MEMBER, 1228 THIRD  
STREET PROMENADE



**Johannes Van Tilburg**  
MEMBER, VAN TILBURG, BANVARD  
& SODERBERGH, AIA



## DTSM, Inc. Staff

DTSM staff is responsible for day-to-day oversight of the neighborhood and the organization's programs and operations.

### FY2019/2020 STAFF



**Kathleen Rawson**  
CHIEF EXECUTIVE OFFICER



**Steven Welliver**  
DEPUTY CHIEF EXECUTIVE



**Mackenzie Carter**  
DIRECTOR OF MARKETING  
& COMMUNICATION



**Nick Efron**  
DIRECTOR OF PUBLIC  
SPACE & OPERATIONS



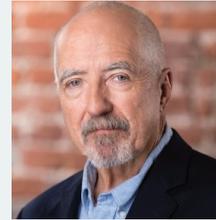
**Kevin Herrera**  
SR. MARKETING &  
COMMUNICATION  
MANAGER



**Ariana Gomez**  
PROGRAM &  
PARTNERSHIPS MANAGER



**Laura Borsecnik**  
SPECIAL EVENTS  
MANAGER



**Stephen Bradford**  
VENUE MANAGER



**Cole Judge**  
STRATEGIC PLANNING  
MANAGER



**Benjamin DeWitte**  
RESEARCH & DATA  
MANAGER



**Andrea Korb**  
ECONOMIC DEVELOPMENT  
MANAGER



**Demetrice Hall**  
FINANCE MANAGER



**John McGill**  
PUBLIC SPACE MANAGER



**Martin Ronzio-  
Garcia**  
OPERATIONS SUPERVISOR



**Amy Albuera**  
ADMINISTRATIVE  
ASSISTANT



**Linn Wile**  
ADMINISTRATIVE  
ASSISTANT