

# ATTACHMENT 1

## **WEST ADAMS PROPERTY & BUSINESS IMPROVEMENT DISTRICT ESTABLISHMENT**

# **ASSESSMENT ENGINEER’S REPORT**

*Being Renewed for a 10 Year Term Pursuant to  
California Streets and Highways Code Section 36600 et seq.  
Property & Business Improvement District Act of 1994, as amended*

*Prepared by  
Edward V. Henning  
California Registered Professional Engineer # 26549  
Edward Henning & Associates*

**APRIL 3, 2025  
REVISED FINAL**

## ASSESSMENT ENGINEER’S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed West Adams Property & Business Improvement District ("WAPBID") being renewed for a ten (10) year term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property. . **As required by State Law, I have personally prepared this entire Report and hereby attest to all of its contents.**

*Prepared by Edward V. Henning, California Registered Professional Engineer # 26549*



A handwritten signature in blue ink that reads "Edward V. Henning".

RPE #26549

April 3, 2025

Edward V. Henning

Date

*(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)*

### **Introduction**

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIIIID of the California Constitution to support the special benefit assessments to be levied on real properties within the WAPBID in the City of Los Angeles, California being renewed for a ten (10) year term. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits conferred on real properties within the proposed renewed WAPBID.

## **Background**

The WAPBID is a property-based benefit assessment district being renewed for a ten (10) year term pursuant to Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the special benefit nature of assessments to be levied within the WAPBID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments levied. Only those properties on which special benefits are expected to be conferred from assessment funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be conferred on each property.

### **Supplemental Article XIIID Section 4(b) California Constitution Proposition 218 Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the WAPBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIIID Section 4(b) of the California Constitution (hereinafter Article XIIID).

Since Article XIIID provisions will affect all subsequent calculations to be made in the final assessment formula for the WAPBID, each of these supplemental requirements will be taken into account and addressed in this Report. The key provisions of Article XIIID along with a description of how the WAPBID complies with each of these provisions are delineated herein.

(Note: All section references below pertain to Article XIIID of the California Constitution):

**Finding 1.** From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”.

**Setting**

The proposed renewed WAPBID boundaries incorporate a diverse mix of land uses along this portion of the historic West Adams Boulevard corridor. These parcels showcase an array of commercial retailers, service stores, mixed-use commercial/residential complexes, an LAUSD elementary school, a Catholic Church and other various religious owned and operated churches along the corridor. After decades of little if any new development interest, this portion of the West Adams corridor has been experiencing a renaissance of new development that now includes new mixed use, multi-floor market rate housing with upscale ground floor commercial spaces. New retail in the form of stores, restaurants and coffee shops are following the growth of high density residential along this portion of the West Adams corridor. Its proximity to both Downtown LA, Downtown Culver City and Downtown Santa Monica, makes it an ideal place in which to live and conduct business in Los Angeles. The Expo La Brea transit line is located just south of this historic yet emerging 21<sup>st</sup> century mixed-use community. The WAPBID is located at the exact mid-point of the Expo La Brea line between Downtown Los Angeles and Downtown Santa Monica, with 9 stops east to Downtown Los Angeles and 9 stops west to Downtown Santa Monica.

**General Boundary Description**

The proposed renewed WAPBID is located just south of Interstate 10 and southwest of Downtown Los Angeles. The WAPBID is an emerging mixed-use corridor encompassing approximately 22 blocks running one parcel deep along West Adams Boulevard between La Brea Avenue on the east and Hauser Boulevard on the west. (See attached map in Appendix 2). The WAPBID includes 77 parcels, all of which are assessed. There are 62 distinct parcel ownership names with an estimated 42 property owners.

**Benefit Zones**

There is one benefit zone within the proposed renewed WAPBID.

**WAPBID Boundary Rationale**

While the lengthy West Adams Boulevard commercial corridor generally stretches several miles from Crenshaw Boulevard on the east to Fairfax Avenue on the west, the selected boundaries of the WAPBID were ultimately chosen based on the unique marketing and service needs of this emerging and revitalized mixed-use segment of West Adams Boulevard. Creation of supplemental programs and services via a business improvement district are needed to support the investment and development growth of this portion of the West Adams Boulevard corridor.

**Northern Boundary**

The northern boundary of the WAPBID is defined by the commercial and mix-use parcels located along the north side of and directly fronting West Adams Boulevard between Hauser Boulevard on the west at APN 5043-001-026 and La Brea Boulevard on the east at APN 5049-009-035. The area north of the northern boundary to Interstate 10 consists of residentially zoned parcels with primarily single-family residential dwellings. This area is not included because, per State PBID Law, these residential zoned parcels are presumed not to benefit from the special benefits of the WAPBID due to their residential zoning and land use. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, “*Properties zoned solely for residential use, or that are zoned for*

*agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part.”*

The WAPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No WAPBID programs and services will be provided north of the northern WAPBID boundary.

#### **Eastern Boundary**

The eastern boundary of the WAPBID is the western property line of La Brea Boulevard and ends at parcel APN 5049-013-044 located at the southwest corner of West Adams and La Brea Boulevards and parcel APN 5049-009-035 located at the northeast corner of West Adams and La Brea Boulevards. The area to the east of the eastern WAPBID boundary at La Brea Boulevard, while generally commercial, is not experiencing the resurgence of investment and new development the same as the WAPBID and does not have the same marketing and service needs of the WAPBID segment and for these reasons is not included in the WAPBID boundaries.

The WAPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No WAPBID programs and services will be provided east of the eastern WAPBID boundary.

#### **Southern Boundary**

The southern boundary of the WAPBID is defined by the commercial, mix-use, school and church parcels located along the south side of and directly fronting West Adams Boulevard between Hauser Boulevard on the west at APN 5043-008-001 and La Brea Boulevard on the east at APN 5049-013-044. The area south of the southern boundary consists of residentially zoned parcels with primarily single-family residential dwellings. This area is not included because, per State PBID Law, these residential zoned parcels are presumed not to benefit from the special benefits of the WAPBID due to their residential zoning and land use. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, *“Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part.”*

The WAPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No WAPBID programs and services will be provided south of the southern WAPBID boundary.

#### **Western Boundary**

The western boundary of the WAPBID is the eastern property line of Hauser Boulevard and ends at parcel APN 5043-001-026 located at the northeast corner of West Adams and Hauser Boulevards and at parcel APN 5043-008-001 located at the southeast corner of West Adams and Hauser Boulevards. The area to the west of the western WAPBID boundary at Hauser Boulevard, while generally commercial, is not experiencing the same level of resurgence of investment and new development as the WAPBID and does not have the same marketing and service needs of the WAPBID and for these reasons is not included in the WAPBID boundaries.

The WAPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No WAPBID programs and services will be provided west of the western WAPBID boundary.

**Boundary Summary:**

A list of all parcels included in the proposed WAPBID is shown as Appendix 1, attached to this Report identified by their respective Los Angeles County assessor parcel number. The boundary of the proposed WAPBID is shown on the map of the proposed WAPBID in Appendix 2 of this Report.

All identified parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in the Management District Plan and this Report. All WAPBID funded services, programs and improvements provided within the above-described boundaries shall confer special benefit to identified assessed parcels inside the WAPBID boundaries and none will be provided outside of the WAPBID. Each assessed parcel within the WAPBID will proportionately specially benefit from the WAPBID funded Sidewalk Operations, District Identity and Administration, as described in more detail under “Work Plan”, beginning on page 11 of this Report. These services, programs and improvements are intended to improve commerce, employment, rents, livability, occupancy rates and investment viability of individually assessed parcels and businesses and residential units on them within the WAPBID. The WAPBID confers special benefits on each and every individually assessed parcel by reducing litter, debris and graffiti, all considered detractions if not contained and properly managed. All WAPBID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the WAPBID.

The WAPBID includes 77 parcels of which are all identified as assessable. There are 62 distinct parcel ownership names with an estimated 42 property owners. A list of all parcels included in the proposed renewed WAPBID is shown as Appendix 1, attached to this Report with their respective Los Angeles County assessor parcel number. The boundary of the proposed WAPBID and parcels within it are shown on the map of the WAPBID attached as Appendix 2 to this Report.

**Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “**

**QUANTITATIVE BENEFIT ANALYSIS**

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by Article XIID means a distinct benefit over and above general benefits conferred on real property located in the district.

The property uses within the boundaries of the WAPBID that will receive special benefits from WAPBID funded programs and services are currently a unique mix of retail, office, grocery, restaurant,

auto services, ecumenical, schools and mixed-use housing developments. No parcels within the WAPBID are zoned solely residential. Services, programs and improvements provided and funded by the WAPBID (i.e. Sidewalk Operations, District Identity and Administration) are designed to provide special benefits to identified assessed parcels and the array of land uses within the boundaries of the WAPBID as described in the Work Plan Details starting on page 11 of this Report.

The proposed WAPBID programs, improvements and services and Year 1 – 2026 budget allocations are shown in the Table below:

**Year 1 – 2026 WAPBID Special Benefit Budget (Assessment Revenue Only) \***

<b>Sidewalk Operations</b>	<b>District Identity</b>	<b>Administration</b>	<b>TOTAL</b>
\$173,944	\$29,437	\$64,226	\$267,607
65%	11%	24%	100%

\* These numbers are rounded to the closest whole dollar amount

Proportionate special benefits will be conferred on all assessed parcels within the WAPBID from WAPBID funded programs, services and improvements which are intended to attract more clients, users, visitors, employees, tenants and investors. For these parcels, WAPBID programs, services and improvements are designed to increase business volumes, sales transactions, commercial and residential occupancies and rental income. As a result of the WAPBID funded programs services and improvement, assessed parcels may attract more commercial clients, employees, business and residential tenants and investors and thereby may increase and enhance business volumes, sales transactions, commercial/residential occupancies, livability and rental incomes.

These benefits are particular and distinct to each and every identified and assessed parcel within the WAPBID and are not provided to non-assessed parcels outside of the WAPBID. These programs, services and improvements will only be provided to each individual assessed parcel within the WAPBID boundaries and, in turn, confer proportionate "special benefits" on each assessed parcel.

In the case of the WAPBID, the very nature of the purpose of this PBID is to fund supplemental programs, services and improvements to assessed parcels within the WAPBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Los Angeles does not provide these programs and services. All benefits derived from the assessments to be levied on assessed parcels within the WAPBID are for services, programs and improvements directly and specially benefiting each individual assessed parcel within the WAPBID. No WAPBID funded services, activities or programs will be provided outside of the WAPBID boundaries.

While every attempt is made to provide WAPBID services and programs to confer special benefits only to those identified assessed parcels within the WAPBID, Article XIID stipulates that general benefits exist, either by design or unintentional, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the WAPBID, or “spillover” onto parcels surrounding the WAPBID, or to the public at large who might be passing

through the WAPBID with no intention of transacting business within the WAPBID or interest in the WAPBID itself.

Assessment engineering experience throughout California has found that general benefits within a given business improvement district tend to range from 2-6% of the total costs. There are three methods that have been used by this Assessment Engineer for determining general and special benefit values within assessment districts:

- (1) The parcel-by-parcel allocation method
- (2) The program/activity line-item allocation method, and
- (3) The composite district overlay determinant method.

A majority of PBIDs in California for which this Assessment Engineer has provided assessment engineering services in conformance with Article XIIID have used Method #3, the composite district overlay determinant method which will be used for the WAPBID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the WAPBID, general benefit to the public at large within the WAPBID and general benefit to parcels outside the WAPBID.

#### General Benefit – Assessed Parcels within WAPBID

WAPBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed WAPBID parcels and are only provided for the special benefit to each and every assessed parcel within the WAPBID. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that nearly 100% of benefits conferred on the 77 parcels within the WAPBID are distinct and special. In the case of the WAPBID, it is projected that there are 0.25% general benefits conferred on these parcels. While this factor can typically range from 0.10% to 1.0%, this high ratio of special benefits to general benefits is because the WAPBID funded programs and services are specially geared to the unique needs of each parcel within the WAPBID and are directed specially only to these parcels within the WAPBID. This concept is further reinforced by the proportionality of special benefits conferred on each parcel within the WAPBID as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each parcel. The computed 0.25% general benefit value on the 77 assessed parcels within the WAPBID equates to \$669 or  $(.0025 \times \$267,607)$ . \*

\*It is noted that some of these numbers are rounded to the closest whole dollar amount.

#### General Benefit – Public At Large

While the WAPBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed WAPBID parcels and are only provided for the special benefit to each and every assessed parcel within the WAPBID, these programs also provide general benefits to the public at large within the WAPBID.

For districts such as the proposed renewed WAPBID, assessment Engineering experience in California has found that generally over 95% of people moving about within district boundaries are engaged in business related to assessed parcels and buildings and businesses/residences contained in them within



the district, while the public at large “just passing through” is typically 5% or less. Districts with high levels of transit connecting nodes and patrons may have higher levels of general benefits conferred on non-engaged “passers-through”, i.e. the public at large.

Tangible services and improvements such as security, benches and shade trees would confer higher levels of general benefits on the public at large than say steam cleaned sidewalks, planters, decorative pavement and other general district management and operation activities. Typically, a factor range from 3.0% to 5% (0.03 to 0.05) is assigned to tangible streetscape/sidewalk type services, programs and improvements such as security, benches and shade trees; in turn, a factor ranging from 0.25% to 2.0% (0.0025 to 0.02) is assigned to intangible services, programs and improvements such as sidewalk and pavement cleaning, general landscape improvements and ancillary services such as district management, operations and overhead.

Based on experience and the nature of the proposed WAPBID funded programs and over 30 years of assessment engineering experience, it is the opinion of this Engineer that districtwide general benefit factors for each of the WAPBID funded special benefit program element costs that most likely provide a general benefit to the public at large are as shown in the Table below. It is noted that these general benefit factors are set at moderate rates due to moderate levels of transit related foot traffic that frequents the WAPBID area. These factors are applied to each program element costs in order to compute the dollar and percentage value of districtwide general benefits to the public at large. The total dollar value of this general benefit type, public at large, equates to \$3,947 as delineated in the following Table:

**GENERAL BENEFITS TO “PUBLIC AT LARGE” \***

	<b>A</b>	<b>B</b>	<b>C</b>	<b>E</b>
<b>Program Element</b>	<b>Dollar Allocation</b>	<b>General Benefit Percent</b>	<b>General Benefit Factor</b>	<b>General Benefit Value (A x C)</b>
Sidewalk Operations	\$173,944	2.00%	0.0200	\$3,479
District Identity	\$29,437	0.50%	0.0050	\$147
Administration	<u>\$64,226</u>	0.50%	0.0050	<u>\$321</u>
Total	\$267,607			\$3,947

\* It is noted that some of these numbers are rounded to the closest whole dollar amount.

**Spillover General Benefits to Parcels Outside of WAPBID**

While WAPBID programs and services will not be provided directly to parcels outside the WAPBID boundaries, it is reasonable to conclude that WAPBID services may confer an indirect general benefit on parcels adjacent to the WAPBID boundaries. An inventory of the WAPBID boundaries finds that the WAPBID is surrounded by 54 parcels of which 3 are commercially zoned parcels with commercial uses that are across major boulevards from the WAPBID and 51 are non-profit owned and occupied and/or residentially zoned parcels with residential uses adjacent to assessed parcels in the WAPBID. Assessment Engineering practice has found that for districts such as the WAPBID that primarily

provide cleaning and landscape services, they may have a "spillover" general benefit on neighboring parcels immediately outside the district. Typically, a factor of 100% (1.0) is first assigned to assessed parcels within the district, then a factor ranging from 3% to 7% (0.03 to 0.07) is assigned to commercial zoned and used parcels directly outside the district and finally a factor ranging from 1% to 3% (0.01 to 0.03) is assigned to non-profit owned and occupied and/or residentially zoned and used parcels directly outside the district.

The 54 parcels directly outside the WAPBID boundaries can reasonably be assumed to receive some indirect general benefit as a result of WAPBID funded programs, services and improvements. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor of 1.0 be attributed to the 77 assessed parcels within the WAPBID, a benefit factor of 0.05 be attributed to general benefits conferred on the 3 commercial parcels and uses located across the street from assessed parcels within the WAPBID and a benefit factor of 0.01 be attributed to general benefits conferred on the 51 non-profit owned and occupied and/or residential parcels and uses located adjacent to assessed parcels within the WAPBID, The cumulative dollar value of this general benefit type equates to \$2,293 (\$521 + \$1,772) as delineated in the following Table:

**"Spillover" General Benefits \***

Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Assessed Parcels Inside BID	77	1.000	77.00	99.1501%	\$267,607
Commercial Perimeter Parcels Outside BID	3	0.050	0.15	0.1931%	\$521
Other Perimeter Parcels Outside BID	51	0.010	<u>0.51</u>	<u>0.6567%</u>	<u>\$1,772</u>
TOTAL			77.66	100.00%	\$269,901

\* It is noted that some of these numbers are rounded to the closest whole dollar amount.

**Composite General Benefit**

Based on the general benefit values delineated in the three sections above, the total value of general benefits conferred on assessed parcels within the WAPBID, the public at large and spillover to parcels outside the WAPBID equates to \$6,909 (\$669 + \$3,947 + \$2,293). Total program costs are estimated to be \$274,516. This Assessment Engineer has determined that the general benefit value portion of this equates to \$6,909 or 2.5168% of the total estimated WAPBID program costs. Subtracting the composite general benefit value of \$6,909 from the total estimated program cost of \$274,516 results in a special benefit value of \$267,607. This is the total amount of assessments to be levied on the 77 assessed parcels in the proposed renewed WAPBID for Year 1-2026. General benefit costs of \$6,909 will need to be funded by other non-assessment sources.

A breakdown of projected special and general benefit costs for each year of the proposed 10-year term is shown in the following Table:

**10 Year Special + General Benefit Costs (Assumes max of 5% Annual Increase) \***

(\*These numbers are rounded to the closest whole dollar amount)

<b>YR</b>		<b>PROGRAM CATEGORY</b>	<b>SPECIAL BENEFITS</b>	<b>GENERAL BENEFITS</b>	<b>TOTAL BENEFITS</b>	<b>% OF TOTAL</b>
1	2026	Sidewalk Operations	\$173,944	\$4,491	\$178,435	65%
		District Identity	\$29,437	\$760	\$30,197	11%
		Administration	<u>\$64,226</u>	<u>\$1,658</u>	<u>\$65,884</u>	<u>24%</u>
		Total	\$267,607	\$6,909	\$274,516	100%
2	2027	Sidewalk Operations	\$182,641	\$4,716	\$187,357	65%
		District Identity	\$30,909	\$798	\$31,707	11%
		Administration	<u>\$67,437</u>	<u>\$1,741</u>	<u>\$69,178</u>	<u>24%</u>
		Total	\$280,987	\$7,255	\$288,242	100%
3	2028	Sidewalk Operations	\$191,773	\$4,952	\$196,725	65%
		District Identity	\$32,454	\$838	\$33,292	11%
		Administration	<u>\$70,809</u>	<u>\$1,828</u>	<u>\$72,637</u>	<u>24%</u>
		Total	\$295,036	\$7,618	\$302,654	100%
4	2029	Sidewalk Operations	\$201,362	\$5,200	\$206,562	65%
		District Identity	\$34,077	\$880	\$34,957	11%
		Administration	<u>\$74,349</u>	<u>\$1,919</u>	<u>\$76,268</u>	<u>24%</u>
		Total	\$309,788	\$7,999	\$317,787	100%
5	2030	Sidewalk Operations	\$211,430	\$5,460	\$216,890	65%
		District Identity	\$35,781	\$924	\$36,705	11%
		Administration	<u>\$78,066</u>	<u>\$2,015</u>	<u>\$80,081</u>	<u>24%</u>
		Total	\$325,277	\$8,399	\$333,676	100%
6	2031	Sidewalk Operations	\$222,002	\$5,733	\$227,735	65%
		District Identity	\$37,570	\$970	\$38,540	11%
		Administration	<u>\$81,969</u>	<u>\$2,116</u>	<u>\$84,085</u>	<u>24%</u>
		Total	\$341,541	\$8,819	\$350,360	100%
7	2032	Sidewalk Operations	\$233,102	\$6,020	\$239,122	65%
		District Identity	\$39,449	\$1,019	\$40,468	11%
		Administration	<u>\$86,067</u>	<u>\$2,222</u>	<u>\$88,289</u>	<u>24%</u>
		Total	\$358,618	\$9,261	\$367,879	100%

8	2033	Sidewalk Operations	\$244,757	\$6,321	\$251,078	65%
		District Identity	\$41,421	\$1,070	\$42,491	11%
		Administration	<u>\$90,370</u>	<u>\$2,333</u>	<u>\$92,703</u>	<u>24%</u>
		Total	\$376,548	\$9,724	\$386,272	100%
9	2034	Sidewalk Operations	\$256,995	\$6,637	\$263,632	65%
		District Identity	\$43,492	\$1,124	\$44,616	11%
		Administration	<u>\$94,889</u>	<u>\$2,450</u>	<u>\$97,339</u>	<u>24%</u>
		Total	\$395,376	\$10,211	\$405,587	100%
10	2035	Sidewalk Operations	\$269,845	\$6,969	\$276,814	65%
		District Identity	\$45,667	\$1,180	\$46,847	11%
		Administration	<u>\$99,633</u>	<u>\$2,573</u>	<u>\$102,206</u>	<u>24%</u>
		Total	\$415,145	\$10,722	\$425,867	100%

## **WAPBID WORK PLAN**

### **Overview**

The Programs and activities to be funded by the WAPBID include Sidewalk Operations, District Identity and Administration. The property uses within the boundaries of the WAPBID that will receive special benefits from WAPBID funded programs, services and improvements are currently retail, office, grocery, restaurant, auto services, ecumenical, schools and mixed-use housing developments. WAPBID funded activities are primarily designed to provide special benefits as described below to identified assessed parcels and array of land uses within the boundaries of the WAPBID.

These benefits are particular and distinct to each and every identified assessed parcel within the WAPBID and are not provided to non-assessed parcels outside of the WAPBID. These programs, services and improvements will only be provided to each individual assessed parcel within the WAPBID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

In the case of the WAPBID, the very nature of the purpose of this WAPBID is to fund supplemental programs, services and improvements to assessed parcels within the WAPBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Los Angeles does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the WAPBID are for services, programs and improvements directly and specially benefiting each individual assessed parcel within the WAPBID. No WAPBID funded services, activities or programs will be provided outside of the WAPBID boundaries.

The total projected 10-year budget (special benefits) for 2026 – 2035 of the WAPBID are shown in the Table on page 15 of this Report assuming a maximum increase of 5% per year, commensurate to special benefits received by each assessed parcel.

## **WORK PLAN DETAILS**

The services to be provided by the WAPBID include Sidewalk Operations, District Identity and Administration. Each of these work plan elements are designed to contribute to the cohesive mix-use fabric and to ensure economic success and vitality of each assessed parcel in the WAPBID. The assessed parcels in the WAPBID will specially benefit from the WAPBID programs in the form of increasing commerce, livability and improving economic success and vitality through meeting the WAPBID goals to maintain and improve the commercial core by providing services to attract customers and residents in an effort to increase commerce, to increase building occupancies and lease rates.

The following programs, services and improvements are proposed by the WAPBID to specially benefit each and every individually assessed parcel within the WAPBID boundaries. WAPBID services, programs and improvements will not be provided to parcels outside the WAPBID boundary.

### **Sidewalk Operations**

\$ 173,944 (Special Benefit) + \$ 4,491 (General Benefit) = \$ 178,435 (65%) \*

\* These numbers are rounded to the closest whole dollar amount

Sidewalk Operations is a term to define the cleanliness of the sidewalks in the proposed renewed WAPBID. Sidewalk Operations special benefit services include but are not limited to a landscaping, sanitation and a beautification work plan component encompassing services, personnel, trash disposal, sidewalk cleaning, graffiti removal and tree planting, maintenance and trimming.

- Sidewalk Cleaning entails periodic pressure washing of all sidewalks throughout the WAPBID at a frequency determined by the Owners Association
- Landscaping Services includes landscaping care and weed removal services throughout the entire WAPBID at the discretion of the property owners, at a frequency determined by the Owners Association.
- Sanitation Personnel work on a regular basis sweeping up trash and litter from the sidewalks and gutters of the WAPBID at a frequency determined by the Owners Association.
- Trash Disposal includes emptying, servicing and cleaning WAPBID owned and managed trash receptacles which are placed along sidewalks throughout the WAPBID. Sanitation personnel empty the trash in WAPBID paid dumpsters located within the WAPBID. The WAPBID will seek grants for special benefit trash receptacles to be distributed along West Adams Boulevard.
- Graffiti Removal entails receiving reports of and then quick removal of graffiti throughout the WAPBID.
- Tree Planting and Trimming entails the planting of, maintenance of and trimming and care of trees throughout the WAPBID, at a frequency determined by the Owners Association.

The goal of the Sidewalk Operations work plan component is to ensure that all identified assessed parcels are clean and well maintained, thereby creating an attractive WAPBID for the special benefit of each and every assessed WAPBID parcel. These supplemental services will assist in creating a clean and orderly environment for the special benefit of each assessed parcel in the WAPBID. A well maintained and managed environment may improve commerce and livability and may attract patrons, visitors and tenants and increase rents and occupancies. For the array of land uses within the WAPBID (i.e. retail, office, grocery, restaurant, auto service, offices, parking and mixed-use residential), this work plan component is designed to increase pedestrian traffic, increase commerce and customer activity, attract and retain new business and patrons, and may increase commercial/residential rents and occupancies for the assessed parcels within the WAPBID boundaries. Each assessed parcel will specially benefit from the Sidewalk Operations programs which will only be provided to, and for the direct benefit of, each identified assessed parcel within the WAPBID boundaries.

### **District Identity**

\$ 29,437 (Special Benefit) + \$ 760 (General Benefit) = \$ 30,197 (11%) \*

\*These numbers are rounded to the closest whole dollar amount

The District Identity component of the WAPBID work program strives to enhance the identity of the WAPBID by building a positive and attractive identity for the emerging WAPBID. This is key to increasing commerce, attracting tenants and residents and fostering growth and new development in the WAPBID.

The District Identity services includes, but is not limited to:

- Branding the WAPBID as a destination to visit, dine, shop, live and invest;
- Maintain a website to promote available retail opportunities, identify properties and residential units for lease or for sale and promote the new programs that the WAPBID funds;
- Beautify the WAPBID in conjunction with the Sidewalk Operations maintenance work;
- Manage a public relations and social media campaign to bring positive attention to the WAPBID;
- Fund and install holiday decoration and banners;
- Seek opportunities to partner with new development to create new public spaces in street fronting areas that could be used by the community at large and managed by the WAPBID maintenance staff;
- Other programs that bring a positive light to the WAPBID to benefit the individual parcel owners in the WAPBID.

The District Identity component is designed to promote the image of WAPBID to attract and increase pedestrian activity and both business and residential occupancies. This program helps meet the goals of business and service attraction and retention and increased commerce while attracting new businesses, residents and investors.

The District Identity program is also designed with the intent to increase the public’s awareness of the WAPBID as a single destination in order to attract consumers to the rich collection of attractions, events, and services which will ultimately lead to increased commerce and livability. For example, the WAPBID publishes a regular e-newsletter to keep property owners informed of upcoming events and services. The Owners’ Association will continue to use its website to promote the assessed WAPBID parcels in an effort to increase awareness of the WAPBID as a destination for consumers and business

and residential tenants and increase occupancy and commerce on the assessed parcels. The website is designed to provide visitors with information about the WAPBID and comply with the open meetings and records provisions of the Brown Act.

### **Administration**

\$ 64,226 (Special Benefit) + \$ 1,658 (General Benefit) = \$ 65,884 (24%) \*

\* These numbers are rounded to the closest whole dollar amount

The Administration component includes activities such as: contract personnel, operations, professional services (e.g. legal, accounting, insurance), production of the Annual Planning Report and Budget, preparation for the regular and Annual Board meetings, preparation of taxes, City required quarterly reports, facilitation of meetings of the Owners’ Association, Brown Act compliance, outreach to WAPBID property and business owners, and participation in professional peer/best practice forums such as the Los Angeles Business Improvement District Consortium, the California Downtown Association or the International Downtown Association. It may also cover the costs associated with WAPBID renewal and/or expansion.

The Administration component in this Report sets aside a contingency/reserve which provides for unforeseen as well as programmed costs related to operating the WAPBID. These costs may include, but are not limited to:

- City and/or County fees associated with their oversight and implementation of the WAPBID,
- The implementation of the Management District Plan and the Engineer’s Report.
- City fees to collect and process the assessments, delinquencies and non-payments. A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties. This component also funds the expenses charged by the City of Los Angeles and County of Los Angeles for collection and distribution of WAPBID revenue.
- Other unanticipated costs related to the compliance of the Management District Plan and Engineer’s report.
- Funding for renewal of the WAPBID.

The Administration component is key to the proper expenditure of WAPBID assessment funds and the administration of WAPBID programs and activities for the special benefit of all parcels and land uses within the WAPBID. The Administration work plan component exists only for the purposes of the WAPBID and directly relates to the implementation of cleaning and beautification, district identity and improvement programs and services, which specially benefit each identified assessed parcel within the WAPBID boundaries.

In summary, all WAPBID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the WAPBID boundaries and none will be provided outside of the WAPBID. Each assessed parcel within the WAPBID will proportionately specially benefit from the Sidewalk Operations, District Identity and Administration components of this Report and the Management Plan. All WAPBID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of each assessed parcel within the boundaries of the WAPBID.

**WORK PLAN BUDGET**

Each identified assessed parcel within the WAPBID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of WAPBID funded services provided. The projected WAPBID program cost allocation (special benefit) budget for Year 1 (2026) is shown in the following Table:

**WAPBID Year 1 (2026) Special Benefit Assessment Budget \***

<b>Sidewalk Operations</b>	<b>District Identity</b>	<b>Administration</b>	<b>TOTAL</b>
\$173,944	\$29,437	\$64,226	\$267,607
65%	11%	24%	100%

\* These numbers are rounded to the closest whole dollar amount

In order to carry out the WAPBID programs outlined in the previous section, a Year 1 assessment budget of \$267,607 is projected. Carryover of assessment funds from the current WAPBID term will not exceed 10% of the overall assessment budget. Since the WAPBID is planned for a 10-year term, projected program costs for future years (Years 2-10) are set at the inception of the WAPBID. While future inflationary and other program cost increases are unknown at this point, a maximum increase of 5% per annum, commensurate to special benefits received by each assessed parcel, is incorporated into the projected program costs and assessment rates for the 10-year WAPBID term. It is noted that the 5% maximum annual rate increase is deemed necessary in order to offset service and improvement cost increases projected over the next several years and to provide levels of service and types of improvements expected and requested by WAPBID stakeholders. Carryovers, if any, may be reapportioned the following year for related programs, services and improvements but will not exceed 10% of the overall assessment budget. Detailed annual budgets will be prepared by the Owners’ Association Board and included in an Annual Plan for the Los Angeles City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year during the 10-year term of the proposed WAPBID. Accordingly, the Owners’ Association shall have the ability to reallocate up to 10% of any budget line item within the budget categories based on such cost fluctuations subject to the review and approval by the Owners’ Association Board and included in the Annual Planning Report that will be approved by the Los Angeles City Council pursuant to Streets and Highways Code Section 36650. Any accrued interest or delinquent payments may be expended proportionally in each budget category. A 10-year projected WAPBID budget is shown in the following Table:

**YEAR 1-10 PROJECTED WAPBID ASSESSMENT BUDGET SUMMARY (Special Benefits) \***  
(Assumes 5% max rate increase per year)

<b>YR</b>		<b>Sidewalk Operations</b>	<b>District Identity</b>	<b>Administration</b>	<b>TOTAL</b>
		65%	11%	24%	100%
<b>1</b>	<b>2026</b>	\$173,944	\$29,437	\$64,226	\$267,607



2	2027	\$182,641	\$30,909	\$67,437	\$280,987
3	2028	\$191,773	\$32,454	\$70,809	\$295,036
4	2029	\$201,362	\$34,077	\$74,349	\$309,788
5	2030	\$211,430	\$35,781	\$78,066	\$325,277
6	2031	\$222,002	\$37,570	\$81,969	\$341,541
7	2032	\$233,102	\$39,449	\$86,067	\$358,618
8	2033	\$244,757	\$41,421	\$90,370	\$376,548
9	2034	\$256,995	\$43,492	\$94,889	\$395,376
10	2035	\$269,845	\$45,667	\$99,633	\$415,145

\* These numbers are rounded to the closest whole dollar amount

The WAPBID assessments may increase for each individual parcel each year during the 10-year effective operating period, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Planning Report and adopted by the Los Angeles City Council. Any accrued interest and delinquent payments will be expended proportionally within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owners’ Association of the WAPBID) shall determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the WAPBID operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Los Angeles.

No bonds are to be issued in conjunction with the proposed WAPBID.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 10th year of operation will be rolled over into the renewal budget (not to exceed 10%) or returned to stakeholders. WAPBID assessment funds may be used to pay for costs related to the following WAPBID renewal term. If the WAPBID is not renewed or terminated for any reason, unexpended funds will be returned to the property owners.

**Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.**

Each identified assessed parcel within the WAPBID will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed WAPBID (i.e. Sidewalk Operations, District Identity and Administration). It is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage except as noted otherwise herein within one benefit zone.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the WAPBID. Larger buildings and parcels and/or ones with larger frontages are expected to impact the demand for services

and programs to a greater extent than smaller building, land and/or street frontages and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on proportionate formula components and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

**Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”**

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed WAPBID, they are also considerably less than other options considered by the WAPBID Renewal Committee. The actual assessment rates for each parcel within the WAPBID directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area and street frontage of each parcel except as noted otherwise herein within one benefit zone.

**Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”**

The State Constitution - Article XIID (Proposition 218) states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There is one identified and assessed publicly owned parcel within the WAPBID which is owned by the Los Angeles Unified School District (LAUSD). It is located at 5611 S. Orange Drive (APN 5049-017-901). The public facility on this parcel is the Cienega Elementary School.

This publicly owned parcel and facility within the WAPBID will proportionately specially benefit from the WAPBID funded supplemental services, programs and improvements, but differently than privately owned parcels. It is the opinion of this Assessment Engineer that this (and other) publicly owned parcels and public facilities do not specially benefit to the same extent as privately owned parcels from WAPBID funded services, programs and improvements such as aspects of District Identity and Administration that specially benefit business, commerce, occupancies and rents. To offset this special benefit differential, this (and other) publicly owned parcels with public facilities on them will not be assessed for public building areas located on these parcels. Publicly owned parcels with non-government facilities/uses on them, if any, would be assessed for building areas not occupied by government uses and facilities.

The assessment of this LAUSD owned parcel will be based on assessable parcel land area and assessable parcel street frontage. This parcel spans almost 3 full blocks south of West Adams Boulevard

but it is the opinion of this Assessment Engineer that only the portion of this parcel that approximately lines up in depth with neighboring commercial/mixed-use parcels to the east and west shall be assessed. The south line of the assessable portion of this larger parcel was determined by extending a line from the angle point on the eastern parcel property line along S. Orange Drive to the angle point on the western parcel property line along S. Sycamore Avenue. This configuration results in a net assessable parcel land area of 35,213 square feet and a net assessable parcel street frontage of 531 linear feet as shown in the Table below.

**LAUSD (Cienega Elementary School – 5611 S. Orange Drive – APN 5049-017-901)**

	Building Area (SF)	Land Area (SF)	Street Frontage (LF)	Year 1 - 2026 Assessment	% of Total
<b>Assessable Units</b>	0	35,213	531		
<b>Assessment Rates</b>	\$0.1599/SF	\$0.1066/SF	\$8.5260/LF		
<b>Assessment</b>	\$0.00	\$3,753.71	\$4,527.30	<b>\$8,281.01</b>	<b>3.09%</b>

WAPBID services are designed to improve the cleanliness and image of assessed publicly owned parcels and facilities for visitors, their employees, students and users of public facilities on publicly owned parcels within the WAPBID by reducing litter and debris, each considered detractors to employment, visitation and use of public facilities if not contained and properly managed. In turn, these services will serve to enhance the public purpose provided by public facilities and parcels within WAPBID.

There is no compelling evidence that this identified assessable publicly owned parcel and facility would not proportionately specially benefit from WAPBID funded programs, services and improvements as delineated above and, thus, will be assessed similar to privately owned parcels, except as noted herein.

**Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.**

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed WAPBID.

**Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”**

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed renewed WAPBID and resultant assessment levies will continue for 10-years and may be renewed again at the end of the 10 year renewal term. The reasons for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to building area, land area and street frontage of each parcel except as noted otherwise herein within one benefit zone.

## **Assessment Formula Methodology**

### **Step 1. Select “Basic Benefit Unit(s)”**

#### **Background – Generic Assessment Formula Development**

The method used to determine special benefits derived by each identified assessed property within a PBID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the WAPBID, the benefit unit may be measured in linear feet of street frontage or parcel size in square feet or building size in square feet or any combination of these factors. Factor quantities for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the PBID in order to determine any levels of different benefit that may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, WAPBID administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIID Section 4(b) of the California Constitution and now required of all property-based assessment Districts, indirect or general benefits costs may not be incorporated into the assessment formula and levied on the WAPBID properties; only direct or “special” benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Article XIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See pages 17-18 of this Report for discussion regarding assessment of publicly owned parcels within the WAPBID).

From the estimated net program costs, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all benefitting properties within the PBID.

The method and basis of spreading program costs varies from one PBID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the PBID.

## **WAPBID Assessment Formula**

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed WAPBID (i.e. Sidewalk Operations, District Identity and Administration) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel except as noted otherwise herein within one benefit zone.

The “Basic Benefit Units” will be expressed as a combined function of gross building square footage (Benefit Unit “A”), land square footage (Benefit Unit “B”), street frontage (Benefit Unit “C”) and in the case of residential condominium parcels – interior building pad square footage (Benefit Unit “D”). Based on the shape of the proposed WAPBID, as well as the nature of the WAPBID program elements, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area, land area and street frontage of each parcel except as noted otherwise herein within one benefit zone.

For the array of land uses within the WAPBID, the interactive application of building and land areas and street frontage quantities are a common method of fairly and equitably spreading special benefit costs to these beneficiaries of WAPBID funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each assessed parcel will receive from WAPBID funded activities. There are no parcels zoned solely residential within WAPBID.

Building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on WAPBID funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, building area, should generate approximately 35% of the total WAPBID revenue (34.23524% when adjusted for precise parcel measurements and program costs).

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on WAPBID funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 30% of the total WAPBID revenue (29.93799% when adjusted for precise parcel measurements and program costs).

Street Frontage is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on WAPBID funded activities. Street frontage includes all public street frontages of a parcel. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 35% of the total WAPBID revenue (35.82677% when adjusted for precise parcel measurements and program costs).

## **Special Circumstances**

### **1. Internal Parking**

It is the opinion of this Assessment Engineer that internal building area allocated for parking solely for the use of the parcel’s tenants and NOT available to the public at any time shall have that portion of the building area subtracted from the individual parcel’s assessable gross building area. This adjustment only applies to the building area of internal structured parking whether at, above or below grade that is not available to public access and use. This finding is made since internal tenant parking is not income

generating and, as such, does not confer special benefits on the parcel for internal parking area from PBID funded programs and services. While efforts have been made to identify parcels for which this assessment adjustment is applicable, Los Angeles County property records do not readily reveal this information. Therefore it is the responsibility of individual parcel owners to inform the Owners’ Association and, in turn, the Assessment Engineer if such deductions are applicable to their parcel but have not been applied to the parcel’s assessment.

## 2. Residential Condominiums

Residential condominium parcels (future) will be assessed as a separate category. It is the opinion of this Assessment Engineer that residential condominium parcels will proportionately specially benefit from WAPBID funded programs and activities, but differently than commercial parcels and other residential parcels with multiple units on them. As such, based on the development configuration of such units which are generally multi floor buildings with no direct land or street frontage, the assessments for residential condominiums shall be assessed based solely on the internal building area of each residential condominium unit at the rate of \$0.1599 per square foot of internal building pad area, subject to any approved future annual rate increases.

## 3. Commercial and Mixed-Use Condominiums

While no mixed-use condominiums currently exist within the WAPBID, ground floor commercial condominiums within the WAPBID shall be assessed based on actual land area covered, condominium building area and direct street frontage for each unit. Because such uses are typically developed as part of a multi-floor mixed-use complex, special methodologies are needed to address the levy of assessments on such land uses as follows:

### Multi-Floor Commercial Only Condominiums (Upper Floors)

- Building area assessed at respective building area rate and pro-rated for land area and street frontage based on quantities of the whole complex

### Multi-Floor Mixed-Use Condominiums

- Commercial condo (See above for ground floor and upper floor locations)
- Residential condo (See # 1 above)

## 4. Changes to Building or Parcel Size

Any changes in building size, parcel size and street frontage(s) as a result of new construction or demolition or land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications and right of way setbacks shall have their assessment adjusted upon final City approval of such parcel adjustments. Property owners must report to the City any changes to parcel and/or building measurements by April 1 of any given year during the 10 year WAPBID term in order to be considered for parcel assessment review and adjustment.

## 5. Other Future Development

Other than future maximum rates and the assessment methodology delineated in this Report, per State Law (Government Code Section 53750), future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Proposition 218 ballot procedure in order to approve any such changes.

**Step 2. Quantify Total Basic Benefit Units**

Taking into account all identified specially benefiting parcels within the WAPBID and their respective assessable benefit units, the rates, cumulative quantities and assessment revenues by factor are shown in the following Tables:

**Year 1 – 2026 - Assessable Benefit Units**

<b>BLDG AREA (SF)</b>	<b>LAND AREA (SF)</b>	<b>STREET FRONTAGE (LF)</b>	<b># OF ASSESSABLE PARCELS</b>
572,957	751,558	11,245	77

**Year 1 – 2026 Projected Assessment Revenue**

<b>BLDG ASSMT \$</b>	<b>LAND ASSMT \$</b>	<b>STREET FRONTAGE ASSMT REVENUE</b>	<b>TOTAL ASSMT REVENUE</b>
\$91,615.82	\$80,116.08	\$95,874.87	\$267,606.77
34.23524%	29.93799%	35.82677%	100.00%

**Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the proposed WAPBID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, building areas, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property-based assessments. All respective property data being used for assessment computations will be provided to each property owner in the WAPBID for their review. If a property owner believes there is an error on a parcel’s assessed footages, the WAPBID may confirm the data with the County Assessor’s office. If WAPBID data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the WAPBID assessment may be corrected. Property owners must report to the City any changes to parcel and/or building measurements by April 1 of any given year during the 10 year WAPBID term in order to be considered for parcel assessment review and adjustment.

**Step 4. Determine Assessment Formula**

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it is the opinion of this Engineer that the WAPBID assessments will be based on building area, land area, and street frontage, except as noted herein.

The proposed assessment formula, except as noted herein, is as follows:

Assessment = Building Area (Unit A) Sq Ft x Unit A Rate, plus

Land Area (Unit B) Sq Ft x Unit B Rate, plus  
Street Frontage (Unit C) Lin Ft x Unit C Rate

**YEAR 1 –2026 Assessment Rates**

<b>BLDG ASSMT RATE (\$/SF)</b>	<b>LAND ASSMT RATE (\$/SF )</b>	<b>STREET FRONTAGE ASSMT RATE (\$/LF)</b>
\$0.1599	\$0.1066	\$8.5260

The complete Year 1 – 2026 assessment roll of all parcels to be assessed by this WAPBID is included in this Report as Appendix I.

**Assessment Formula Unit Rates**

Using figures from the Assessable Benefit Units Table and the Projected Assessment Revenue Table on page 22 of this Report, the assessment rates and weighted multipliers for each factor are calculated as follows:

**Building Area Rate (Unit A)**

$(\$267,606.77 \times 34.23524\%) / 572,957 \text{ units} = \$0.1599/\text{sq ft of gross exterior building area}$

**Land Area Rate (Unit B)**

$(\$267,606.77 \times 29.93799\%) / 751,558 \text{ units} = \$0.1066/\text{sq ft land area}$

**Street Frontage Rate (Unit C)**

$(\$267,606.77 \times 35.82677\%) / 11,245 \text{ units} = \$8.526/\text{linear ft street frontage}$

**Residential Condo Building Area Rate (Unit D)** = \$0.1599/sq ft of interior building pad area

**SAMPLE ASSESSMENT CALCULATIONS:**

A 4,906 sq ft building on a 7,700 sq ft lot with 192 linear feet of street frontage

Building Assessment = 4,906 sq ft x \$0.1599/sq ft = \$ 784.47  
Land Assessment = 7,700 sq ft x \$0.1066/sq ft = \$ 820.82  
Frontage Assessment = 192 lin ft x \$8.526/lin ft = \$1,636.99  
TOTAL YEAR 1 ASSESSMENT = **\$3,242.28**



For business budgeting, this equates to \$270 per month, \$68 per week, \$9 per day or for rent add-on, \$0.055 per sq ft of bldg/mo.

#### **Step 5. Estimate Total WAPBID Costs**

The total projected 10-year budget (special benefits) for 2026 – 2035 of the WAPBID are shown in the Table on page 15 of this Report assuming a maximum increase of 5% per year, commensurate to special benefits received by each assessed parcel.

#### **Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIID Section 4(b) of the California Constitution – Proposition 218)**

Total Year 1 program costs are estimated at \$274,516. General benefits are factored at 2.5168% of the total program costs (see Finding 2 on pages 5-11 of this Report) with special benefits set at 97.4832%. Article XIID Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 2.5168% general benefit cost is computed to be \$6,909 with a resultant 97.4832% special benefit cost (assessments to be levied in Year 1-2026) computed at \$267,607. All program costs associated with general benefits will be funded from sources other than WAPBID assessments.

#### **Step 7. Calculate “Basic Unit Cost”**

With a YR 1 - 2026 assessment revenue portion of the budget set at \$267,607 (special benefit only), the Basic Unit Costs (rates) are shown earlier in Step 4. Since the WAPBID is proposed to be renewed for a 10-year term, maximum assessments for future years (2027-2035) must be set at the inception of the proposed WAPBID. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the WAPBID Property Owners’ Association. The maximum assessment rates for the 10-year proposed WAPBID term of 2026-2035 are shown in the Table below. The assessment rates listed constitute the maximum assessment rates that may be imposed for each year of the proposed WAPBID term (2026-2035).

**WAPBID – 10 Year Maximum Assessment Rates  
(Includes a 5%/Yr. Max Increase)**

<b>YEAR</b>	<b>BLDG AREA ASSMT RATE (\$/SF)</b>	<b>LAND AREA ASSMT RATE (\$/SF )</b>	<b>STREET FRONTAGE ASSMT RATE (\$/LF)</b>
YR 1-2026	\$0.1599	\$0.1066	\$8.5260
YR 2-2027	\$0.1679	\$0.1119	\$8.9523
YR 3-2028	\$0.1763	\$0.1175	\$9.3999
YR 4-2029	\$0.1851	\$0.1234	\$9.8699

YR 5-2030	\$0.1944	\$0.1296	\$10.3634
YR 6-2031	\$0.2041	\$0.1361	\$10.8816
YR 7-2032	\$0.2143	\$0.1429	\$11.4257
YR 8-2033	\$0.2250	\$0.1500	\$11.9970
YR 9-2034	\$0.2363	\$0.1575	\$12.5969
YR 10-2035	\$0.2481	\$0.1654	\$13.2267

### **Step 8. Spread the Assessments**

The resultant assessment spread calculation results for each parcel within the WAPBID are shown in the Management District Plan and were determined by applying the WAPBID assessment formula to each identified benefiting property.

### **Miscellaneous WAPBID Provisions**

#### **Time and Manner of Collecting Assessments:**

As provided by State Law, the WAPBID assessment will appear as a separate line item on annual property tax bills prepared and issued by the County of Los Angeles. Assessments shall be collected at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles. WAPBID assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for ad valorem property taxes. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent. Property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the County. The City of Los Angeles is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Report and the Management District Plan.

#### **Bonds:**

No bonds are to be issued in conjunction with this proposed WAPBID.

#### **Duration**

As allowed by State PBID Law, the renewed WAPBID will have a ten (10) year operational term from January 1, 2026 to December 31, 2035. The proposed WAPBID operation is expected to begin services on January 1, 2026. If the WAPBID is not renewed at the end of its proposed 10 year renewal term, services will end on December 31, 2035.

# APPENDIX 1

## WAPBID YR 1 – 2026 ASSESSMENT ROLL

WEST ADAMS PROPERTY & BUSINESS IMPROVEMENT DISTRICT – ASSESSMENT ENGINEER’S REPORT

APN		Site Address	Bldg Area (SF)	Land Area (SF)	Street Frontage (LF)	YEAR 1 2026 Assessment	% OF Total
5043-001-005	5401	W ADAMS BLVD	672	5,987	150	\$2,024.57	0.76%
5043-001-006		W ADAMS BLVD	0	2,500	25	\$479.65	0.18%
5043-001-007	5409	W ADAMS BLVD	1,875	2,500	25	\$779.46	0.29%
5043-001-008	5411	W ADAMS BLVD	3,674	2,500	25	\$1,067.12	0.40%
5043-001-024	5445	W ADAMS BLVD	0	10,593	206	\$2,885.57	1.08%
5043-001-025	5469	W ADAMS BLVD	15,622	15,600	156	\$5,490.97	2.05%
5043-001-026	5477	W ADAMS BLVD	3,682	5,393	154	\$2,476.65	0.93%
5043-001-035	5427	W ADAMS BLVD	0	5,000	150	\$1,811.90	0.68%
5043-001-037	5421	W ADAMS BLVD	3,051	12,500	125	\$2,886.10	1.08%
5043-002-001	5351	W ADAMS BLVD	4,906	7,700	192	\$3,242.28	1.21%
5043-002-002	5359	W ADAMS BLVD	6,944	7,410	184	\$3,469.04	1.30%
5043-002-029	5335	W ADAMS BLVD	56,866	32,310	509	\$16,876.85	6.31%
5043-003-001	5235	W ADAMS BLVD	5,248	5,460	174	\$2,904.72	1.09%
5043-003-002	5237	W ADAMS BLVD	3,066	5,460	44	\$1,447.43	0.54%
5043-003-003	5241	W ADAMS BLVD	0	5,240	44	\$933.73	0.35%
5043-003-014	5247	W ADAMS BLVD	3,318	5,460	44	\$1,487.73	0.56%
5043-003-015	5253	W ADAMS BLVD	6,434	6,760	55	\$2,218.34	0.83%
5043-003-016	5257	W ADAMS BLVD	2,382	4,160	164	\$2,222.60	0.83%
5043-003-030	5281	W ADAMS BLVD	3,150	5,330	44	\$1,447.01	0.54%
5043-003-031		W ADAMS BLVD	0	5,460	174	\$2,065.56	0.77%
5043-003-047	5271	W ADAMS BLVD	0	5,240	44	\$933.73	0.35%
5043-003-048	5277	W ADAMS BLVD	0	5,240	44	\$933.73	0.35%
5043-003-051	5267	W ADAMS BLVD	14,623	10,660	218	\$5,333.24	1.99%
5043-004-034	5238	W ADAMS BLVD	2,268	14,600	253	\$4,076.09	1.52%
5043-004-036	2619	S REDONDO BLVD	0	16,310	50	\$2,164.95	0.81%
5043-004-037	5252	W ADAMS BLVD	0	7,730	192	\$2,461.01	0.92%
5043-004-038	5246	W ADAMS BLVD	0	7,375	50	\$1,212.48	0.45%
5043-005-013	5284	W ADAMS BLVD	1,400	5,314	153	\$2,094.81	0.78%
5043-005-014	5278	W ADAMS BLVD	4,120	7,500	50	\$1,884.59	0.70%
5043-005-015	5276	W ADAMS BLVD	1,044	7,500	50	\$1,392.74	0.52%
5043-005-016	5268	W ADAMS BLVD	0	15,471	253	\$3,806.29	1.42%
5043-006-002	5306	W ADAMS BLVD	4,059	5,720	38	\$1,582.77	0.59%
5043-006-030	5320	W ADAMS BLVD	0	13,680	240	\$3,504.53	1.31%
5043-006-032	5300	W ADAMS BLVD	9,627	6,220	174	\$3,685.93	1.38%
5043-007-001	5370	W ADAMS BLVD	8,307	7,500	179	\$3,653.94	1.37%
5043-007-002	5366	W ADAMS BLVD	1,300	2,500	26	\$696.05	0.26%
5043-007-003	5360	W ADAMS BLVD	3,752	5,000	53	\$1,584.82	0.59%
5043-007-004	5350	W ADAMS BLVD	2,444	9,000	195	\$3,012.77	1.13%
5043-008-001	5474	W ADAMS BLVD	3,219	5,300	156	\$2,409.75	0.90%
5043-008-006	5452	W ADAMS BLVD	7,200	10,170	207	\$4,000.28	1.49%
5043-008-015	5426	W ADAMS BLVD	1,567	5,270	156	\$2,142.40	0.80%
5043-008-016	5420	W ADAMS BLVD	780	2,540	27	\$625.69	0.23%
5043-008-017	5414	W ADAMS BLVD	3,400	5,080	54	\$1,545.59	0.58%
5043-008-018	5412	W ADAMS BLVD	2,125	2,540	27	\$840.75	0.31%
5043-008-019	5410	W ADAMS BLVD	2,426	2,540	27	\$888.88	0.33%
5043-008-020	5408	W ADAMS BLVD	1,575	2,540	27	\$752.81	0.28%
5043-008-021	5406	W ADAMS BLVD	1,356	2,540	27	\$717.79	0.27%

WEST ADAMS PROPERTY & BUSINESS IMPROVEMENT DISTRICT – ASSESSMENT ENGINEER’S REPORT

5043-008-022	5400	W ADAMS BLVD	1,025	2,540	127	\$1,517.46	0.57%
5043-008-036	5462	W ADAMS BLVD	10,058	10,160	107	\$3,603.61	1.35%
5049-009-035	5057	W ADAMS BLVD	7,865	27,433	286	\$6,620.41	2.47%
5049-009-036	5075	W ADAMS BLVD	6,660	16,470	310	\$5,463.70	2.04%
5049-009-046	5115	W ADAMS BLVD	4,299	5,610	44	\$1,660.58	0.62%
5049-009-047	5119	W ADAMS BLVD	3,066	5,610	44	\$1,463.42	0.55%
5049-009-049	5121	W ADAMS BLVD	2,783	3,110	121	\$1,808.17	0.68%
5049-009-051	5137	W ADAMS BLVD	0	4,470	35	\$774.91	0.29%
5049-009-052	5143	W ADAMS BLVD	2,358	7,960	63	\$1,762.72	0.66%
5049-009-064	5149	W ADAMS BLVD	4,464	8,010	63	\$2,104.80	0.79%
5049-009-065	5153	W ADAMS BLVD	4,004	6,140	179	\$2,820.92	1.05%
5049-009-080	5133	W ADAMS BLVD	8,053	6,530	178	\$3,501.40	1.31%
5049-009-081	5103	W ADAMS BLVD	64,701	16,830	263	\$14,382.11	5.37%
5049-013-040	2610	S MANSFIELD AVE	0	14,843	239	\$3,619.98	1.35%
5049-013-042	2610	S MANSFIELD AVE	0	7,500	50	\$1,225.80	0.46%
5049-013-044		W ADAMS BLVD	0	5,120	170	\$1,995.21	0.75%
5049-013-047	5056	W ADAMS BLVD	5,830	14,840	109	\$3,443.50	1.29%
5049-014-011	5112	W ADAMS BLVD	2,000	7,500	50	\$1,545.60	0.58%
5049-014-012	5100	W ADAMS BLVD	6,077	8,045	181	\$3,372.52	1.26%
5049-014-027	2602	S ORANGE DR	21,831	12,500	193	\$6,468.79	2.42%
5049-016-048	5201	W ADAMS BLVD	27,096	7,800	193	\$6,809.65	2.54%
5049-016-049	5211	W ADAMS BLVD	13,300	6,500	53	\$3,271.45	1.22%
5049-016-088	5181	W ADAMS BLVD	120,847	46,609	456	\$28,179.81	10.53%
5049-016-089	5213	W ADAMS BLVD	0	18,460	280	\$4,355.12	1.63%
5049-017-006	2610	ALSACE AVE	3,313	7,971	203	\$3,110.24	1.16%
5049-017-009	5166	W ADAMS BLVD	3,000	7,500	50	\$1,705.50	0.64%
5049-017-010	5160	W ADAMS BLVD	3,549	7,971	203	\$3,147.97	1.18%
5049-017-038	5170	W ADAMS BLVD	23,186	14,750	100	\$6,132.39	2.29%
5049-017-901	2611	S ORANGE DR	0	35,213	531	\$8,281.01	3.09%
5049-019-026	5212	W ADAMS BLVD	26,110	63,160	750	\$17,302.35	6.47%
<b>TOTALS</b>			<b>572,957</b>	<b>751,558</b>	<b>11,245</b>	<b>\$267,606.78</b>	<b>100.0%</b>

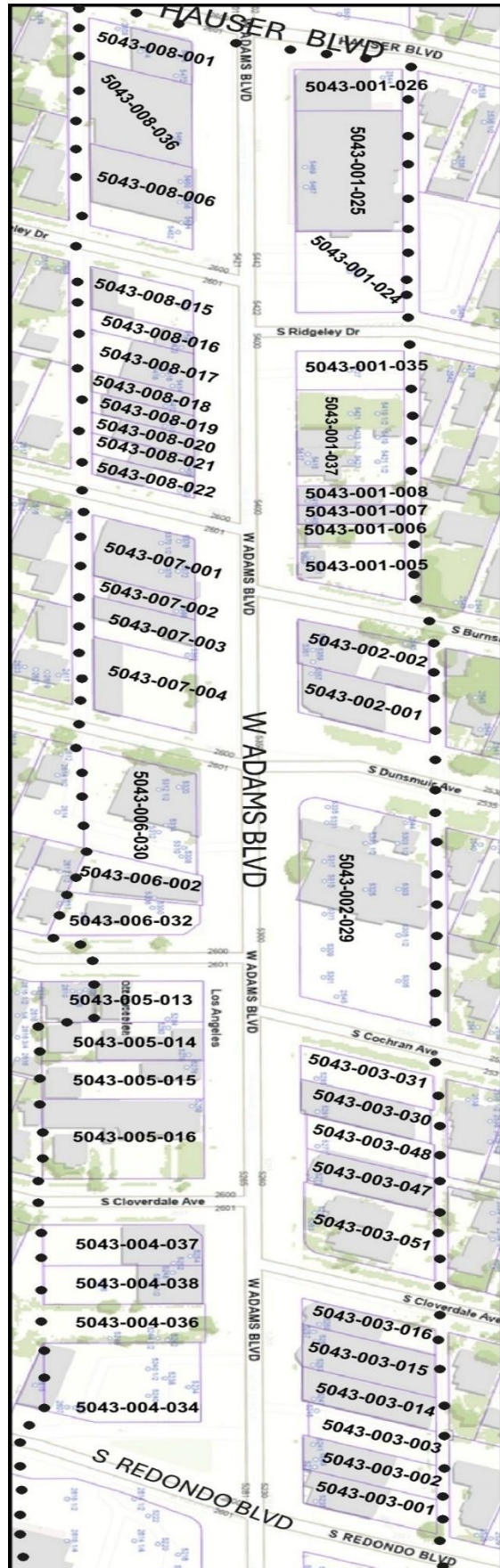
# APPENDIX 2

## WAPBID BOUNDARY MAP

**WEST ADAMS PBID MAP**

MAP PAGE 1 OF 2

PBID BOUNDARY . . . . .



**WEST ADAMS PBID MAP**

MAP PAGE 2 OF 2

PBID BOUNDARY . . . . .

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