

**Greater Leimert Park Village/Crenshaw
Corridor
Business Improvement District
Engineer's Report**

**Los Angeles, California
May 2014**

***Prepared by:*
Kristin Lowell Inc.**

*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIII D of the California Constitution
to renew and expand a property-based business improvement district*

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Attachments

A: Farrand Research Intercept Survey

B: Assessment Roll, a separate document

ENGINEER'S STATEMENT

This Report is prepared pursuant to Section 36600 et seq. of the California Streets and Highways Code (the "Property and Business Improvement District Law of 1994" as amended) (herein after "State Law") and pursuant to the provisions of Article XIID of the California Constitution (Proposition 218).

The Greater Leimert Park Village/Crenshaw Corridor Property-Based Business Improvement District ("PBID") will provide activities either currently not provided or are above and beyond what the City of Los Angeles provides. These activities will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities; individually assessed parcels that are owned by a unit of government do not receive special benefit from the District's Marketing programs which are designed to provide special benefit to commercial and residential properties. Parcels contiguous to and outside the PBID and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the proposed PBID is five (5) years, commencing January 1, 2014. An estimated budget for the PBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 5% per year as determined by the Owners' Association but must stay between 0 and 5% in any given year. Funding for the PBID improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the PBID will receive a special benefit over and above the benefits conferred to those parcels outside of the PBID boundary and to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than the special benefits received.



Respectfully submitted,

A handwritten signature in cursive script that reads "Terrance E. Lowell".

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The State Law is the legislation that authorizes the City to levy assessments upon the real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the PBID. The purpose of the PBID is to encourage commerce, investment, business activities and improve residential serving uses. In order to meet these goals, PBIDs typically fund activities and improvements, such as, enhanced safety and cleaning, marketing and economic development. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, PBIDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the PBID are over and above those already provided by the City within the PBID's boundaries. Each of the PBID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract residential serving businesses and services.

Specifically, the State Law defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years...¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

Under State Law, parcels that are zoned solely residential or agricultural are presumed to receive no benefit from a PBID.

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements, Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. 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.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California³.

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIII D, the courts have rendered opinions regarding various aspects of Article XIII D. The notable portions of cases that apply to assessment districts in general and this PBID in particular are noted below.

"The engineer's report describes the services to be provided by the PBID; (1) safety, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties with the PBID, not to the public at large—they "affect the assessed property in a way that is particular and distinct from {their} effect on other parcels and that real property in general and the public at large do not share."⁵

"...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits."⁶

"...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners."⁷

"...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."⁸

The contents of this Engineer's Report are prepared in compliance with the above noted authorizing legislation, the State Constitution and the judicial opinions.

³ Section 4, Article XIII D of the State Constitution.

⁴ Section 2 (j), Article XIII D of the State Constitution.

⁵ Dahms v. Downtown Pomona Property and Business Improvement District, (2009) 174 Cal. App. 4th 708.

⁶ Beutz v. County of Riverside, (2010) 184 Cal. App. 4th 1532.

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego, (2011) 199 Cal. App. 4th 416.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego, (2011) 199 Cal. App. 4th 416.

SECTION B: IMPROVEMENTS AND ACTIVITIES

The PBID is a special benefit assessment district that conveys special benefits to each individual assessed parcel located within the district boundaries. Greater Leimert Park Village/Crenshaw Corridor property owners want to renew the PBID for an additional five (5) year term. As described in the PBID Management Plan, it is proposed that the PBID will continue to provide cleaning, beautifying, and marketing above and beyond those provided by the City.

CLEAN, SAFE & BEAUTIFUL PROGRAMS

These activities are intended to improve the economic vitality for each individually assessed parcel by making each individual assessed parcel cleaner, safer and more attractive which will encourage investment dollars and generate additional pedestrian traffic. Each of these activities specially benefits each individual assessed parcel, including commercial, and government. The special benefit to each individually assessed parcel from these activities is that cleaner and more attractive sidewalks create an increased sense of safety and lead to increased commercial activity which directly relates to increase in lease rates and customers, and a cleaner, safer atmosphere for its residents.

Clean Program

In order to consistently deal with cleaning issues, the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District Cleaning Program will continue the work that it has for the past eight years. **The clean, safe & beautiful program budget for each zone can be found in the chart on page 17.** Basic cleaning services, such as trash pickup and removal from the district, landscape service, equipment expense and administration are delivered. The clean team will only provide service to assessed parcels within District boundaries. The special benefit to assessed parcels from these services is increased pedestrian activity, increased commercial activity which directly relates to increases in lease rates and customers. In order to consistently deal with cleaning issues, a multi-dimensional approach has been developed consisting of the following elements.

Sidewalk Cleaning: Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides special benefit to each individually assessed parcel in the district.

Trash Collection: Collector truck personnel collect trash from sidewalk trash receptacles.

Graffiti Removal: Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.

Weed Abatement: Weeds are removed as they become unsightly, or as needed.

Special Collections: District trucks are often called to dispose of illegal food vendors' inventory. They are also dispatched to collect shopping carts and large bulky items illegally dumped in the District.

Landscape Maintenance: Landscape maintenance is an important program that works to attract increased customers to the district. Landscape maintenance includes maintaining tree wells and weed abatement. A well landscaped district supports an

increase in commerce and provides a special benefit to each individually assessed parcel in the district.

Safe Team Program

District property owners faced with a limited District budget have chosen to use the District Clean, Safe and Beautiful budget solely for Clean and Beautiful programs the first two years of the District. In years three through five the District reserves the right to add safety services which would be funded within the existing clean, safe & beautiful budget. If this occurs, the clean and/or beautiful portion of the clean, beautiful and safe program budget may be reduced in order to fund a safe program. In no case will the total clean, safe and beautiful budget exceed the budget for this line item established in the District Management Plan.

MARKETING

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. **The marketing budget for each zone can be found in the chart on page 17.** The web site will contain a section that lists each business within the District. The special benefit to District parcels from the web site is an increased awareness of the businesses within the district and their individual offerings which attracts new customers to the District businesses and provides an increase in commercial activity which directly relates to increases in lease rates and enhanced commerce. The quarterly newsletter provides a special benefit to District assessed parcels by increasing the awareness of the success of District programs, providing updates on District issues such as crime statistics and communicating the continued improvement in the economic environment of the District to each of the individually assessed District parcels. The special benefit from the communication and media relation programs is an increase in lease rates, tenant occupancy, and commercial activity. Some of the communication/economic development programs being considered are:

- Image and Communication programs, newsletters, website development to support local businesses, and District programs.
- Public and Media Relations.
- Development of Greater Leimert Park Village/Crenshaw Corridor Business Improvement District image pieces.

ADMINISTRATION

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered seven days a week. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. Included in this item are management labor, office expense and organizational expenses such as insurance and the cost to conduct a yearly financial review. A well-managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and an increase in residential serving businesses in part due to the work of the management staff as stated above. Also included in this budget item are City fees to collect and process the assessments. **The administration/reserve/city fees budget for each zone can be found in the chart on page 17.**

SECTION C: BENEFITTING PARCELS

PBID Boundary

Article XIIID Section 4(a) of the State Constitution requires that the authorizing agency "Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed".

The Greater Leimert Park Village/Crenshaw Corridor Business Improvement District includes all property within a boundary formed by:

The Greater Leimert Park Village/Crenshaw Corridor Business Improvement District includes all property within a boundary formed by: Beginning at the northwest corner of parcel 5033-004-900, then east along the north line of said parcel to east line of said parcel, then south along the east line of parcel 5033-004-900 and the east line of parcels abutting the east side of Crenshaw Boulevard to the south side of Martin Luther King, Jr. Boulevard, then east to the west side of Mc Clung Drive, then south to the southeast corner of parcel 5013-009-014, then west to the east line of the parcels abutting the east side of Crenshaw Boulevard, then south along the east line of the parcels abutting the east side of Crenshaw Boulevard to the north line of parcel 5024-017-001, then east along the north line of said parcel and the north line of the parcels abutting the north side of 43rd Street to the west side of Leimert Boulevard, then south along the west side of Leimert Boulevard to its intersection with the east side of Crenshaw Boulevard, then north along the east side of Crenshaw Boulevard to a point directly east of parcel 5013-013-013, then west along the south line of parcels 5013-013-013 and 014 to the southwest corner of parcel 5013-013-014, then north along the west line of said parcel and the parcels abutting the west side of Crenshaw Boulevard to a point in the south line of parcel 5032-002-040 on the north side of Stocker Street, then southwesterly along the north side of Stocker Street to the northeasterly side of Santa Rosalia Drive, then northwesterly along the northeasterly side of Santa Rosalia Drive to the east side of Buckingham Drive, then north along the east side of Buckingham Drive to the southwesterly side of Martin Luther King, Jr. Boulevard, then southeasterly along the southwesterly side of Martin Luther King, Jr. Boulevard to the easterly side of Marlton Avenue, then northerly along the easterly side of Marlton Avenue to the south side of 39th Street, then east along the south side of 39th Street to the west side of Crenshaw Boulevard, then south along the west side of Crenshaw Boulevard to a point directly west of the northwest corner of parcel 5033-004-900, then east to the point of beginning.

Zone Boundary Description (Also see map, page 10)

Zone 1:

The core Leimert Park Village area parcels make up Zone 1. This zone is bounded by the northern boundary of the parcels abutting the north side of 43rd St. to 43rd Pl. to the south, and parcels facing Degnan Blvd. on both the east and west.

Zone 2:

Commercial areas along Crenshaw Blvd (not including the Baldwin Hills Mall), Leimert Blvd., and Marlton Square make up Zone 2. The area along Crenshaw Blvd. includes the east side of Crenshaw from parcel 5033-004-901 to the north side of Stocker St. And both sides of Crenshaw Blvd. from the south side of Stocker St. to parcel 5013-013-013 on the west side and parcel 5013-023-007 on the east side of Crenshaw Blvd. The area along Leimert Blvd. includes parcels abutting the west side of Leimert Blvd. from 43rd St. to the intersection of Leimert Blvd. and Crenshaw Blvd. Marlton Square is bounded by Martin Luther King, Jr. Blvd. to the north, Santa Rosalia Dr. to the south, Buckingham Rd. to the west and Marlton Ave. to the east.

Zone 3:

Crenshaw Mall parcels make up Zone 3. This zone is bounded by 39th St. to the north Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east.

DISTRICT BOUNDARY RATIONALE

The property land uses within the general boundaries of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District are a mix of retail, restaurant, art, office, parking and mixed use commercial uses. Leimert Park is unique in that for over 50 years it has been an important center of African-American art and culture as well as a center of commerce in the African-American community. Crenshaw Plaza/Baldwin Hills Mall, which is within the District, was one of the first large shopping malls developed in the United States. The boundaries for the Leimert Park BID were established in 2003 in an effort to respect the historic nature of the commercial district and bring revitalization to the district.

Services and improvements provided by the District are designed to provide special benefits in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the District. District programs provide special benefits to retail parcels, commercial parcels, parking parcels, restaurant parcels, art parcels and office parcels each benefit specifically from the District's clean programs which create a clean and safe environment for their customers, patrons, and office tenants. The District's marketing programs, such as the web site and newsletter, list each of the retail, restaurant, art, office, parking and commercial uses. The special benefit to the retail, mixed use commercial, parking, restaurant, office and art assessed parcels from these services is an increased likelihood of improved lease rates, parking revenue, and tenant occupancy because of an increase in commercial activity, and an overall increase in District activity.

The District was developed to provide special benefits to the assessed parcels facing on the corridors within the District. All of the services provided such as the cleaning work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District. These activities are intended to improve the economic vitality for each individually assessed parcel by making each individual assessed parcel cleaner, safer and more attractive which will encourage investment dollars and generate additional pedestrian traffic. Each of these activities specially benefits each individual assessed parcel, including commercial, and government. The special benefit to each individually assessed parcel from these activities is that cleaner and more attractive sidewalks create an increased sense of safety and lead to increased commercial activity which directly relates to increases in lease rates and customers.

Each assessed parcel within the District receives special benefits and is assessed regardless of property use. The goal of improving the economic and environmental vitality while preserving and strengthening the historical nature of the District is supported by District programs that work to attract pedestrians/customers for future patronage of commercial businesses, and the renting of space in commercial property.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided to each individually assessed parcel within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to each individually assessed parcel within the District, and will not provide services outside of District boundaries. Nor will District promotional efforts, which are designed to increase economic activity for businesses within the District, promote activities outside of District boundaries.

Northern Boundary: The northern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District is Martin Luther King Boulevard, 39th Street and the north parcel line of parcels facing on the north side of 43rd Street. Parcels north of Martin Luther King Boulevard, the east side of 39th Street and the north side of 43rd Street are zoned solely residential and will not specially benefit from the unique improvements and services which are designed to provide special benefits in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District. These programs are not designed to provide special benefit to the residential uses outside of District boundaries because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking and mixed use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, and encouraging commerce. Programs funded with the assessment, will only be provided to individual assessed parcels within the boundaries of the District. Parcels directly north of west side of 39th Street differ from District uses in that they do not depend on pedestrian traffic to support their businesses. An example of which is the funeral home just outside the District boundaries. Parcels north of the District also differ in commercial scale and use than the Crenshaw/Baldwin Hills Mall parcels in that they do not depend on walk up business and do not have the same historic nature of other commercial parcels within the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Eastern Boundary: The eastern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District varies between the west side of Leimert Boulevard on the south and the eastern parcel line of parcels facing on the east side of Crenshaw Boulevard. This boundary was determined because properties within the district are commercial while properties outside the eastern district boundary are solely residential in use and will not specially benefit from the unique improvements and services which are designed to provide special benefits in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District. These programs are not designed to provide special benefit to the residential uses outside of District boundaries. District programs are designed to benefit commercial parcels because District programs are designed to provide special benefits to the retail, restaurant, art, office, parking and mixed use commercial uses in the form of increasing commercial building occupancy and lease rates, encouraging new business development, and encouraging commerce. Specifically, sidewalk cleaning personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Southern Boundary: The southern boundary is the southern parcel line of parcels 5013-013-013, 5013-013-014, and 5013-023-007. This boundary was determined because properties along Crenshaw Boulevard are of similar commercial use as the retail, restaurant, art, office, parking and mixed use commercial uses as parcels 5013-013-013, 5013-013-014, and 5013-023-007. Parcels 5013-013-013 and 5013-013-014 are on the south west corner of Crenshaw Boulevard and Vernon Avenue, a multistory bank building, are included in the District to provide District programs to all four corners of the intersection. The street on the south side of parcel 5013-013-013 is used as a street connecting S. Victoria Avenue and Crenshaw Boulevard and acts as a district boundary. Parcels south of the District boundary will not specially benefit from District programs. Parcels south of the District boundary are a mix of residential intermingled with an occasional small commercial use. These parcels do not rely on pedestrian traffic to support

commercial activity and will not specially benefit from the District clean and beautiful programs which are designed to enhance pedestrian traffic and increase walk in business for parcels in the District. The parcels south of the District boundary will not specially benefit from the District marketing program which is designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. The parcels south of the District boundary are not in the historic area of Leimert Park which ends at the District boundary and the Crenshaw District begins. The parcels are not part of the traditional Leimert Park African-American art and culture district and don't further the goal of improving the economic and environmental vitality while preserving and strengthening the historical nature of the commercial uses within the District. Parcels south of Stocker Avenue and west of Crenshaw Boulevard are in an unincorporated area of Los Angeles County and are not included with in the District boundaries. Property based business improvement districts cannot cross governmental jurisdiction lines without the approval of both jurisdictions. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Western Boundary: The western boundary of the Leimert Park Village/Crenshaw Business Improvement District is the western parcel line of parcels on the west side of Crenshaw Boulevard beginning with parcel 5013-013-013 and heading north to Stocker St. At Stocker St. turn west along Stocker St. to Santa Rosalia Dr. At Santa Rosalia Dr. turn northerly along Santa Rosalia Dr. to Buckingham Dr. At Buckingham Dr. turn northerly to Martin Luther King Jr. Blvd. This boundary was chosen for its unique commercial uses including regional medical center, and mall restaurant/retail. Parcels west of the District boundary are zoned solely residential which are excluded by State Law from being included within the District. The commercial zoned uses on the southwest side of Santa Rosalia Dr. are religious, recreational and residential and do not depend on pedestrian traffic to support commercial activity. These parcels outside the District will not benefit from the District programs which are specifically designed to improve pedestrian traffic and provide special benefit to the retail, restaurant, art, office, parking and commercial uses within the District. Services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Zone 1 Boundary:

Zone 1 is the core of Leimert Park Village area and contains a concentration of non-mall retail uses, and a large District serving parking lot. This area has the highest pedestrian counts generated by the businesses and the parking lot and the highest demand for clean and beautiful services. This zone is bounded by 43rd St. to the north and 43rd Pl. to the south, and parcels facing Degnan Blvd. on both the east and west.

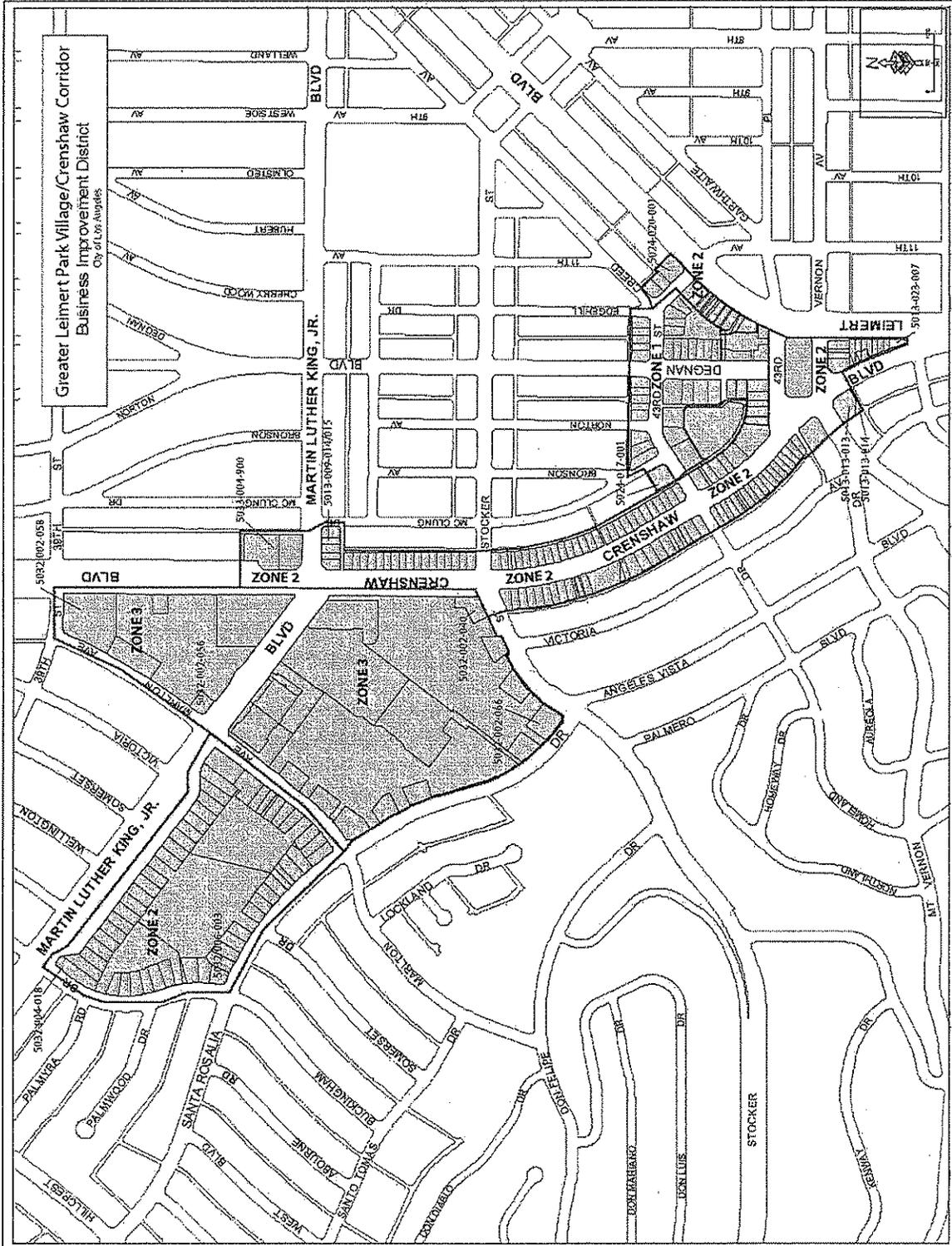
Zone 2 Boundary:

Zone 2 is made up of parcels along Crenshaw Boulevard (not including the Crenshaw Mall), Leimert Boulevard and Marlton Square. Zone 2 whose businesses for the most part face on high volume high speed streets which are less pedestrian friendly. These businesses have limited on street parking and provide most of their parking off street either in front or behind their businesses. Zone 2 has lower pedestrian traffic than zone 1 and less need for clean and beautiful services.

Zone 3 Boundary:

Zone 3 consists of the Crenshaw Mall parcels. This zone is bounded by 39th St. to the north, Santa Rosalia Dr. and Stocker St. to the south, Marlton Ave. to the west and Crenshaw Blvd. to the east.

Zone 3 has the lowest need for clean and beautiful services due to existing Crenshaw mall maintenance.



SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIIIID Section 4(a) of the State Constitution requires "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided".

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed Improvements is the result of a four-step process:

1. Defining the proposed activities,
2. Determining which parcels specially benefit from the proposed activities,
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the District receive.

Each identified parcel within the District will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the District services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factors

The method used to determine proportional special benefits are measured by each parcel's street frontage, building size plus lot size compared to the total street frontage, building square footage and lot square footage of all parcels in the District boundary. In order to determine which elements will be a part of the assessment methodology it begins with an analysis of the building types and development types within a district. The building types within this district vary from one story commercial buildings to multi-story office and mixed use commercial buildings. The use of building square footage as one of the assessment variables addresses the need to spread the assessments equitably in a district that has such a wide variable of density on a parcel.

To further determine which elements will be a part of the assessment methodology there must be an analysis of the parcel sizes and variations in parcel size within the district. This District does not have a consistent parcel size throughout the District. The parcels vary from small commercial parcels with one small building to large parcels such as the Baldwin Hills/Crenshaw Plaza Mall with multi-tenant office and mixed use commercial developments. The use of lot size as one of the assessment variables addresses the need to spread the assessments proportionally in a district that has such a wide variable in lot size. Linear front footage was used as an assessment variable in this District in order to spread a portion of the assessment to the frontage of the parcels where the clean program will provide services.

The use of each parcel's assessable lot square footage, building square footage and linear footage is the best measure of benefit for the programs because the intent of the District activities is to improve the cleanliness of each individual parcel, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services for parcels within the District, in other words to attract more customers, clients and or employees.

Linear Street Frontage: Linear street frontage is defined as the front footage of a parcel that

fronts a public street. Properties are assessed for all street frontages. Properties with more than one street frontage such as corner lots or whole block parcels are assessed for the sum of all the parcels' street frontage. Linear frontage footage was obtained from the County Assessor's parcel maps.

Assessable Square Footage Defined (zone 1 & zone 2): Assessable Square Footage is defined as the lot square footage plus the building square footage of a parcel. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps. Building square footage is defined as gross building square footage as determined by the outside measurements of a building. In zone 1 and zone 2, assessable square footage is defined as lot square footage + building square footage.

Assessable Square Footage Defined (zone 3):

In zone 3, assessable square footage is defined as just lot square footage. Lot square footage is defined as the total amount of area within the borders of the parcel.

SECTION E: SPECIAL and GENERAL BENEFITS

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states "only special benefits are assessable" which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements. Further clarification from the Golden Hill judicial opinion states that "even *minimal* general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties". A special benefit as defined in Article XIID means a particular and distinct benefit over and above general benefits conferred on real property located in the PBID or to the public at large.

The special benefit to parcels from the proposed PBID activities and improvements described in this Report is equal to or exceeds the total amount of the proposed assessment. Each individual assessed parcel's assessment is no greater than the special benefit it receives from the PBID services.

The quantitative analysis of determining both the special and general benefit is provided separately below.

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property related activities directly benefiting each individual assessed parcel in the PBID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. Article XIID Section 4(a) of the state Constitution states "An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed".

All individually assessed parcels specially benefit from PBID activities. In particular, each parcel will benefit from the Safe and Clean services that will make each parcel cleaner and safer, such as: removing graffiti from buildings, picking up trash, weeding and power-washing sidewalks which directly relates to improving the safety of each individual parcel, to increasing building occupancy and lease rates, encouraging new business development and attracting ancillary businesses and services for parcels within the District. All specially benefitted parcels will be assessed based on their proportional share of the special benefits received from the PBID activities.

Each individually assessed parcel will also specially benefit from the Communication activities which will specially benefit each parcel by encouraging business development and investment which generates customer traffic which directly relates to increases in commercial activity. All specially benefitted parcels will be assessed based on their proportional share of the special benefits received from the PBID activities.

The PBID's purpose is to fund activities and improvements to provide a cleaner and safer environment and to perform the communication services as outlined in Section B with the goal of

increasing pedestrian traffic and filling vacant wholesale space and commercial properties. By presenting a more attractive, safer and vibrant destination, there is a likelihood of increased pedestrian traffic, increased business activities and improved commercial serving uses.

Improving the perception of public safety makes locations more attractive for businesses. When business location decisions are made, "lower levels" of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment. Uncertainty affects the investment environment in general. But in particular, it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable".⁹ Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is increased commercial lease rates and commercial tenant occupancy because of the increase in commercial activity and an increase in District customers that follow from having a cleaner and safer area.

Each individually assessed parcel will also specially benefit from the Marketing activities. The web site will contain a section that lists each business within the District. The special benefit to District parcels from the web site is an increased awareness of the businesses within the district and their individual offerings which attracts new customers to the District businesses and provides an increase in commercial activity which directly relates to increases in lease rates and enhanced commerce. The quarterly newsletter provides a special benefit to District assessed parcels by increasing the awareness of the success of District programs, providing updates on District issues such as crime statistics and communicating the continued improvement in the economic environment of the District to each of the individually assessed District parcels. The special benefit from the communication and media relation programs is an increase in lease rates, tenant occupancy, and commercial activity. All specially benefitted parcels will be assessed based on their proportional share of the special benefits received from the PBID activities.

Publicly Owned Parcels: Individually assessed parcels that are owned by a unit of government do not receive special benefit from the District's Marketing programs, which consist of a quarterly newsletter and web site, and are designed to provide special benefit to the District's mix of retail, restaurant, art, office, parking and mixed use commercial uses in the form of attracting commercial customers to these uses. The City of Los Angeles parcels are a public park, parking lots, senior housing, vacant land and an empty building. These parcels will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. The DWP parcel is a billing paying office and will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. The CRA parcels are vacant land and a vacant building and will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. Government parcels are not commercial in nature and do not benefit from increased commercial customers and will not be assessed for the cost of those programs. Individually assessed parcels that are owned by a unit of government will specially benefit from the Clean, and Beautiful and Administration programs. These parcels will receive special benefit from these programs with increased use which directly relates to fulfilling their public service mission.

⁹ "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that "*Parcels within a district that are owned or used by any agency...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.*"

General Benefit

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels receive. This analysis will evaluate and determine the level of general benefits that (1) parcels outside of PBID may receive, and (2) the public at large may receive. Each of the parcels are receiving 100% of the special benefit parcels.

General Benefit to Parcels Outside of PBID

All the PBID activities and improvements are provided to each of the individual assessed parcels in the PBID boundary. No PBID activities will be specifically provided to any parcel outside of the PBID boundary. However, it is conceivable to conclude that some parcels outside of the PBID boundary may receive some spillover benefit from the Safe and Clean activities.

In the case of the PBID, the parcels considered outside of the PBID's boundary that may receive a general benefit are those parcels that are immediately adjacent to or immediately across the street from where the PBID services are delivered. In order to calculate the general benefit parcels adjacent to the Greater Leimert Park Village/Crenshaw Corridor PBID may receive, the percentage of each PBID activity budget per benefit zone attributed to these parcels must be determined. The table below shows the budgets for each of the PBID activities that may have spillover benefit and their respective percentage of the total PBID budget.

We then need to apply a Relative Benefit factor to each of the activities accounting for the potential benefit parcels outside of the district may receive. The relative benefit factor is a basic unit of measure that compares the benefit that parcels within the District receive compared to parcels outside of the District. Since the parcels in the District boundary receive 100% of the special benefit they are assigned a relative benefit factor of 1.0 for each PBID activity. Since the parcels outside of the district boundary do not directly receive any PBID activity they are assigned a benefit factor less than 1.0 for each PBID activity. There is no scientific method to determine the respective relative benefit, however in our professional experience the relative benefit factors are reasonable to conclude. In the case of Leimert Park, Marketing does not have a spillover benefit and does not provide a general benefit to parcels outside the District. For example the web site has a directory of only those businesses within the District. The newsletter only goes to owners of the parcels within the District Safe and Clean may have a spillover benefit in that parcels immediately adjacent to the PBID boundary may visually see the effects of the PBID services, e.g. cleaner sidewalks, safety patrols, and buildings without graffiti. The relative benefit factor for Safe and Clean is 0.25. The relative benefit factors are then multiplied by the PBID activity's benefit zone budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

PBID Activities Budget:	Budget	Percent of Budget	x	Relative Benefit *	=	Benefit Factor
Zone 2 Budget for Clean and Safe:	\$105,824	47.19%		0.25		0.12
Zone 3 Budget for Clean and Safe:	\$16,656	7.43%		0.25		0.02
TOTAL PBID Assessment Budget:	\$224,245					0.14

Based on the criteria of identifying parcels outside of the PBID boundary there are 56 parcels that do not directly receive the PBID activities but may receive some spill-over benefit. We further allocate those 56 parcels as to those that are adjacent to either benefit zone 2 or 3, or also whether they are residential/church or commercial. The residential/church parcels are not commercial in use and do not receive spillover benefit from the District marketing activities which are designed to increase commercial activity and provide special benefit to commercial parcels, and less spillover benefit than commercial parcels from the clean and safe activities. Therefore, the non-commercial residential/church parcels outside of the district will receive 50% of the benefit factor for clean and safe respective of each benefit zone. There is no scientific method to determine the respective percent of reduced benefit parcels outside the PBID receive, however in our professional experience the relative reduced benefit are reasonable to conclude.

In comparison, there are 154 parcels within the PBID boundary, all of which receive a benefit factor of 1.0 acknowledging that they receive 100% special benefit from the PBID activities. To calculate the general benefit percentage, the respective benefit factors must be applied to the number of parcels both within the PBID boundary and those that are outside of the PBID boundary. The table below shows the benefit factors for parcels outside of the district boundary.

	No. of Parcels	Benefit Factor	Total Benefit Units
No. of parcels in District:	154	1.00	154.00
Zone 2 residential + church adjacent	17	0.06	1.02
Zone 2 commercial adjacent	19	0.12	2.28
Zone 3 residential + church adjacent	17	0.01	0.17
Zone 3 commercial adjacent	3	0.02	0.06
Total number of parcels	210		157.53

To calculate the general benefit add together the benefit factors for each benefit zone and then divide that by the total number of parcels. For example, the general benefit for parcels adjacent to Zone 2 is 1.57% $(1.02+2.28)/210$, and the general benefit for parcels adjacent to Zone 3 is 0.11% $(0.17+0.06)/210$. To calculate the total general benefit for the 56 parcels adjacent to the district boundary we need to weight each of the benefit zone factors. The weighted factor for parcels adjacent to Zone 2 is 0.5652 $(1.57\%) \times (17+19)$. The weighted factor for parcels adjacent to Zone 3 is 0.0220 $(0.11\%) \times (17+3)$. The total weighted factors are then divided by the 56 parcels adjacent to the district boundary to calculate the general benefit $(0.5652+0.0220)/56$. Therefore, the total general benefit for parcels adjacent to the district boundary is 1.05%.

General Benefit to the Public At Large

In addition to the general benefit to the parcels outside of the PBID boundary, there may be general benefits to the public at large, those people that are either in the PBID boundary and not specially benefitted from the activities or people outside of the PBID boundary that may generally benefit from the PBID activities. In the case of the PBID the public at large are those individuals that are within the PBID boundary that do not pay an assessment and do not specially benefit from the PBID activities.

Since business and economic development encourages pedestrian traffic and presumably livability we need to quantify the number of people that are in the District that either engage in commerce and/or reside in the PBID. The Greater Leimert Park/Crenshaw Corridor PBID contracted with Farrand Research to conduct intercept surveys within the PBID boundary to determine to what degree respondents engage in any type of business activity (going to a restaurant; walking around; shopping; attending a live performance; conduct personal business, e.g. visit a bank, beauty salon, tailor, dry cleaner; pay to park a car in the District; attend a festival or special event). The survey included 378 participants, with a margin of error of 5.0%, and was conducted on January 26th and 29th, 2013 at separate locations within the PBID with all efforts made to include an unbiased cross section of participants.

The intent of the survey is to determine how many of the respondents intend to engage in commerce and/or chose to live within the District and also whether any of the PBID provided activities; i.e. Clean and Safe or Communication influenced their decision. If the respondent indicated that they intend to engage in commerce and also that any of the PBID activities influenced their decision to be in the District, then the PBID activities provide a special benefit to the assessed parcels in that the PBID activities played some role in that respondent's decision to engage in commerce. Of the 378 survey respondents, only 13 responded that they were not likely to engage in any type of commerce. That means that the remaining 365 or 96.6% of the respondents indicated that they will and intend to engage in at least one of the business activities asked in the survey and that the PBID services; i.e. Clean and Safe or Communication will contribute to their decision to come to the District and engage in commerce. It is reasonable to presume that those 13 respondents then are those people that are in the PBID boundary who do not benefit from the PBID activities and represent the general benefit to the public at large. Therefore, 3.44% (13/378) of the total survey responses represent the general benefit to the public at large. The final survey results are attached as Attachment A to this report.

Total General Benefits

Using the sum of the two (2) measures of general benefit described above, we find that approximately 4.49% (1.05%+3.44%) of the benefits conferred by the PBID activities may be general in nature and will be funded from sources other than special assessments.

SECTION F: COST ESTIMATE

2014 Operating Budget

The Greater Leimert Park Village/Crenshaw Corridor 2014 calendar year operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the District boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

PBID Expenditures				
Benefit Zone	Clean, Safe & Beautiful	Marketing	Administration/Reserve/ City Fees	Total Budget
Zone 1	\$24,599.33	\$26,991.27	\$7185.15	\$58,775.75
Zone 2	\$105,824.40	\$12,417.00	\$26,219.19	\$144,460.59
Zone 3	\$16,656.11	\$108	\$4244.66	\$21,008.77
Total Expenditures	\$147,079.84	\$39,516.27	\$37,649.00	\$224,245.11
REVENUES				
Assessment Revenues				\$214,176.50
Other Revenue, 4.49% (1)				\$10,068.61
TOTAL REVENUES				\$224,245.11
<i>(1) Other non-assessment funding to cover the cost associated with general benefit.</i>				

Budget Notations

1. The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The actual amount of increase will be determined by the Owners Association and will vary between 0% and 5% in any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report.

SECTION G: APPORTIONMENT METHOD

In order to assess for the special benefit each parcel receives from the PBID activities, the District is segregated into three benefit zones, as previously discussed in Section B. The levels of appropriate service delivery within each zone were determined by analyzing current service delivery needs, pedestrian activity, population density and projecting future needs over the term of the District in order to produce a common level of cleanliness throughout the District. Each zones assessment rate was calculated by determining the expense for the services provided in that area and then spreading the expenses over the total assessable footage for that Zone.

Zone 1 parcels are located on streets within Leimert Park Village with high concentrations of pedestrian activity and will receive a different level of special benefit in the form of increased frequency of sidewalk sweeping and cleaning. Zone 2 parcels are also located on major streets and have different pedestrian use patterns than the Zone 1, with less pedestrian activity. Zone 2 requires a lower frequency of sidewalk services to match the lower use patterns. Zone 1 and 2 are assessed on street front footage and assessable square footage (made up of building square footage + lot square footage). Zone 3 parcels consist of the Crenshaw/Baldwin Hills Mall and have the lowest frequency of pedestrian use in the District because business activity occurs inside the mall, rather than at street level. The level of cleaning in zone 3 is less due to the mall providing a base level of maintenance. Zone 3 requires a different frequency of cleaning services to match the different use pattern and need. For these reasons, Zone 3 parcels are assessed on street front footage and assessable square footage (made up of lot square footage only).

The table below summarizes the assessable footages for the linear street frontage, and the assessable square footage of the lot square footage plus the building square footage within each benefit zone. In order to allocate the cost of the PBID services to the parcels for the special benefits received we use the assessable square footages shown below.

	Zone 1	Zone 2	Zone 3
Non Gov Building Sq Ft	138,210	381,627	0
Non Gov Lot Sq Ft	189,824	1,242,715	1,868,890
Non Gov Assessable Sq Ft (lot + bldg)	328,034	1,624,342	1,868,890
Non Gov Frontage	1,763	8,017	4,911
Gov Building	17,258	84,557	0
Gov Lot	111,728	357,992	0
Gov Assessable Sq Ft (lot + bldg)	128,986	442,549	0
Gov Frontage	685	2,296	0

Calculation of Assessments

Based on the special benefit factors, assessable footages for each benefit zone, plus the budget identified for each benefit zone, all of which are discussed above, the following table illustrates the first year's maximum annual assessment per linear foot, and lot square foot plus building square foot.

	Zone 1	Zone 2	Zone 3
Non Government			
Assessable Sq Ft	\$0.0714	\$0.0328	\$0.0053
Frontage	\$13.3770	\$7.2787	\$2.0537
Government			
Assessable Sq Ft	\$0.0351	\$0.0277	
Frontage	\$6.5540	\$6.1221	

Assessment Formula:

Total Street Front Footage X Appropriate Zone Rate = Parcel Street Footage Assessment

Total Lot + Building Square Footage X Appropriate Zone Rate = Parcel Assessable Square Footage Assessment

Calculation Example:

Parcel is a corner lot with 50 feet of front footage on a Zone 1 street and 10,000 feet of assessable square footage on a Zone 1 street.

Street Front Footage	50 feet X \$13.3770	= \$668.85
Assessable Sq Footage	10,000 feet x \$0.0714	= \$714.00
	Total Parcel Assessment	= \$1,382.85

The assessment calculation is the same for every parcel in each benefit zone, except zone 3 where assessable square footage consists of only lot square footage.

Government Assessments

Individually assessed parcels that are owned by a unit of government do not receive special benefit from the District's Marketing programs, which consist of a quarterly newsletter and web site, and are designed to provide special benefit to the District's mix of retail, restaurant, art, office, parking and mixed use commercial uses in the form of attracting commercial customers to these uses. The City of Los Angeles parcels are a public park, parking lots, senior housing, vacant land and an empty building. These parcels will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. The DWP parcel is a billing paying office and will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. The CRA parcels are vacant land and a vacant building and will not specially benefit from District marketing programs which are designed to increase awareness of the Historic Leimert Park District and increase commerce to the historic commercial businesses within the District boundary. Government parcels are not commercial in nature and do not benefit from increased commercial customers and will not be assessed for the cost of those programs. Individually assessed parcels that are owned by a unit of government will specially benefit from the Clean, Safe and Beautiful and Administration programs. These parcels will receive special benefit from these programs in the form of a cleaner and safer environment and increased use of the public facilities which directly relates to fulfilling their public service mission.

Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...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." Below is a list of the publicly-owned parcels and their respective assessments.

Zone	APN	Owner Names	Situs Address	F. Footage	Lot Area	Bldg Sq Ft	asmt	%
2	5024-018-900	City Of Los Angeles (Leimert Plaza)	no site address	642	44039	500	\$5,162.53	2.41%
1	5024-018-901	City Of Los Angeles (parking lot)	no site address	102	9145	0	\$989.71	0.46%
2	5024-018-902	City Of Los Angeles (parking lot)	no site address	0	60110	0	\$1,662.92	0.78%
1	5024-018-903	City Of Los Angeles (alley)	no site address	7	810	0	\$74.33	0.03%
1	5024-019-900	City Of Los Angeles (parking lot)	no site address	272	49360	0	\$3,516.37	1.64%
2	5024-019-901	City Of Los Angeles (parking lot)	no site address	10	1760	0	\$109.91	0.05%
1	5024-019-902	City Of Los Angeles (vision theater)	no site address	38	21600	17258	\$1,613.87	0.75%
1	5024-019-903	City Of Los Angeles (parking lot)	no site address	69	7590	0	\$718.81	0.34%
1	5024-019-904	City Of Los Angeles (parking lot)	no site address	197	23223	0	\$2,106.80	0.98%
2	5032-004-908	City Of Los Angeles (Buckingham Place)	4020 Buckingham Rd,	327	47480	52,457	\$4,766.64	2.23%
2	5032-004-909	City Of Los Angeles (vacant land)	no site address	151	65340	0	\$2,732.04	1.28%
		Total City Of Los Angeles					\$23,453.93	10.95%
		Community Redevelopment/agency Of L A City	3700 W Martin Luther King Jr Blvd,	295	19286	0	\$2,339.56	1.09%
		Community Redevelopment/agency Of L A City	4013 Marlton Ave,	124	15600	0	\$1,190.70	0.56%
		Community Redevelopment/agency Of L A City	3750 W Martin Luther King Jr Blvd,	120	16801	21600	\$1,797.00	0.84%
		Community Redevelopment/agency Of L A City	4023 Marlton Ave,	50	7000	0	\$499.76	0.23%
		Community Redevelopment/agency Of L A City	3760 W Martin Luther King Jr Blvd,	60	8464	0	\$601.49	0.28%
		Community Redevelopment/agency Of L A City	3772 W Martin Luther King Jr Blvd,	60	8407	0	\$599.91	0.28%
		Community Redevelopment/agency Of L A City	3800 W Martin Luther King Jr Blvd,	240	33604	0	\$2,398.94	1.12%
		Total Community Redevelopment/agency Of L A City					\$9,427.35	4.40%
		LA DWP	no site address	217	30100	10000	\$2,437.84	1.14%
		Total LA DWP					\$2,437.84	1.14%
		Total Government Assessments					\$35,319.12	16.49%

Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments maybe subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the District Owners Association and will vary between 0 and 5% in any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The owners association shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. The management/administration line item may only be increased by the annual increase subject to the 5% cap and cannot be increased through the 10% budget reallocation. Any change will be approved by the owner's association board of directors and submitted to the City of Los Angeles within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan.

Budget Adjustment

Any annual budget surplus or deficit will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses or deficits that are carried forward.

Treatment of Residential Housing

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed. The District does contain parcels that are zoned solely for residential use.

Renewal

District funds may be used for renewing the District.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable commercial footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required to approve the changes. Pursuant to Government Code section 53750.

SECTION H: ASSESSMENT ROLL

The total assessment amount for 2014 is \$214,176.50 apportioned to each individual assessed parcel. For a complete listing of assessed parcels, please see Attachment B: Assessment Roll, attached as a separate document.

Attachment B: Assessment Roll

Zone	APN	Owner Names	Situs Address	F. Footage	Lot Area	Bldg Sq Ft	Asmt	%
2	5024018900	City Of Los Angeles (Leimert Plaza)	no site address	642	44039	500	\$5,152.41	2.41%
1	5024018901	City Of Los Angeles (parking lot)	no site address	102	9145		\$989.71	0.46%
2	5024018902	City Of Los Angeles (parking lot)	no site address	0	60110		\$1,641.19	0.77%
1	5024018903	City Of Los Angeles (alley)	no site address	7	810		\$74.33	0.03%
1	5024019900	City Of Los Angeles (parking lot)	no site address	272	49360	0	\$3,516.37	1.64%
2	5024019901	City Of Los Angeles (parking lot)	no site address	10	1760	0	\$109.37	0.05%
1	5024019902	City Of Los Angeles (vision theater)	no site address	38	21600	17258	\$1,613.87	0.75%
1	5024019903	City Of Los Angeles (parking lot)	no site address	69	7590	0	\$718.81	0.34%
1	5024019904	City Of Los Angeles (parking lot)	no site address	197	23223	0	\$2,106.80	0.98%
2	5032004908	City Of Los Angeles (Buckingham Plaza)	4020 Buckingham Rd,	327	47480	52,457	\$4,733.56	2.21%
2	5032004909	City Of Los Angeles (vacant land)	no site address	151	65340	0	\$2,709.83	1.27%
		Total City of Los Angeles					\$23,366.24	10.92%
2	5032003900	Community Redevelopment/agency Of L A City	3700 W Martin Luther King Jr Blvd,	295	19286		\$2,335.34	1.09%
2	5032003901	Community Redevelopment/agency Of L A City	4013 Marlton Ave,	124	15600		\$1,186.22	0.55%
2	5032003902	Community Redevelopment/agency Of L A City	3750 W Martin Luther King Jr Blvd,	120	16801	21600	\$1,784.23	0.83%
2	5032003903	Community Redevelopment/agency Of L A City	4023 Marlton Ave,	50	7000		\$497.69	0.23%
2	5032003904	Community Redevelopment/agency Of L A City	3760 W Martin Luther King Jr Blvd,	60	8464		\$598.99	0.28%
2	5032003905	Community Redevelopment/agency Of L A City	3772 W Martin Luther King Jr Blvd,	60	8407	0	\$597.43	0.28%
2	5032003906	Community Redevelopment/agency Of L A City	3742 W Martin Luther King Jr Blvd,	60	8400	14692	\$998.37	0.47%
2	5032004900	Community Redevelopment/agency Of L A City	3800 W Martin Luther King Jr Blvd,	240	33604	0	\$2,389.03	1.12%
		Total Community Redevelopment/agency of LA City					\$10,387.30	4.85%
2	5033004900	LA DWP	no site address	217	30100	10000	\$2,425.37	1.13%
		Total LA DWP					\$2,425.37	1.13%
		Total Government Assessments					\$36,178.91	16.90%

Zone	APN	Situs Address	F. Footage	Lot Area	Bldg Sq Ft	asmt	%
2	5013013013	4401 Crenshaw Blvd,	92	14040	29497	\$2,102.44	0.98%
2	5013013014	4401 Crenshaw Blvd,	0	1760	5880	\$251.22	0.12%
2	5013023005	4414 Crenshaw Blvd,	25	776	1293	\$250.32	0.12%
2	5013023006	4434 Crenshaw Blvd,	60	5800	5981	\$824.88	0.39%
2	5013023007	4444 Crenshaw Blvd,	200	11600	1799	\$1,898.90	0.89%
2	5013023008	4414 Crenshaw Blvd,	4	3480	1293	\$186.12	0.09%
2	5013023012	3350 W Vernon Ave,	182	19750	2521	\$2,059.39	0.96%
2	5024006001		15	3299		\$217.85	0.10%
2	5024006002	4301 Crenshaw Blvd,	30	3300	1400	\$373.29	0.17%
2	5024006003	4307 Crenshaw Blvd,	30	3300	2190	\$399.27	0.19%
2	5024006004	4309 Crenshaw Blvd,	30	3465	1860	\$393.85	0.18%
2	5024006005	4313 Crenshaw Blvd,	45	5198	2300	\$574.67	0.27%
2	5024006006	4317 Crenshaw Blvd,	45	5198	2300	\$574.67	0.27%
2	5024006007	4321 Crenshaw Blvd,	30	3465	1550	\$383.65	0.18%
2	5024006008	4325 Crenshaw Blvd,	30	3465	1598	\$385.23	0.18%
2	5024006009	4327 Crenshaw Blvd,	30	3465	1500	\$382.01	0.18%
2	5024006010	4331 Crenshaw Blvd,	60	6930	3455	\$778.98	0.36%
2	5024006011	4343 Crenshaw Blvd 305,	90	10395	11782	\$1,385.48	0.65%
2	5024006012	4345 Crenshaw Blvd,	154	15440	11882	\$2,021.32	0.94%
2	5024006013	4371 Crenshaw Blvd,	86	15940	5244	\$1,323.66	0.62%
2	5024007001	4257 Crenshaw Blvd,	27	2990	1764	\$353.20	0.17%
2	5024007002	4263 Crenshaw Blvd,	55	6960	0	\$629.90	0.29%
2	5024007003	4267 Crenshaw Blvd,	100	11210	5400	\$1,275.34	0.60%
2	5024007004	4275 Crenshaw Blvd,	50	5500	3000	\$644.08	0.30%

2	5024007005	4279 Crenshaw Blvd,	50	5500	3240	\$651.97	0.30%
2	5024007006	4283 Crenshaw Blvd,	25	2750	2077	\$341.01	0.16%
2	5024007007	4285 Crenshaw Blvd,	25	2750	2407	\$351.86	0.16%
2	5024007008	4287 Crenshaw Blvd,	20	2200	1600	\$270.79	0.13%
2	5024007009	4289 Crenshaw Blvd,	29	3190	3159	\$420.23	0.20%
2	5024007023	4299 Crenshaw Blvd,	85	10250	3912	\$1,085.47	0.51%
2	5024008001	4241 Crenshaw Blvd,	30	3660	2079	\$407.46	0.19%
2	5024008002		40	4560		\$441.61	0.21%
2	5024008003	4233 Crenshaw Blvd,	40	4560	7800	\$698.09	0.33%
2	5024008004	4229 Crenshaw Blvd,	40	4557	1930	\$504.97	0.24%
2	5024008005	4225 Crenshaw Blvd,	40	4557	6500	\$655.25	0.31%
2	5024008008	4213 Crenshaw Blvd,	40	4557	3173	\$545.84	0.26%
2	5024008009	4209 Crenshaw Blvd,	40	4557	4640	\$594.08	0.28%
2	5024008024	4219 Crenshaw Blvd	80	9114	0	\$883.02	0.41%
2	5024008025	3610 Stocker St,	110	9490	5488	\$1,294.59	0.60%
2	5024008026	4249 Crenshaw Blvd,	187	20554	5108	\$2,207.34	1.03%
2	5024009004	4124 Crenshaw Blvd,	40	3800	1236	\$457.26	0.21%
2	5024009005	4120 Crenshaw Blvd,	40	3800	0	\$416.62	0.19%
2	5024009006	4116 Crenshaw Blvd,	40	3800	4385	\$560.81	0.26%
2	5024009007	4108 Crenshaw Blvd,	80	7600	5980	\$1,029.87	0.48%
2	5024009008	4080 Crenshaw Blvd,	120	11400	7200	\$1,486.60	0.69%
2	5024009009	4074 Crenshaw Blvd,	40	3800	6800	\$640.22	0.30%
2	5024009010	4070 Crenshaw Blvd,	40	3800	3808	\$541.83	0.25%
2	5024009011	4064 Crenshaw Blvd,	40	3800	6578	\$632.92	0.30%
2	5024009012	4058 Crenshaw Blvd,	45	4226	2551	\$550.97	0.26%
2	5024009013	4050 Crenshaw Blvd,	70	8843	1312	\$844.33	0.39%
2	5024009014	3552 W Martin Luther King Jr Blvd,	71	7100	2516	\$833.90	0.39%
2	5024009015	3540 W Martin Luther King Jr Blvd,	41	6100	5107	\$667.47	0.31%
2	5024009030	4140 Crenshaw Blvd,	185	19390	8708	\$2,272.87	1.06%
1	5024014001	3405 W 43rd St,	203	21910	12673	\$5,196.52	2.43%
1	5024015001	3443 W 43rd St,	100	20420	12963	\$3,732.60	1.74%
1	5024017001		96	11510	0	\$2,109.92	0.99%
2	5024017005	4278 Crenshaw Blvd,	40	3800	216	\$423.72	0.20%
2	5024017006	4276 Crenshaw Blvd,	40	3800	3400	\$528.42	0.25%
2	5024017007	4270 Crenshaw Blvd,	40	3800		\$416.62	0.19%
2	5024017008	4252 Crenshaw Blvd,	200	18800	6840	\$2,301.42	1.08%
2	5024017009		120	14971	7656	\$1,619.02	0.76%
2	5024017010	4230 Crenshaw Blvd,	240	22050	8048	\$2,739.67	1.28%
2	5024017011	4210 Crenshaw Blvd,	100	9500	3002	\$1,140.25	0.53%
2	5024017012	4200 Crenshaw Blvd,	95	10630	1428	\$1,089.20	0.51%
2	5024017035	4294 Crenshaw Blvd,	152	15620	4365	\$1,765.47	0.82%
1	5024018001	3401 W 43rd Pl,	60	6600	6528	\$1,744.42	0.82%
1	5024018002	3411 W 43rd Pl,	50	5580	5500	\$1,463.73	0.68%
1	5024018003	3411 1/2 W 43rd Pl,	32	3620	3764	\$957.79	0.45%
1	5024018004	3417 W 43rd Pl,	46	5450	4720	\$1,344.94	0.63%
1	5024018006	3423 W 43rd Pl,	40	5250	6800	\$1,399.55	0.65%
2	5024018007	4330 Crenshaw Blvd,	212	20670	8546	\$2,506.51	1.17%
2	5024018008	4320 Crenshaw Blvd,	93	9410	4528	\$1,136.43	0.53%
2	5024018009	4314 Crenshaw Blvd,	40	4420	2420	\$516.58	0.24%
2	5024018010	4308 Crenshaw Blvd,	56	6090	3472	\$722.75	0.34%
1	5024018012	3440 W 43rd St,	146	12970	9021	\$3,530.68	1.65%
1	5024018016	4305 Degnan Blvd 105,	86	13084	15500	\$3,201.04	1.50%
1	5024018017	4311 Degnan Blvd,	60	7800		\$1,362.19	0.64%
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1	5024018019	4333 Degnan Blvd,	54	5152	4320	\$1,401.88	0.65%
1	5024018020	4337 Degnan Blvd,	50	5000	4600	\$1,357.55	0.63%
2	5024018021	4306 Crenshaw Blvd,	45	4610	5475	\$659.74	0.31%

2	5024018022	4300 Crenshaw Blvd,	61	8190	6994	\$944.08	0.44%
1	5024018023	3426 W 43rd St,	117	8640	7914	\$2,752.69	1.29%
2	5024019002	4331 Leimert Blvd,	25	2510	2027	\$331.48	0.15%
2	5024019003	4339 Leimert Blvd,	80	5830	4974	\$938.59	0.44%
1	5024019004	3331 W 43rd Pl,	47	3280	2969	\$1,077.02	0.50%
1	5024019006	3343 W 43rd Pl,	82	5990	5984	\$1,955.93	0.91%
1	5024019008	4330 Degnan Blvd,	154	7800	7017	\$3,123.03	1.46%
2	5024019013	4307 Leimert Blvd,	87	11380	5450	\$1,187.78	0.55%
2	5024019014	4309 Leimert Blvd,	25	3080	3240	\$390.11	0.18%
2	5024019015	4315 Leimert Blvd,	49	6050	3592	\$674.34	0.32%
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2	5024019017	4323 Leimert Blvd,	38	4180	4773	\$571.48	0.27%
2	5024019018		50	5760	0	\$553.98	0.26%
2	5024020001	4299 Leimert Blvd,	95	22675	11709	\$1,823.34	0.85%
1	5024024001	3339 W 43rd St,	203	21910	16229	\$5,451.63	2.55%
3	5032002038	3625 Stocker St,	88	14659	12965	\$259.00	0.12%
3	5032002040		123	14074	5431	\$327.76	0.15%
3	5032002041	3649 Stocker St,	152	13769	5115	\$385.68	0.18%
3	5032002043	3715 Santa Rosalia Dr,	128	14028	1210	\$337.78	0.16%
3	5032002045	3755 Santa Rosalia Dr,	116	11882	5608	\$301.68	0.14%
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3	5032002057	3939 Crenshaw Blvd,	263	28070	11520	\$690.01	0.32%
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3	5032002060	3945 Crenshaw Blvd,	80	8000	4560	\$207.01	0.10%
3	5032002061	3650 W Martin Luther King Jr Blvd Bridge,	0	29000	24600	\$154.86	0.07%
3	5032002063	4020 Marlton Ave,	108	59677	57818	\$540.47	0.25%
3	5032002064		20	6160		\$73.97	0.03%
3	5032002065	3650 W Martin Luther King Jr Blvd,	445	455637	153886	\$3,347.00	1.56%
3	5032002066	4101 Crenshaw Blvd,	1281	390733	269052	\$4,717.27	2.20%
2	5032003002	3710 W Martin Luther King Jr Blvd,	66	13014	10143	\$1,242.70	0.58%
2	5032003003	3718 W Martin Luther King Jr Blvd,	73	10853	7407	\$1,132.73	0.53%
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2	5032003005	3732 W Martin Luther King Jr Blvd,	60	8400		\$713.69	0.33%
2	5032004003	3840 W Martin Luther King Jr Blvd,	60	8402	0	\$713.77	0.33%
2	5032004004	3850 W Martin Luther King Jr Blvd,	58	8121	0	\$689.97	0.32%
2	5032004005	3856 W Martin Luther King Jr Blvd,	58	8122	0	\$689.99	0.32%
2	5032004006	3860 W Martin Luther King Jr Blvd,	58	8122	0	\$689.98	0.32%
2	5032004007	3900 W Martin Luther King Jr Blvd,	59	8549	0	\$711.31	0.33%
2	5032004018	3910 W Santa Barbara Ave,	388	25382	16530	\$4,207.30	1.97%
2	5032004019	3838 W Martin Luther King Jr Blvd,	60	8401	0	\$713.74	0.33%
2	5032005004		0	57935	0	\$1,905.06	0.89%
2	5032005006		60	86249	0	\$3,273.60	1.53%
2	5032005008	4055 Marlton Ave,	1579	376358	0	\$23,889.01	11.16%
2	5033004035	4034 Crenshaw Blvd,	90	21877	3731	\$1,498.30	0.70%
		Total Non Government Assessments				\$177,854.52	83.10%
		Total Government Assessments				\$36,178.91	16.90%
		Total All Assessments				\$214,033.43	100.00%