

Attachment A

**Greater Leimert Park Village/Crenshaw
Corridor
Business Improvement District**

Engineer's Report



**Los Angeles, California
April 2019
Amended May 2022**

Prepared by:
Kristin Lowell Inc.

*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
And Article XIID of the California Constitution
to create a property-based business improvement district*

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ENGINEER'S STATEMENT

This Report is prepared pursuant to Article XIIID of the California State Constitution (Proposition 218) and the State of California Property and Business Improvement District Law of 1994 as amended.

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; 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, 2020. 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. Increases will be determined by the Board of Directors ("Board") with input from the Board Advisory Committee for the BID and will vary between 0% and 5% in any given year. Any annual assessment increase must be approved by the Board and be submitted to the City in the annual planning report. 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 blue ink 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 Property and Business Improvement District Law of 1994 (the "State Law") is the legislation that authorizes the City to levy assessments upon 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, and business activities. In order to meet these goals PBIDs typically fund activities and improvements, such as, enhanced safety and cleaning. 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 businesses that benefit the parcels, and improve the economic vitality of parcels.

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*

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 California.³

"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 XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portions of cases that apply to assessment districts in general and this Greater Leimert Park Village/Crenshaw Corridor PBID in particular are noted below.

"The engineer's report describes the services to be provided by the PBID [i.e. the PBID]; (1) security, (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 within 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 XIID of the State Constitution.

⁴ Section 2 (i), Article XIID of the State Constitution.

⁵ Dahms v. Downtown Pomona Property and Business Improvement District (2009) 174 Cal.App. 4th 708, 722.

⁶ Beutz v. County of Riverside (2010) 184 Cal. App. 4th 1516, 1532.

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 438.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 439.

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Greater Leimert Park Village/Crenshaw Corridor PBID Steering Committee collectively determined the priority for improvements and activities that the PBID will deliver. The primary needs as determined by the property owners are Clean and Safe programs as well as Marketing and Management activities. Specifically, the Greater Leimert Park Village/Crenshaw Corridor PBID shall provide the following activities.

Since March 2020, services in the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District have been paused. Circumstances that caused services to be paused include the previous BID manager being released, the creation of new non-profit organization to oversee the District and the pandemic disrupting normal business operations.

\$252,000 in funds collected in 2020 and 2021 will be spent down equally at \$84,000 per year in each of the next three years; 2022, 2023 & 2024.

Clean and Safe

In order to consistently deal with cleaning issues, a District Cleaning Program will continue the work that is has for the past be eleven years. 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 the District boundaries. 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 will sweep litter, debris and refuse from sidewalks, along fence lines in the public right of way, and gutters of the assessed parcels in the District. District personnel may also pressure wash the sidewalks.
- **Trash Collection:** Personnel will collect trash from sidewalk trash canisters.
- **Graffiti Removal:** District personnel will remove graffiti from the assessed parcels in the District 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. Graffiti will also be removed.
- **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 tree establishing watering, maintaining tree wells and weed abatement.
- **Street Furniture Maintenance:** Washing down bus benches, installed seating and cleaning signage and plaques.
- **Monitoring of under construction and/or vacant parcels:** Parcels that are under construction and/or vacant within the BID will be monitored for maintenance and security problems. For example, a broken security fence allowing access to the site would be reported to the property owner.

Safe program elements would include **Community Ambassador Services** designed to help create a welcoming environment throughout the district. There is also the possibility for hotspot placement of security cameras. The four primary roles for the community ambassadors will be to:

1. **ENGAGE:** Be present throughout the District and engage patrons to share information and to connect them with District Businesses. Visit District properties and businesses to document their service needs and keep them informed about District matters.
2. **INFORM:** Distribute information about the district, its businesses and community events.
3. **REPORT:** Observe and report incidents to the Los Angeles Police Department.
4. **DOCUMENT:** Collection of information to facilitate business and economic development of the district and documenting matters that need to be reported to other agencies such as street repairs to 311, graffiti and street cleaning needs to the clean team and the location of homeless persons to the homeless outreach team.

An additional \$61,035 from funds collected in 2020-2021 will be spent in the Clean and Safe program annually in 2022, 2023, and 2024.

Branding and 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 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 an 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:

- Development of Greater Leimert Park Village/Crenshaw Corridor Business Improvement District venue, business and historic branding elements.
- Image and Communication programs, newsletters, collateral materials, website development to support local businesses, events and District programs.
- Community, tourism, visitor, public, media, social media and citywide promotion relations.
- Public WiFi facilitation
- Consumer data capture and target market analysis.
- Resource development for business development, promotions and educational activities.

An additional \$12,365 from funds collected in 2020-2021 will be spent in the Marketing program annually in 2022, 2023, and 2024.

Administration/Operation Costs/City Fees

The improvements and activities are managed by a professional organization that requires centralized administrative support. Management oversees the District's services which are delivered seven days a week. Management actively works on behalf of the District parcels to ensure 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.

An additional \$10,601 from funds collected in 2020-2021 will be spent in the Management/Reserve/City Fees program annually in 2022, 2023, and 2024.

SECTION C: BENEFITTING PARCELS

Overall Boundary

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 5033-004-901, then east along the north line of said parcel to east line of said parcel, then south along the east line of parcel 5033-004-901 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 McClung Drive, then south to the southeast corner of parcel 5024-009-015, 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 point closest to the north line of parcel 5024-017-001, then across and 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 5013-013-014 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 Stocker Street, then across Stocker Street 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 southeasterly side of Santa Rosalia Drive, then northwesterly along the east 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 south along the southwesterly side of Martin Luther King, Jr. Boulevard to the southeasterly side of Marlton Avenue, then northerly along the easterly side of Marlton Avenue to the northwest corner of parcel 5032-002-058, 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.

Benefit Zones

The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. In order to match assessment rates to benefits, two benefit zones have been created within the District. 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

Commercial areas along Crenshaw Blvd (excluding the Baldwin Hills Mall), Marlton Square, the core Leimert Park Village area parcels, and the commercial area along Leimert Blvd. make up Zone 1. The area along Crenshaw Blvd. includes the east side of Crenshaw from parcel 5033-004-900 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 just south of W. Vernon Avenue on the west side and parcel 5024-018-008 just north of the parcel at the northeast corner of Crenshaw Blvd. and 43rd Pl, on the east side of 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. The Leimert Park Village area is bounded by the northern boundary of the parcels abutting the north side of W. 43rd St., the southern boundary of the parcels abutting the north side of W. 43rd Pl., and parcels facing Degnan Blvd. on both the east and west. 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., and will include one Metro station located at Crenshaw Blvd. and Vernon Ave. in Leimert Park Village.

Zone 1 includes the core of the Leimert Park Village, parcels on the west side of Leimert Boulevard, parcels along Crenshaw Boulevard (not including the Crenshaw Mall), and Marlton Square. This area has the highest pedestrian counts generated by the businesses and the highest demand for clean and beautiful services.

Zone 2

Zone 2 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 2 has a lower need for marketing and clean and safe services than Zone 1 due to the Mall service infrastructure.

Crenshaw Mall parcels make up Zone 2. 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 District are a mix of commercial, government, and non-profit. 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.

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 individual assessed parcels within the boundaries of 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. 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 individual assessed parcels within the District and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

Northern Boundary: The northern boundary of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District is West Martin Luther King Jr. Boulevard, West 39th Street, and the north parcel line of parcels facing on the north side of West 43rd Street. Parcels north of West Martin Luther King Jr. Boulevard, the east side of West 39th Street, and the north side West 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, enhancing pedestrian pathways 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 the west side of West 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, except for the residentially zoned parcels on the east side of Crenshaw Boulevard between 39th Street and Martin Luther King, Jr. Blvd. 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 solely 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.

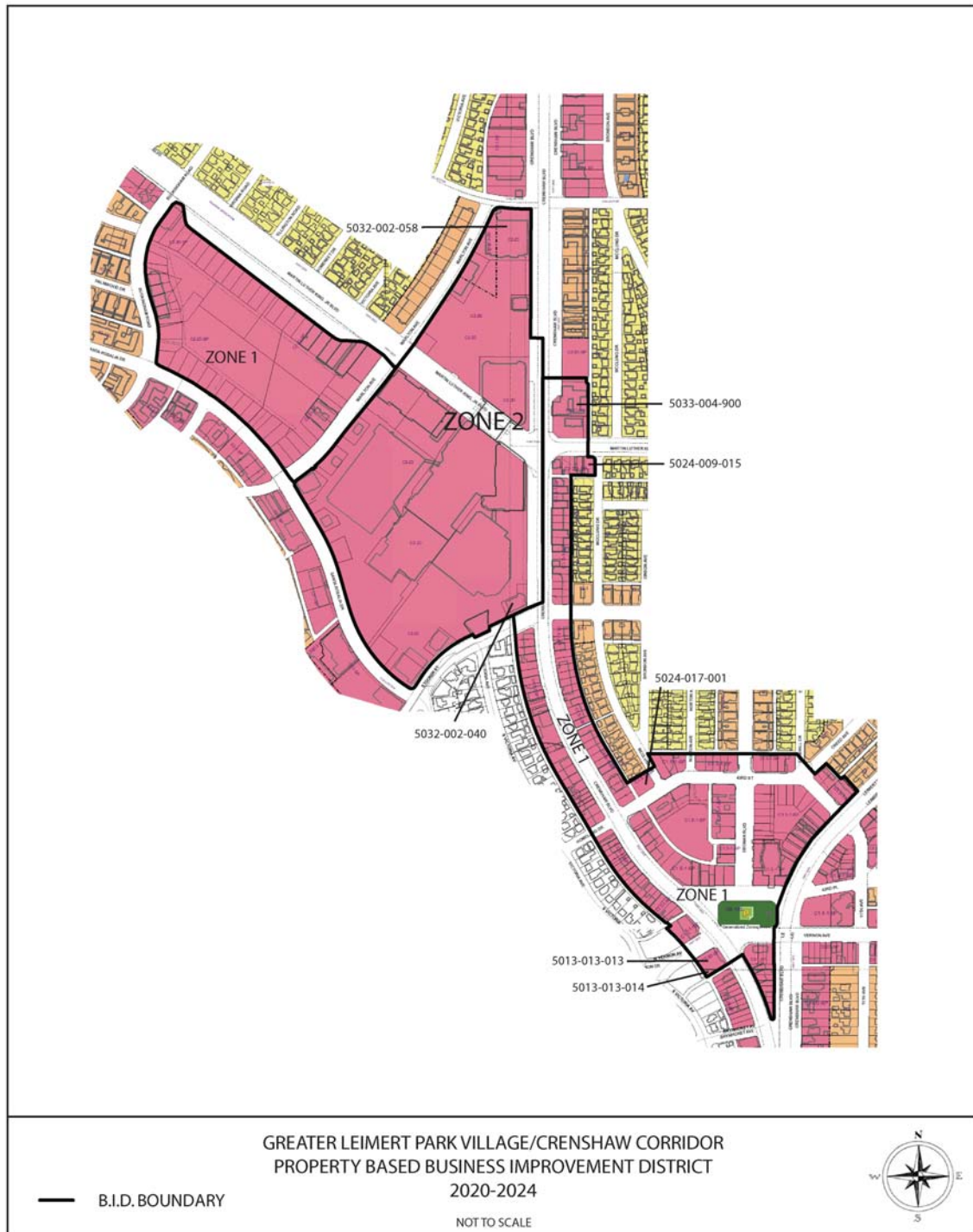
Southern Boundary: The southern boundary is the southern parcel line of parcels 5013-013-013, 5013-013-014, and 5013-023-007. This boundary was determined because properties along Crenshaw Boulevard are of similar commercial use as the retail, restaurant, art, office, parking and mixed-use commercial 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 multi-story 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.

The parcels south of the District boundary represent the dividing boundary between Council Districts 8 and 10 and are identified in Council District 8's new Destination Crenshaw plan which is being created as a community planning area distinct from the adjacent historic Leimert Park Village located within the proposed District Boundary. Property-based business improvement districts cannot cross governmental jurisdiction lines without the approval of both jurisdictions. Therefore, parcels south of the District boundary will not specially benefit from the District marketing program which is designed to increase awareness of historic Leimert Park Village and increase commerce to the historic commercial businesses within the District boundary. The parcels are not part of the traditional Leimert Park Village area 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 within the District boundaries. 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 monitor 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 Street. At Stocker Street turn west along Stocker Street to Santa Rosalia Drive. At Santa Rosalia Drive turn northerly along Santa Rosalia Drive to Buckingham Road. At Buckingham Road turn northerly to Martin Luther King, Jr. Boulevard. At Martin Luther King, Jr. Boulevard turn easterly to Marlon Avenue. At Marlon Avenue turn northerly to 39th Street. At 39th Street continue northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Rodeo Place, then continue northerly along the western border of parcels 5046023012, 5046023013, 5046023014, 5046023015, 5046023016, 5046023017, 5046023018, 5046023019, 5046023020, 5046023021, and 5046023023, then northerly along the western parcel line of parcels on the west side of Crenshaw Boulevard to Jefferson Boulevard.

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 or are commercially zoned parcels that area not being used for commercial uses. 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 specially benefit from the District programs, which are specifically designed to improve pedestrian traffic and provide special benefit to the parcels that have 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.

GREATER LEIMERT PARK VILLAGE/CRENSHAW CORRIDOR BUSINESS IMPROVEMENT DISTRICT 2020-2024
MANAGEMENT DISTRICT PLAN - ATTACHMENT A - BOUNDARY MAP



SECTION D: 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 that “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.

As of January 1, 2015, the State Legislature amended the State Law to clarify and define both special benefit and general benefit as they relate to the improvements and activities these districts provide. Specifically, the amendment (Section 36615.5 of the Streets and Highways Code) defines special benefit as follows: “‘Special benefit’ means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed.”

In addition, the amendment (Section 36609.5 of the Streets and Highways Code) defines general benefit as follows: “‘General benefit’ means, for purposes of a property-based district, any benefit that is not a ‘special benefit’ as defined in Section 36615.5.”

Furthermore, the amendment (Section 36601(h)(2)) states: “Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.”

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property-related activities that are specifically intended for and 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. No parcel's assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601(e) states that “Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments.”

The Greater Leimert Park Village/Crenshaw Corridor PBID's goal is to fund activities and improvements to provide a cleaner and safer environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety and cleanliness of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from:

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed BID programs and services

Specifically, each parcel benefits from each of the PBID activities as defined below.

Safe

The enhanced safety activities make the area more attractive for businesses, customers, and residents, and ultimately private investment. 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 the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity and an increase in customers that follow from having a safer environment.

Clean

The cleaning activities benefit each assessed parcel within the Greater Leimert Park Village/Crenshaw Corridor PBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, and trash removal. These activities create the environment needed to achieve the PBID goals. Sidewalks that are dirty and unclean deter pedestrians and commercial activity.

Marketing

These activities are tied to and will specially benefit each individual assessed parcel by encouraging business development and investment that generates customer traffic, which directly relates to increases in commercial activity, filling of vacant storefronts and offices and ultimately, increased lease rates for retail and office space. This is a benefit to the individual parcels because it works to improve the positive perception of the District. Decisions on where to shop, eat, work, and live are largely based on a perception of the place.

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

Special Benefit Conclusion

Based on the special benefits each assessed parcel receives from the PBID activities we conclude that each of the proposed activities provides special benefits to the real property within the district and that each parcel's assessment is in direct relationship to and no greater than the special benefits received.

The special benefit to parcels from the proposed PBID activities and improvements described in this Report are 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 activities.

General Benefit Analysis

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 inside of the Greater Leimert Park Village/Crenshaw Corridor PBID, (2) parcels outside of the PBID, and (3) the public at large may receive.

General Benefit to Parcels Inside of the PBID

The Greater Leimert Park Village/Crenshaw Corridor PBID provides funds for activities and improvements that are designed and created to provide special benefits to each individually assessed parcel within the District. Each individual assessed parcel will specially benefit from the safer, cleaner and aesthetically appealing public rights-of-way, thus 100% of the benefits conferred on these parcels are distinct and special in nature and that 0% of the PBID activities provide a general benefit to parcels inside the District boundary.

General Benefit to Parcels Outside of the PBID

All the PBID activities and improvements are provided solely for each of the individual assessed parcels in the PBID boundary. None of the surrounding parcels will directly receive any of the PBID activities. However, it is conceivable to conclude that some parcels outside of the PBID boundary may receive some spillover benefit from the Clean and Safe and Marketing 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 the PBID boundary and not within the boundaries of an adjacent PBID.

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 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.

In the case of the Greater Leimert Park Village/Crenshaw Corridor PBID, the Marketing activities may have a greater spillover benefit than Clean and Safe in that the economic benefits of marketing may have a higher benefit to a parcels immediately adjacent to the PBID boundary. Therefore based upon our experience, Marketing receives a relative benefit factor of 0.50 which we believe to be a conservative estimate. Clean and Safe may also have a spillover benefit in that parcels immediately adjacent to the PBID boundary may visually receive the affects of the PBID services, e.g. cleaner sidewalks, safety patrols, and buildings without graffiti. The relative benefit factor for Clean and Safe is less than for Marketing because effects of the safe and clean program can clearly be seen and are limited to District frontage adjacent to parcels outside the District. A visitor can clearly see the difference between parcels in the District and those outside. Based upon our experience the relative benefit factor for Clean and Safe is 0.25. The relative benefit factors are then multiplied by the PBID activity's budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

PBID Activities Budget:	Budget	Percent of Total	x	Relative Benefit *	=	Benefit Factor
Budget for Clean and Safe:	\$180,667.83	72.66%		0.25		0.181
Budget for Branding and Marketing:	\$36,601.03	14.72%		0.50		0.074
Total PBID Budget:	\$248,648.27					

There are 31 parcels that are immediately adjacent to the Greater Leimert Park Village/Crenshaw Corridor PBID and not within another PBID or jurisdictional boundary. These parcels are assigned a total benefit factor of 0.255 (0.181 + 0.074) to account for the fact that they may benefit from the Clean and Safe and Marketing activities that may encourage commerce not only within the PBID boundary but immediately adjacent to it.

In comparison, there are 151 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 calculation for the general benefit percentage.

	No. of Parcels	Benefit Factor	Total Benefit Units
No. of parcels in District:	151	1.00	151.00
No. of parcels adjacent to PBID boundary in another PBID or different city jurisdiction	38	0.00	0.00
No. of parcels adjacent to PBID boundary not in another PBID	31	0.255	7.91
Total number of parcels	220		158.91

General Benefit to parcels outside of district boundary

4.979305%

7.91/158.91

This analysis indicates that \$10,818.48 or 4.979305% of the budget allocated to Clean and Safe and Marketing may be attributed to general benefit to parcels outside of the PBID boundary, and must be raised from sources other than special assessments.

General Benefit to the Public At Large

In addition to general benefit analysis to the parcels outside of the Greater Leimert Park Village/Crenshaw Corridor PBID boundary, there may be general benefits to the public at large, i.e., 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 benefit from the PBID activities. In the case of the Greater Leimert Park Village/Crenshaw Corridor PBID, the public at large are those people that are within the PBID boundary that do not pay an assessment and do not specially benefit from the PBID activities.

To calculate the general benefit the public at large may receive we determine the percentage of each PBID activity budget that may benefit the general public. In this case, the Clean and Safe activities may generally benefit the public as the general public may appreciate the enhanced level of maintenance, security as it passes through the Greater Leimert Park Village/Crenshaw Corridor PBID.

We then apply a Relative Benefit factor to this activity accounting for the potential benefit the general public may receive. The relative benefit factor is a basic unit of measure that compares the benefit the general public receives compared to the special benefit the parcels receive from increased commerce generated by increased use from consumers that results from District programs and services that are designed to improve commerce for each specially benefitting parcel. Since the specially benefitted parcels and the related consumers receive 100% of the activities and special benefit it is assigned a relative benefit factor of 1.0 (100%) for this activity. The general public does not directly receive any District activity and thus, is assigned a relative benefit factor less than 1.0. There is no scientific method to determine the relative benefit factors, however in our professional experience of over 50 years as a Registered Civil Engineer and the results of previous studies conducted to determine a relative benefit factor for the general public in Los Angeles and other jurisdictions the general public receives a relative benefit factor of 0.025 (2.50%) for the Clean and Safe activities. Based on our professional experience and the results of previous studies, it is reasonable to conclude that this relative benefit factor properly accounts for the general public that is not specially benefitted.

The relative benefit factor is then multiplied by the District activity's budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

	A	B	C	D	E
	Budget	% of	General	General	General
ACTIVITY	Amount	Budget *	Benefit	Benefit	Benefit
			Factor	Percent (B x C)	Allocation (A x D)
Clean and Safe:	\$180,667.83	72.66%	2.5%	1.82%	\$3,281.83

This analysis indicates that \$3,281.83 of the Clean and Safe activities may be attributed to general benefit to the public at large, and must be raised from sources other than special assessments.

General Benefit Conclusion

Using the sum of the three measures of general benefit described above we find that \$14,100.31 (\$10,818.48 + \$3,281.83) or 5.67% of the total budget may be general in nature and will be funded from sources other than special assessments.

The total general benefit from the Greater Leimert Park Village/Crenshaw Corridor PBID activities as quantified above is summarized in the table below.

General Benefit	General Benefit, \$
Parcels Inside the District	\$0.00
Parcels Outside the District	\$10,818.48
Public At Large	\$3,281.83
TOTAL	\$14,100.31

SECTION E: PROPORTIONAL BENEFITS

Methodology

Article XIID Section 4(a) of the State Constitution states that "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, services, and activities is the result of a five-step process:

1. Defining the proposed activities (Section B),
2. Determining which parcels specially benefit from the proposed activities (Section C),
3. Determining the amount of special benefit each parcel receives (Section D),
4. Quantifying the amount of general benefit the PBID activities may provide (Section D),
5. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the PBID receive (Section E).

Each identified parcel within the Greater Leimert Park Village/Crenshaw Corridor PBID 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 PBID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factors

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the Greater Leimert Park Village/Crenshaw Corridor Business Improvement District uses Street Front Footage, Lot Square Footage, and Building Square Footage as the three assessment variables. 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 with multitenant office and mixed use commercial developments. The use of lot size as one of the assessment variables address the need to spread the assessments equitably in a district that has such a wide variable in lot size. Street front footage was also used as an assessment variable in this District. Street front footage is relevant to the need for services along streets, sidewalks and building fronts. The use of each parcel's assessable lot square footage, building square footage and street front footage is the best measure of benefit for the programs because the intent of the District activities is to improve the safety 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.

Street Front Footage Defined: Street Front Footage 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 parcels' street frontage.

Lot Square Footage Defined: 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 Defined: Building square footage is defined as gross building square footage as determined by the outside measurements of a building.

SECTION F: COST ESTIMATE

2020 Operating Budget

The Greater Leimert Park Village/Crenshaw Corridor PBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Greater Leimert Park Village/Crenshaw Corridor PBID 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 D).

EXPENDITURES	ZONE 1	ZONE 2	TOTAL BUDGET	% of Budget
Clean and Safe	\$144,541.33	\$36,126.50	\$180,667.83	72.66%
Marketing	\$29,282.26	\$7,318.77	\$36,601.03	14.72%
Management	\$25,104.44	\$6,274.57	\$31,379.01	12.62%
Total Expenditures	\$198,928.02	\$49,719.85	\$248,647.87	100.00%
REVENUES				
Assessment Revenues	\$187,647.22	\$46,900.34	\$234,547.56	94.33%
Other Revenues (1)	\$11,280.80	\$2,819.51	\$14,100.31	5.67%
Total Revenues	\$198,928.02	\$49,719.85	\$248,647.87	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

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. Increases will be determined by the Board of Directors ("Board") with input from the Board Advisory Committee for the BID and will vary between 0% and 5% in any given year. Any annual assessment increase must be approved by the Board and be submitted to the City in the annual planning report.
2. The District will not issue bonds.

SECTION G: APPORTIONMENT METHOD

Assessment Methodology

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the cleaning and operation expenses of an improvement or the cost of the property service being provided. Due to the proportionate special benefits received by these individual parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received.

As previously discussed above in Section E, the methodology for allocating the cost of the special benefits is allocated to Street Front Footage, Parcel Square Footage plus Building Square Footage. The table below indicates the assessable footage for each.

Benefit Zone/Land Use	Lot Sq.Ft.	Bldg Sq.Ft.	Linear
Zone 1:			
Government	641,859	122,111	4,786
All Other Land Uses	1,262,720	478,170	12,084
Total Zone 1:	1,904,579	600,281	16,870
Zone 2:			
Government	0	0	0
All Other Land Uses	1,867,509	1,594,749	6,944
Total Zone 2:	1,867,509	1,594,749	6,944

Calculation of Assessments

Based on the special benefit factors, assessable square footage and the proposed benefit zone budgets, all of which are discussed above, the following table illustrates the first year's maximum annual assessment per parcel assessable square foot.

Assmt Rates	Lot Sq.Ft.	Bldg Sq.Ft.	Linear
Zone 1	\$0.0331	\$0.0967	\$4.3176
Zone 1 - Govt	\$0.0291	\$0.0862	\$3.8099
Zone 2	\$0.0083	\$0.0097	\$2.2942
Zone 2 - Govt	N/A	N/A	N/A

Assessment Rate Calculation

Total Street Footage X Appropriate Zone Rate = Parcel Street Footage Assessment
Lot Square Footage X Appropriate Zone Rate = Parcel Lot Footage Assessment
Building Square Foot X Appropriate Zone Rate = Parcel Building Footage Assessment

The total of street footage assessments plus lot footage assessment plus building footage assessment for each parcel constitutes the total assessment for that parcel.

Sample Parcel Assessment (Non-Government) - Zone 1

The assessment calculation for a parcel with 5,000 square feet of lot square footage and 10,000 square feet of building plus 50 linear feet is;

Lot Square Footage	5,000	\$0.0331	\$165.50
Building Square Footage	10,000	\$0.0967	\$967.00
<u>Street Front Footage</u>	<u>100</u>	<u>\$4.3176</u>	\$431.76
Total Parcel Assessment			\$1,564.26

Sample Parcel Assessment (Government) - Zone 1

The assessment calculation for a government parcel with 5,000 square feet of lot square footage and 10,000 square feet of building plus 50 linear feet is;

Lot Square Footage	5,000	\$0.0291	\$145.50
Building Square Footage	10,000	\$0.0862	\$862.00
<u>Street Front Footage</u>	<u>50</u>	<u>\$3.8099</u>	\$190.50
Total Parcel Assessment			\$1,198.00

Public Property Assessments

All publicly-owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIIID of the State Constitution provides 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."

The District will provide all the Clean and Safe activities to all publicly owned parcels within the District, including, but not limited to, those owned by the City of Los Angeles, County of Los Angeles, State of California or any other publicly owned parcel. The public owned parcels are used in a manner similar to commercial uses where people engage in business activities whether it is an office building where employees work, a civic center where patrons attend events or a parking structure where the public pays to park. The District activities provide a cleaner and safer environment to each individual publicly owned parcel and its employees, or tenants that work within the buildings or patrons that frequent those parcels or attend events. However, the publicly owned parcels are not commercial enterprise parcels and will not specially benefit from the marketing activities and therefore will not be assessed for this activity.

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
1	5024018900	City of Los Angeles	859	44039	527	\$4,599.67	1.96%
1	5024018901	City of Los Angeles	102	9145	0	\$654.73	0.28%
1	5024018902	City of Los Angeles	0	60113	0	\$1,749.29	0.75%
1	5024018903	City of Los Angeles	7	810	0	\$50.24	0.02%
1	5024019906	City of Los Angeles	451	54886	21434	\$5,163.06	2.20%
1	5024019907	City of Los Angeles	291	49223	0	\$2,541.07	1.08%
1	5032004908	City of Los Angeles	327	47480	53275	\$7,219.81	3.08%
1	5032004909	City of Los Angeles	151	65340	0	\$2,476.69	1.06%
1	5032004910	City of Los Angeles	60	8400	0	\$473.03	0.20%
1	5032004911	City of Los Angeles	60	8400	0	\$473.03	0.20%
1	5032004912	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004913	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004914	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004915	City of Los Angeles	59	8560	0	\$473.88	0.20%
1	5032004916	City of Los Angeles	379	25490	16530	\$3,610.60	1.54%
1	5032005902	City of Los Angeles	40	55757	0	\$1,774.92	0.76%
		Total City of Los Angeles				\$32,631.83	13.90%
1	5032003900	CRA-LA	295	19286	0	\$1,685.14	0.72%
1	5032003901	CRA-LA	124	15600	0	\$926.39	0.39%
1	5032003902	CRA-LA	120	16800	0	\$946.07	0.40%
1	5032003903	CRA-LA	50	7000	0	\$394.20	0.17%
1	5032003904	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032003905	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032003906	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032004900	CRA-LA	240	33600	0	\$1,892.14	0.81%
		Total CRA-LA				\$7,263.03	3.09%
1	5033004900	LA Dept of Water and Power	198	30100	20000	\$3,354.27	1.43%
		Total LA Dept of Water and Power				\$3,354.27	1.43%
1	5013023900	LACMTA	421	11600	1799	\$2,096.60	0.89%
1	5024018904	LACMTA	198	20670	8546	\$2,092.52	0.89%
		Total LACMTA				\$4,189.12	1.78%

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 may be 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 Owner's 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.

Budget Adjustment

Any annual budget surplus 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 that are carried forward. District funds may be used to fund the cost of renewing the District. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners if one is not established, in accordance with the Streets and Highways Code section 36671.

If an error is discovered on a parcel's assessed footages, the District may investigate and correct the assessed footages after confirming the correction with the L.A. County Assessor Data and City Clerk's office. The correction will be made in accordance with the assessment methodology and may result in an increase or decrease to the parcel's assessment.

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 owner's association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Any change will be approved by the owners' 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. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable 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, pursuant to Government Code 53750, will be prorated to the date they receive the temporary and/or permanent certificate of occupancy. Parcels that experience a loss of building square footage need to notice the District of changes.

In future years, the assessments for the special benefits bestowed upon the included BID 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 and increases assessments then a Proposition 218 ballot will be required for approval of the formula changes.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Owners Association prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case appeals will only be considered for the current year and will not be considered for prior years.

SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2019/2020 is \$234,547.96 apportioned to each individual assessed parcel, as follows.

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
1	5024018900	City of Los Angeles	859	44039	527	\$4,599.67	1.96%
1	5024018901	City of Los Angeles	102	9145	0	\$654.73	0.28%
1	5024018902	City of Los Angeles	0	60113	0	\$1,749.29	0.75%
1	5024018903	City of Los Angeles	7	810	0	\$50.24	0.02%
1	5024019906	City of Los Angeles	451	54886	21434	\$5,163.06	2.20%
1	5024019907	City of Los Angeles	291	49223	0	\$2,541.07	1.08%
1	5032004908	City of Los Angeles	327	47480	53275	\$7,219.81	3.08%
1	5032004909	City of Los Angeles	151	65340	0	\$2,476.69	1.06%
1	5032004910	City of Los Angeles	60	8400	0	\$473.03	0.20%
1	5032004911	City of Los Angeles	60	8400	0	\$473.03	0.20%
1	5032004912	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004913	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004914	City of Los Angeles	58	8120	0	\$457.27	0.19%
1	5032004915	City of Los Angeles	59	8560	0	\$473.88	0.20%
1	5032004916	City of Los Angeles	379	25490	16530	\$3,610.60	1.54%
1	5032005902	City of Los Angeles	40	55757	0	\$1,774.92	0.76%
1	5032003900	CRA-LA	295	19286	0	\$1,685.14	0.72%
1	5032003901	CRA-LA	124	15600	0	\$926.39	0.39%
1	5032003902	CRA-LA	120	16800	0	\$946.07	0.40%
1	5032003903	CRA-LA	50	7000	0	\$394.20	0.17%
1	5032003904	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032003905	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032003906	CRA-LA	60	8400	0	\$473.03	0.20%
1	5032004900	CRA-LA	240	33600	0	\$1,892.14	0.81%
1	5033004900	LA Dept of Water and Power	198	30100	20000	\$3,354.27	1.43%
1	5013023900	LACMTA	421	11600	1799	\$2,096.60	0.89%
1	5024018904	LACMTA	198	20670	8546	\$2,092.52	0.89%
1	5024009015	3540 Martin Luther King LLC	153	6100	5107	\$1,356.35	0.58%
1	5024008008	4213 Crenshaw LLC	40	4557	3173	\$630.37	0.27%
1	5024007023	Arzoo 2012 Family Trust Arzoo, Karo Trustee	204	10952	3912	\$1,621.59	0.69%
1	5013013013	Bakewell Hawthorne LLC	240	14040	29497	\$4,353.31	1.86%
1	5013013014	Bakewell Hawthorne LLC	0	1760	5880	\$626.85	0.27%
1	5024017012	Best California Gas Ltd LP	202	10630	1428	\$1,362.10	0.58%

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
1	5024014001	Bland Stephen L & June G	405	21910	12673	\$3,699.33	1.58%
1	5024019013	Bordenave Hubert J	205	11380	5450	\$1,788.80	0.76%
1	5024018002	Botach Bar K & Iris	50	5580	5500	\$932.43	0.40%
1	5024018018	Botach Inc	138	17858	11708	\$2,319.09	0.99%
1	5024019003	Bradford, Mark S.	80	5830	4974	\$1,019.37	0.43%
1	5024019004	Caldwell Benny R	109	3280	2969	\$866.29	0.37%
1	5024007002	California American Water Co	56	6960	0	\$472.16	0.20%
1	5024024001	Calloway Fred & Eugenia	405	21910	16229	\$4,043.19	1.72%
1	5024009005	Capsuto Cappy S	40	3800	0	\$298.48	0.13%
1	5024018009	Chen Y C Tr	40	4420	2420	\$553.02	0.24%
1	5024009011	Chushim Kphir Botach 4064 Crenshaw LLC	40	3800	6578	\$934.58	0.40%
1	5024007009	Coleman Sam T	30	3245	3159	\$542.41	0.23%
1	5024018016	Community Build, Inc.	223	13084	15500	\$2,894.76	1.23%
1	5024018017	Community Build, Inc.	60	7800	0	\$517.24	0.22%
1	5024018019	Degnanproject LLC	54	5152	4320	\$821.43	0.35%
1	5024018020	Degnanproject LLC	51	5079	4600	\$833.13	0.36%
1	5024006011	Dr. Paul Guidry Crenshaw Avalon Properties LLC	90	10395	11782	\$1,871.98	0.80%
1	5024007004	Enayati Brothers	50	5500	3000	\$688.03	0.29%
1	5024017010	Enz Enterprise Inc	240	22050	8048	\$2,544.32	1.08%
1	5024006001	Espinoza Susan E	134	3299	0	\$687.76	0.29%
1	5024006002	Espinoza Susan E	30	3300	1400	\$374.14	0.16%
1	5024009004	Farzin Farhan Inc Dds	40	3800	1236	\$418.01	0.18%
1	5024008002	Fortson Victoria/Rayon Harvey	40	4560	0	\$323.64	0.14%
1	5024008003	Fortson Victoria/Rayon Harvey	50	5656	7800	\$1,157.35	0.49%
1	5024017001	Franchise Realty Interstate Corp	204	11510	0	\$1,261.77	0.54%
1	5024017005	Franchise Realty Interstate Corp	40	3800	216	\$319.37	0.14%
1	5024017035	Franchise Realty Interstate Corp	253	15620	4365	\$2,031.47	0.87%
1	5024006004	Gant Quincey/Hightower Stacy	30	3465	1860	\$424.08	0.18%
1	5013023012	Gav Pich Family Trust	456	19750	2521	\$2,866.33	1.22%
1	5024007007	Green Goltha B	25	2750	2407	\$431.72	0.18%
1	5013023005	Hardy John D & Beverlyn M	26	776	1293	\$262.98	0.11%
1	5013023008	Hardy John D & Beverlyn M	34	3480	1293	\$387.02	0.17%
1	5024018003	Hart Lydia A/Hart Trust	32	3620	3764	\$621.96	0.27%
1	5024017009	Hurtado Salvador & Elizabeth	160	14971	7656	\$1,926.69	0.82%
1	5024017007	Hutcherson Warren	40	3800	0	\$298.48	0.13%
1	5024017008	Hutcherson Warren	200	18800	6840	\$2,147.23	0.92%
1	5024017011	Jack In The Box	100	9188	3002	\$1,026.18	0.44%
1	5024019016	Jackson Terry/Frazier Thomas L	42	6930	4706	\$865.79	0.37%

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
1	5024007005	Johnson Janie & Janis	50	5500	3240	\$711.24	0.30%
1	5024006008	Jolaosoperry Kofoworola	30	3465	1598	\$398.75	0.17%
1	5024006009	Jolaosoperry Kofoworola	30	3465	1500	\$389.27	0.17%
1	5032005008	Kaiser Foundation Health Plan, Inc.	1583	376358	0	\$19,292.21	8.24%
1	5024006010	Kash & Kash Investments LLC	60	6930	3455	\$822.54	0.35%
1	5024008026	Kay Center Inc	187	20554	5108	\$1,981.67	0.84%
1	5024006013	Kim Eunice	235	15940	5244	\$2,049.34	0.87%
1	5024009030	Kim Sang K & Young O	292	19390	8708	\$2,744.61	1.17%
1	5024015001	Knm Auto Sales, Inc.	387	20420	12963	\$3,600.34	1.54%
1	5024007008	Lee A W & S S Living Trust	21	2255	1600	\$320.03	0.14%
1	5024020001	Lee Bong Ik & Young L	412	22675	11709	\$3,661.65	1.56%
1	5024018022	Leimert Inv Co	178	8190	6994	\$1,715.94	0.73%
1	5024009014	Leroys Trust	71	7100	2516	\$784.86	0.33%
1	5024019017	Los Angeles Third Church of Religious Science	38	4180	4773	\$763.98	0.33%
1	5024018001	Lpvdg LLC	171	6638	6528	\$1,589.29	0.68%
1	5033004035	Magill Wendy/Leimert Judith Leimert	289	21877	3731	\$2,332.70	0.99%
1	5024007003	Mahdi Kijana & Marlene/Santiel Simone	100	11210	5400	\$1,324.99	0.56%
1	5024019008	Mba Mascot LLC	174	7800	7017	\$1,687.99	0.72%
1	5032003002	MLK Marlton LLC	65	13010	10143	\$1,692.10	0.72%
1	5032003003	MLK Marlton LLC	73	10854	7407	\$1,390.71	0.59%
1	5032003004	MLK Marlton LLC	64	8780	7480	\$1,290.26	0.55%
1	5032003005	MLK Marlton LLC	60	8400	0	\$537.10	0.23%
1	5032005011	MLK Marlton LLC	20	88427	0	\$3,013.29	1.28%
1	5024018010	New Millennium Beauty & Barber/Salon Inc	56	6090	3472	\$779.11	0.33%
1	5024018021	New Millennium Beauty & Barber/Salon Inc	36	4610	5475	\$837.46	0.36%
1	5024009009	Nibo John	40	3800	6800	\$956.04	0.41%
1	5024019014	Nickel Beata A	21	3080	3240	\$505.93	0.22%
1	5024008001	Noriega Jesus J R Living Trust	30	3660	2079	\$451.71	0.19%
1	5024009013	Ny Thong/Ny Thong & Ngo Pech /Tr	175	8843	1312	\$1,175.15	0.50%
1	5024009012	Odell Rosalie	45	4226	2551	\$580.85	0.25%
1	5024009007	Park Cynthia H	80	7600	5980	\$1,175.23	0.50%
1	5024009008	Park Cynthia H	120	11400	7200	\$1,591.69	0.68%
1	5024019015	Prevention Institute	39	6050	3592	\$715.99	0.31%
1	5024007006	Profit Properties LLC	25	2750	2077	\$399.81	0.17%
1	5024018008	Raysack Holding LLC	94	9410	4528	\$1,155.18	0.49%
1	5024009006	Rosemary Danon	40	3800	4385	\$722.51	0.31%
1	5024006003	Sampson Thomas & Asenath	30	3300	2190	\$450.53	0.19%
1	5013023006	Smiley Group Inc	120	5800	5981	\$1,288.45	0.55%
1	5024009010	Song Jerry Y & Young A	40	3800	3808	\$666.72	0.28%

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
1	5024006006	Syntel Network Inc	45	5198	2300	\$588.76	0.25%
1	5024006007	Syntel Network Inc	30	3465	1550	\$394.10	0.17%
1	5024017006	Tepper Nisan & Ester	40	3800	3400	\$627.26	0.27%
1	5024008009	Theung Ken	40	4557	4640	\$772.23	0.33%
1	5024008025	Theung Ken	230	9490	5488	\$1,837.86	0.78%
1	5024008004	Valley Economic Development Center, Inc.	40	4557	1930	\$510.17	0.22%
1	5024008005	Valley Economic Development Center, Inc.	40	4557	6400	\$942.42	0.40%
1	5024008024	Valley Economic Development Center, Inc.	80	9114	0	\$647.08	0.28%
1	5024006005	Venture Mtg	45	5198	2300	\$588.76	0.25%
1	5024019002	West 43rd Place LLC	25	2510	2027	\$387.03	0.17%
1	5024019006	West 43rd Place LLC	165	5990	5984	\$1,489.33	0.63%
1	5024019018	West 43rd Place LLC	50	5760	0	\$406.54	0.17%
1	5024018004	Williams John C	46	5450	4720	\$835.43	0.36%
1	5024018012	Wilson Charles Z Jr	146	12970	9021	\$1,932.01	0.82%
1	5024006012	Yoav Botach, Yb Real Estate Properties Ii LLC	156	15440	11882	\$2,333.60	0.99%
1	5024018006	Yoav Botach, Yb Real Estate Properties Ii LLC	40	5250	6800	\$1,004.04	0.43%
1	5024007001	Young Jo Ann & Anthony G	27	2990	1764	\$386.12	0.16%
1	5024018023	Zagorski Robert J & R & C /Tr	117	8640	7914	\$1,556.43	0.66%
2	5032002040	Capri Urban Baldwin LLC	242	14074	5431	\$724.69	0.31%
2	5032002041	Capri Urban Baldwin LLC	152	13769	5115	\$512.62	0.22%
2	5032002043	Capri Urban Baldwin LLC	128	14028	1210	\$421.83	0.18%
2	5032002045	Capri Urban Baldwin LLC	116	11882	4838	\$411.68	0.18%
2	5032002046	Capri Urban Baldwin LLC	117	12211	2335	\$392.42	0.17%
2	5032002047	Capri Urban Baldwin LLC	255	19370	8452	\$827.78	0.35%
2	5032002048	Capri Urban Baldwin LLC	151	14301	1661	\$481.23	0.21%
2	5032002049	Capri Urban Baldwin LLC	140	12378	2028	\$443.60	0.19%
2	5032002053	Capri Urban Baldwin LLC	244	185565	343879	\$5,435.60	2.32%
2	5032002057	Capri Urban Baldwin LLC	263	28070	11520	\$948.10	0.40%
2	5032002059	Capri Urban Baldwin LLC	448	247420	0	\$3,081.39	1.31%
2	5032002060	Capri Urban Baldwin LLC	80	8000	4560	\$294.17	0.13%
2	5032002061	Capri Urban Baldwin LLC	0	29000	24600	\$479.32	0.20%
2	5032002063	Capri Urban Baldwin LLC	20	59677	57818	\$1,102.04	0.47%
2	5032002064	Capri Urban Baldwin LLC	20	6160	0	\$97.01	0.04%
2	5032002065	Capri Urban Baldwin LLC	1375	455637	153886	\$8,429.01	3.59%
2	5032002066	Capri Urban Baldwin LLC	1281	390733	280624	\$8,904.01	3.80%
2	5032002058	Capri Urban Baldwin LLC Lessor and Abs Ca Gl LLC Lessee	730	71438	43393	\$2,688.61	1.15%
2	5032002054	Capri Urban Crenshaw LLC	156	55321	213144	\$2,884.56	1.23%

Zone	APN	Owner	Frontage Footage	Lot Area	Bldg Sq Ft	2019 Total Assessment	%
2	5032002052	Capri Urban Santa Rosalia LLC	21	112820	153664	\$2,475.13	1.06%
2	5032002038	Island Properties LLC	88	11725	12965	\$424.97	0.18%
2	5032002055	Macys California Inc	743	85378	263626	\$4,970.40	2.12%
2	5032002056	Macys California Inc	174	8552	0	\$470.17	0.20%
	TOTAL	Total of all parcels	23,814	3,772,088	2,195,030	\$234,547.56	100.00%

Total Non-Government Parcels	\$187,109.31	79.8%
Total Government Parcels	\$47,438.25	20.2%
Total All Parcels	\$234,547.56	100.0%