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September 17, 2009

Honorable Members of the City Council
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council District 1

REGARDING: HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT RENEWAL

Honorable Members:

This Office has received materials relative to the formation of a Landscaping, Security, Programming and Maintenance Property Business Improvement District (LSPM PBID), to be known as the Highland Park Property Business Improvement District (District), hereinafter called "District." The District would be formed pursuant to the provisions of the LSPM PBID Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code). All previous Council actions taken on the current District are contained in Council Files 06-2576 and 09-2013.

This report shall serve as the "Preliminary Report of the City Clerk" described in Section 6.606 of the Los Angeles Administrative Code. Attached to this report are: 1) the Management District Plan, which details the improvements and activities to be provided and serves as the framing document for the proposed District; 2) a detailed Engineer's Report prepared by a registered professional engineer certified by the state of California, which supports the assessment contained in the Management District Plan; 3) a draft Ordinance of Intention, approved as to form and legality by the City Attorney's Office; and 4) a list of Advisory Board members.

BACKGROUND

The District is being established in accordance with the provisions of City Ordinance No. 173,167, which was adopted by the City Council on March 31, 2000, and became effective on May 15, 2000 (CF 98-0528) as Division 6, Chapter 9 of the Los Angeles Administrative Code. The City's LSPM PBID legislation allows for the creation of business improvement districts in special economic incentive zones, in which operations are supported primarily by revenue collected from property owners in the proposed District. The proposed District

is a commercial district located entirely within census tracts with a poverty level of 20% or higher according to the 2000 census, therefore qualifying it for establishment consideration under the City's LSPM PBID formation Ordinance. The LSPM PBID Ordinance allows for the life of the proposed District to be up to ten years. The period for this proposed District is ten (10) years.

The proposed District's programs include, but are not limited to the following: security, maintenance, administration, corporate identity, and contingency/reserve.

PRELIMINARY PETITIONS

In order to proceed with the establishment process under the City's LSPM PBID Ordinance, the proponent group needed to secure written support for the project in the form of petitions signed by property owners who will pay more than 30 percent of the assessments proposed to be levied.

The proponent group for the renewal of the District, the North Figueroa Association, has presented to the Office of the City Clerk a set of petitions that support the formation of the proposed District. This Office has verified the validity of the petitions using various City and County of Los Angeles sources. In addition, this Office has verified the accuracy of the assessment calculations.

The petitions received indicate affirmative financial support of the project in an amount equivalent to \$140,909.45. This represents 38.97 percent (38.97%) of the proposed District's projected first year revenue of \$361,606.82. Because the more than 30 percent threshold of preliminary support has been achieved, the formal BID establishment process, including a public hearing before the City Council, may be initiated.

PROPOSED DISTRICT BOUNDARIES

A general description of the proposed District is as follows: the boundaries include parcels fronting the northwest and southeast sides of North Figueroa Street, and is bounded on the southwest by Avenue 50 and on the northeast by Piedmont Avenue. Also included within the BID boundaries are the peripheral public parking lots to the northwest and southeast of Figueroa Street, and the contiguous parcels between said public parking lots and those parcels fronting Figueroa Street. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

DISTRICT ESTABLISHMENT AND PROPOSITION 218 COMPLIANCE

Article XIID of the California Constitution (Proposition 218) requires, among other things, that: 1) the City Council identify all parcels that will have a special benefit conferred upon them and upon which an assessment will be imposed; 2) the City Council not impose an assessment on a parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel; 3) the City Council separate the general benefits from the special benefits conferred on a parcel; and 4) all assessments be supported by a detailed engineer's report prepared by a registered professional engineer certified by the state of

engineer's report prepared by a registered professional engineer certified by the state of California.

The Engineer's Report supports the assessments contained in the Management District Plan and, in addition, includes facts, which would support City Council findings relative to items 1 through 3 above.

Proposition 218 also includes certain notice, protest and hearing requirements. Those requirements are codified in the Proposition 218 Omnibus Implementation Act ("Act") (California Government Code Section 53750 et seq.) This report recommends that the City Council direct the City Clerk to comply with the Act. Establishment of the proposed District is contingent upon the City's receipt of a weighted majority of financially supportive ballots as submitted by the affected property owners. The City Clerk will tabulate the ballot returns and will report the results to the City Council.

PROPOSED IMPROVEMENTS AND PROGRAMS

The District is expected to generate \$361,606.82 annually over a ten-year period. The revenue will be utilized to fund the proposed District's improvements and activities that include, but are not limited to: security, maintenance, administration, corporate identity, and contingency/reserve.

ASSESSMENT FORMULA AND DISBURSEMENTS

The District's proposed assessment formula is based upon an allocation of program costs by benefit zones as described in the attached Management District Plan and a calculation of assessable linear street front footage, lot square footage and building square footage. The Management District Plan allows the proposed District's management entity to make annual assessment increases based upon the Consumer Price Index for the Los Angeles region or by a flat percentage rate, not to exceed five percent (5%) of the previous year's assessment.

The City Clerk will arrange to have the proposed District's assessments included as a line item on the property tax bills prepared and distributed by the County of Los Angeles. If necessary, this Office will directly bill property owners or entities that do not appear on the tax roll. The County will subsequently transfer assessment revenue to the City. Assessment revenue will be held in trust by the City and will be disbursed through installments to the District to support authorized District improvements and activities.

DISTRICT ADVISORY BOARD

The BID will be governed by an advisory board consisting of property owners and at least one business owner operating in the district who is not also a property owner. The advisory board provides general oversight of BID operations, prepares annual reports and makes recommendations to the City Council on district budget and other issues. The Advisory Board is required to be appointed by the City Council prior to BID establishment. The City Council may designate existing advisory boards or commissions to serve as the advisory board for the District or may create a new advisory board for that purpose. A list of the proposed District's current advisory board members is attached.

CONTRACTING WITH A NON-PROFIT CORPORATION

Upon establishment of the District, the LSPM PBID Ordinance states that the City Clerk shall administer the District and may contract with a non-profit corporation to manage the District on a day-to-day basis.

City policy dictates that competitive bidding requirements are to be met when contracting. However, Charter section 371(e)(10) provides an exception to the competitive bidding requirements, and states, in relevant part, that the competitive bidding process does not apply to contracts "where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements."

The North Figueroa Association has administered the Highland Park BID since the District was originally established, overseeing expenditures, managing and implementing the District's improvements and activities. The North Figueroa Association possesses the unique knowledge and expertise relative to the administration of the District and has a vested interest in the success of the District. Therefore, it would be impractical, not advantageous and undesirable to comply with the competitive bidding requirements or to select another entity to administer the District, if the District is renewed.

ASSESSIBLE CITY PROPERTY

There are 21 City-owned parcels within the District including the Arroyo Seco Library, one (1) recreation center parcel, one (1) Fire Department (LAFD) parcel, one (1) medical plaza parcel, fifteen (15) parking lots, and two (2) vacant lots. The total assessment for these City-owned properties within the District is \$60,614.25, representing 16.76% of the total assessments levied in the District.

FISCAL IMPACT

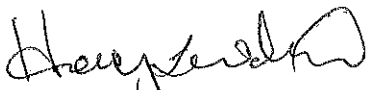
Funding for assessments levied on the City-owned properties within the District was included in the General Fund allocation to the 2009-10 Business Improvement District Trust Fund 659.

RECOMMENDATIONS

1. FIND that the petitions submitted on behalf of the proponents of the proposed Highland Park Property Business Improvement District are signed by property owners who will pay more than thirty (30) percent of the assessments proposed to be levied.
2. ADOPT the Preliminary Report of the City.
3. ADOPT the attached Management District Plan.
4. ADOPT the attached Engineer's Report.

5. FIND that all parcels that will have a special benefit conferred upon them and upon which an assessment would be imposed are those identified in the Management District Plan.
6. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.
7. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, there are no general benefits to be separated from the special benefits conferred on each parcel within the proposed District.
8. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, no assessment imposed on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
9. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute and administer a contract between the City of Los Angeles and a nonprofit corporation for the administration of the District's programs.
10. ADOPT the attached Ordinance of Intention to establish the Highland Park Property Business Improvement District.
11. APPOINT the attached Advisory Board.
12. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 et seq.).
13. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an enabling Ordinance establishing the Highland Park Property Business Improvement District for City Council consideration at the conclusion of the required public hearing.

Sincerely,



 June Lagmay
City Clerk

Honorable Members of the City Council
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Attachments:

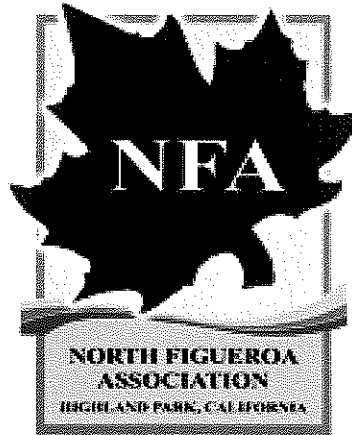
Management District Plan

Engineer's Report

Draft Ordinance of Intention

List of Advisory Board Members

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT



MANAGEMENT DISTRICT PLAN

Los Angeles, California

Formed pursuant to the provisions of the City of Los Angeles' Landscaping, security, programming and maintenance Property Business Improvement District (LSPM PBID) Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code)

Prepared for:

North Figueroa Association

Councilman Ed P. Reyes

The City Clerk's Office

Presented by

Misty Iwatsu

North Figueroa Association

Highland Park Business Improvement District

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Highland Park Business Improvement District

Management District Plan

The name of the proposed renewed Property-based Business Improvement District is the "*Highland Park Property Business Improvement District*" which would be formed pursuant to the provisions of the City of Los Angeles' Landscaping Security, Programming and Maintenance Property Business Improvement District (LSPM PBID) Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code). For the sake of simplicity, the name of the enabling ordinance shall be referred to as the "*Alpha BID Law*".

Highland Park BID is located within a "special economic incentive zone" as defined in Division 6 of Los Angeles Administrative Code, Chapter 9, Section 6.601.

A "special economic incentive zone" means those areas of the City of Los Angeles which have been previously designated as, or subsequently designated as: Los Angeles Neighborhood Initiative areas (LANI), Targeted Neighborhood Initiative areas (TNI); Transportation Oriented Districts (TOD); or are commercial or industrial census tracts with a poverty level of 20% or higher. In addition, the area has been designated as:

- a State Enterprise Zone,
- a Housing and Urban Development Low and Moderate Census Tract and is eligible for Community Development Block Grant funding.

The district qualifies for the "Alpha Bid Law" ordinance due to the fact that its census tracts are at a poverty level of 20% or higher, according to the 2000 Census.

Developed by the Highland Park BID Renewal Committee and District Owners Association, the Highland Park Business Improvement District Management District Plan is proposed to improve and convey special benefits to properties located within the Highland Park Business Improvement District area. The District will provide new and continued improvements and activities, including maintenance, security, Corporate ID/Organization and special programs to support the District property owners and continue the work begun with the establishment of the Highland Park BID in 2001. The District Owners Association Board of Directors is comprised of property owners within the Highland Park BID.

Each of the programs is designed to meet the goals of improved commerce for the individual parcels within the district through the following:

- Improve the appearance, promote beautification and safety of the District, as well as other landscaping issues by providing ongoing street and sidewalk cleaning, provide security, combat vandalism and graffiti to improve economic prosperity for property owners.
- Provide improvements and activities to assist in economic and commercial revitalization within the BID Boundaries.

Boundary

The district is located directly to the west of and running parallel to the historic Arroyo Seco freeway, (110). North Figueroa in Highland Park has special historic designation as one of the final legs of Route 66, which served as the first east-west freeway in the United States.

The statistics of the district are as follows:

<u>Inclusive address series and streets:</u>	5000-6146 North Figueroa
<u>Number of parcels:</u>	150 parcels
<u>Number of Property Owners:</u>	112 property owners
<u>Total lot size square footage:</u>	1,803,275 square feet
<u>Total building size square footage:</u>	807,688 square feet
<u>Total street frontage:</u>	13,454 linear feet
<u>Existing assessment districts:</u>	Existing lighting district in place

Highland Park Business Improvement District

BID BOUNDARIES

The proposed BID includes parcels fronting the northwest and southeast sides of North Figueroa Street, and is bounded on the southwest by Avenue 50 and on the northeast by Piedmont Avenue. Also included within the BID boundaries are the peripheral public parking lots to the northwest and southeast of Figueroa Street, and the contiguous parcels between said public parking lots and those parcels fronting Figueroa Street.

Northeastern Boundary: The northeastern boundary of the Highland Park Business Improvement District is the intersection of the southeast side of Piedmont Avenue and the northwest side of Figueroa Street.

Northwestern Boundary: The northwestern boundary of the Highland Park Business Improvement District is the northwesterly side of those parcels fronting the northwest side of Figueroa Street, and the northwesterly side of the peripheral public parking lots to the northwest of Figueroa Street, and is more specifically described as follows:

Beginning at intersection of the southeast side of Piedmont Avenue and the northwest side of Figueroa Street; thence southwest along the southeast side of Piedmont Avenue to the northeast side of Avenue 61; thence southeast along the northeast side of Avenue 61 to the northeasterly prolongation of the northwesterly line of those properties fronting the northwest side of Figueroa Street; thence southwest along northwesterly side of those properties fronting the northwest side of Figueroa Street to the southwest side of Avenue 59; thence northwest along the southwest side of Avenue 59 to the southeast side of Marmion Way; thence southwest along the southeast side of Marmion Way to the northwest corner of Parcel 5492-012-900; thence southeast along the southwest side of Parcel 5492-012-900 to the northwesterly side of those properties fronting the northwest side of Figueroa Street; thence southwest along northwesterly side of those properties fronting the northwest side of Figueroa Street to the southwest side of Avenue 58; thence northwest along the southwest side of Avenue 58 to the southeast side of Marmion Way; thence southwest along the southeast side of Marmion Way to the northeast side of Avenue 57; thence southeast along the northeast side of Avenue 57 to the northeasterly prolongation of the northwesterly line of Parcels 5468-033-900 and 901; thence southwest along the northwesterly line of Parcels 5468-033-900 and 901 to the northeast side of Avenue 56; thence southeast along the northeast side of Avenue 56 to the northwesterly side of those properties fronting the northwest side of Figueroa Street; thence southwest along northwesterly side of those properties fronting the northwest side of Figueroa Street to the southwest side of Avenue 55; thence northwest along the southwest side of Avenue 55 to the southeast side of Marmion Way; thence southwest along the southeast side of Marmion Way to the northeast side of Avenue 54; thence southeast along the northeast side of Avenue 54 to the northwesterly side of those properties fronting the northwest side of Figueroa Street; thence southwest along northwesterly side of those properties fronting the northwest side of Figueroa Street to the northeast side of Avenue 50.

Southwestern Boundary: The southwestern boundary of the Highland Park Business Improvement District is the northeasterly side of Avenue 50.

Southeastern Boundary: The southeastern boundary of the Highland Park Business Improvement District is the southeasterly side of those parcels fronting the southeast side of Figueroa Street, and the southeasterly side of the peripheral public parking lots to the southeast of Figueroa Street, and is more specifically described as follows:

Beginning at intersection of the southeast side of Piedmont Avenue and the northwest side of Figueroa Street; thence southwest along the northwesterly side of Figueroa Street to the northwesterly prolongation of the southwest side of Arroyo Glen Street; thence southeast along the southwest side of Arroyo Glen Street to the southeast line of the abandoned Los Angeles & Salt Lake Railroad right of way; thence southwest along the southeast line of the abandoned Los Angeles & Salt Lake Railroad right of way to the northeast side of the Atchison, Topeka and Santa Fe Railroad right of way; thence northwesterly along the northeast side of the Atchison, Topeka and Santa Fe Railroad right of way to the northwest side of Avenue 61; thence to the southwest corner of Avenue 61 and Figueroa Street; thence southeast along the southwest side of Avenue 61 to the northwest side of Echo Street; thence southwest along the northwest side of Echo Street to the southwesterly line of Parcel 5492-024-015; thence northwesterly along the southwesterly line of Parcel 5492-024-015 to the southeasterly side of those properties fronting the southeast side of Figueroa Street; thence along the southeasterly side of those properties fronting the southeast side of Figueroa Street to the northwest corner of Parcel 5492-011-900; thence southeast along the northwest line of Parcel 5492-011-900 to the southeast line of Parcel 5492-011-900; thence southwest along the southeast line of Parcel 5492-011-900 southwest side of Avenue 58; thence southeast along the southwest side of Avenue 58 to the southeast line of Parcel 5492-002-900; thence southwest along the southeast line of Parcel 5492-002-900 to the southwest line of Parcel 5492-002-900; thence northwesterly along southwest line of Parcel 5492-002-900 to the southerly line of Parcel 5492-002-901; thence westerly along the southerly line of Parcel 5492-002-901 and its westerly prolongation to the westerly line of Avenue 57; thence southerly along the westerly line of Avenue 57 to the southerly line of Parcel 5468-032-901; thence westerly along the southerly line of Parcel 5468-032-901 to the easterly line of Parcel 5468-032-903;

Highland Park Business Improvement District

thence southerly along the easterly line of Parcel 5468-032-903 to the southerly line of Parcel 5468-032-903; thence westerly along the southerly line of Parcel 5468-032-903 to the easterly corner of Parcel 5468-032-902; thence southwesterly along the southeasterly line of Parcel 5468-032-902 and its southwesterly prolongation to the most southerly corner of Parcel 5468-025-900; thence northwesterly along the southwesterly line of Parcel 5468-025-900 to the southeasterly line of Parcel 5468-025-901; thence southwesterly along the southeasterly line of Parcel 5468-025-901 to the northeasterly line of Roselawn Place; thence northwesterly along the northeasterly line of Roselawn Place to the northeasterly prolongation of the southeasterly side of those properties fronting the southeast side of Figueroa Street; thence along the southeasterly side of those properties fronting the southeast side of Figueroa Street to the to the northeast side of Avenue 50.

DISTRICT BOUNDARY RATIONALE

The property uses with the general boundaries of the Highland Park Business Improvement District are a mix of retail, restaurant, services and parking. Services and improvements provided by the District are designed to provide special benefits to the retail, restaurant, services and parking parcels. All of the services provided, such as security and cleaning, 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, and because of the unique nature of these services focusing on the particular needs of each property within the District, provide particular and distinct benefits to each of the parcels within the District.

In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries.

Northeastern Boundary: The northeastern boundary of the Highland Park Business Improvement District was determined by the fact that the area northeast of the intersection of Figueroa Street and Piedmont Avenue does not meet the criteria for an Alpha BID. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or non assessed parcels within the District.

Northwestern Boundary: The northwestern boundary of the Highland Park Business Improvement District was determined by the zoning and use of the parcels northeast of the District boundaries. The majority of the parcels northwest of the District's northwestern boundary are zoned residential and because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District or non assessed parcels within the District boundaries.

Southwestern Boundary: The southwestern boundary of the Highland Park Business Improvement District was determined by the zoning and use of the parcels southwest of the District boundaries. The majority of the parcels southwest of the District's southwestern boundary are zoned residential and because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or non assessed parcels within the District.

Southeastern Boundary: The southwestern boundary of the Highland Park Business Improvement District was determined by the zoning and use of the parcels southwest of the District boundaries. The majority of the parcels southwest of the District's southwestern boundary are zoned residential because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or non assessed parcels within the District.

District Improvement and Activity Plan

Budget:

The total District budget for the 2010 year of operation is approximately \$361,606.82 and is composed of the following elements:

Right of Way Programs (65%)

Security (Safe), Street Maintenance (Clean) and Beautification, Design Elements and any Right-of-Way consulting, etc.

Corporate Identity, Organization and Contingency (35%)

Organization, marketing and promotions and contingency/reserve

Table 1
Budget Categories

BID Function or Service	% of Budget	Estimated Initial Cost
Right of Way	65%	\$ 235,044.43
Corporate Identity & Organization	35%	\$ 126,562.39
Total	100%	\$ 361,606.82

Method of Financing

A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See assessment methodology)

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. The district is comprised of a single benefit zone.

Cost

Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Three property assessment variables, street frontage, lot square footage, building square footage, will be used in the calculation.

District Formation

District formation requires submission of favorable petitions from property owners representing more than 30% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration

The Highland Park BID will have a 10-year life beginning January 1, 2010 and ending December 31, 2019.

Highland Park Business Improvement District

Governance

The District Owners Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The District Owners Association will oversee the day to day implementation of services as defined in the Management District Plan.

Process to Establish the Improvement and Activity Plan

Through a series of property owner meetings the Highland Park BID Renewal Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were: Right of Way activities include: safety/security, maintenance and corporate Identity/Organization which include: branding, organization, communication and image.

All of the services provided such as the security work provided by the Safe Team and the maintenance work provided by the Clean Team are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each property within the District provide particular and distinct special benefits to each of the parcels within the District. All improvements and activities detailed below are provided only to properties defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the properties within the proposed District. No improvement or activities are provided to properties outside the District boundaries.

All benefits derived from the assessments outlined in the Management District Plan are for services specially benefiting the property owners within the BID boundaries and support increased commerce to improve the appearance, promote beautification and safety of the District, as well as other landscaping issues by providing ongoing street and sidewalk cleaning; provide security, combat vandalism and graffiti to improve economic prosperity for property within the BID boundaries; market and promote the historic business corridor within the BID boundaries; provide Educational, Cultural and Artistic improvements within the BID boundaries; improve commerce for individual commercial properties within the BID boundaries; provide improvements and activities to assist in economic and commercial revitalization within the BID boundaries; bring about investment of capital within the BID boundaries for enhanced overall safety and image. All services, projects, promotions, security, maintenance and professional/administration services are provided solely to properties within the district to enhance the image and viability of properties within the Highland Park BID boundaries and are designed only for the direct special benefit of the assessed commercially zoned properties in the District. No services will be provided to non-assessed parcels outside the District boundaries.

Special Benefit Definition

Special benefit must affect the assessed property 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." 'Public at large' is defined by the court as "all members of the public - including those that live, work and shop within the district - and not simply transient visitors."

General Benefit Definition

The general benefit definition include those benefits "conferred generally on real property located in the district" and are not restricted to benefits conferred only on persons and property outside the assessment district

The total improvement and activity plan budget for 2010, which is funded entirely by property assessments, is projected at \$361,606.82. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services for the last 8 years. Actual service hours and frequency may vary in order to match varying District needs over the 10 year life of the District. A detailed operation deployment for 2010 is available from the property owners association. The budget is made up of the following components.

RIGHT OF WAY PROGRAMS

Security Service Program

The Highland Park Business Improvement District Safety Program will provide security services for the parcels located within the District and can include the forms of patrolling bicycle personnel, nighttime vehicle personnel and walking patrols. The purpose of the Security Program is to prevent, deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking lots and alleys. The presence of the Security Program is intended to deter such illegal activities as drug dealing, public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Security Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Security Program will maintain communication with the Los Angeles Police Department (LAPD) area patrols and Los Angeles Sheriffs Dept. and intends to report illegal activities to the LAPD Northeast Division. The Security Program will only provide its services within the District boundaries. The special benefit to individual parcel owners within the district from these services is increased commercial activity within BID boundaries.

- Private security over and above those services currently provided by the Los Angeles Police Department.

The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Maintenance Program

In order to consistently deal with maintenance issues like graffiti, trash and bulky items, the Maintenance Program, which began in 2001 will be continued and expanded. In order to effectively deal with the many maintenance issues, in the District, a multi-dimensional approach has been developed consisting of the following elements: trash collection, sidewalk maintenance, graffiti removal, weed abatement, tree trimming and landscaping, paper sign and handbill removal, special collections, maintenance problems requiring third party intervention, design elements, special projects and right of way consulting. The clean team will only provide service to properties within District boundaries. The special benefit to property owners from these services is increased commerce through the attraction of pedestrians, commercial leases and retention of commercial leases for parcels within BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Sidewalk Maintenance

Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Trash Collection

Collect trash from sidewalk trash receptacles and maintenance. The clean team and safe team each have responsibility in this area. Safety personnel encourage and report property and business owners' compliance of City code issues relating to cleanliness of sidewalks, alleys and illegal dumping. The clean team clears the alley of debris when a responsible party cannot be found for illegal dumping or other violations within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Graffiti Removal

Uniform personnel 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 weekdays within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Weed Abatement

Weeds are removed as they become unsightly or by special request within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

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Tree Trimming and Landscaping

Trees are trimmed on a schedule determined by District personnel and as funds are available within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Paper Sign and Handbill Removal

Paper signs and handbills that are scotch taped or glued on public property, utility boxes, poles and telephones are removed by hand or when necessary by high-pressure hose within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Special Collections

District trucks are called to assist LAPD to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Maintenance Problems Requiring Third Party Intervention

Problems are monitored that create blighted or unsafe conditions within the District, but are not within the authority/jurisdiction of the BID to repair or correct. Requests are made to the responsible party/agency for the repair within the Highland Park BID boundaries. Types of problems include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Design Elements

Design, installation and maintenance of gateway signs; design, installation and maintenance of banner brackets and banner production; design and branding of logo development; design, purchase, install and maintain street furniture and streetscape; purchase, installation, removal and maintenance of holiday decoration program within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Special Projects

The special projects budget is reserved for opportunities and additional projects that present themselves during the life of the District. Some special projects that have been implemented by the BID and may be again are a follows: WiFi, Northeast Los Angeles Holiday Parade; Old LA Certified Farmers Market; and relevant Right of Way activities within the BID boundaries. All special projects are designed to enhance the assets and the image of the District. Special project funds will only be used to specially benefit parcels within the District. The benefit to individual parcels within the District from these services is increased commercial activity and increase in the attraction of pedestrians from transit ridership, which directly relates to increases in lease rates and enhanced commerce. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Right of Way Consulting

Develop strategies for economic development and possible expansion; developing goals and an annual plan of action for the implementation of revitalization goals; develop strategies related to business attraction, retention and promotion of the area to prospective businesses; private and public grant funds to facilitate the work of the corporation. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

ORGANIZATION AND CORPORATE IDENTITY PROGRAMS

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The benefits to individual parcels within the District from these services are increased commercial activity, which directly relates to increase in lease rates and enhanced commerce. To tell the story the BID will utilize

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communication/branding programs currently in place or being considered are: quarterly newsletter, Highland Park BID website, shopping map and restaurant guide. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Organization

Administration and Corporate Operations:

The Highland Park BID improvements and activities are managed by a professional staff and require administrative support. Management staff oversees the District's services which are delivered seven days a week. The benefit to individual parcels within the District from these services is increased commercial activity, which directly relates to increases in lease rates and enhanced commerce.

Examples of these special benefit services include, but are not limited to:

- Staff and administrative costs
- Insurance
- Office related expenses
- Financial reporting

The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Corporate Identity Programs

The benefit to individual parcels within the District from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Some of the Corporate Identity programs currently in place or being considered are: image and communication programs, quarterly newsletter, Highland Park BID Web Site, holiday campaign, Buyer Attraction Program, Public and Media Relations, Development of Highland Park Business Improvement District Image Pieces, Banner Programs, Market Research, Old L.A. Branding, Old L.A. Certified Farmers Market, Other Relevant Marketing and Promotion activities. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Contingency/Reserve

Costs to conduct a yearly financial review as well as City and County fees, uncollectible assessments, hardship credits and depreciation are included in this budget item. Also included are costs to renew the District. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Ten Year Operating Budget Projections

A projected ten-year operating budget for the Highland Park BID is provided on page 17. The projections are based upon the following assumptions. Assessments will be subject to annual increases not to exceed 5% per year. Increases will be determined by the District Owners Association.

Revenues for specific programs may be reallocated from, year-to-year, among District activities within a 10% range. Budget reallocations above 10% must be approved by the City of Los Angeles. However, the overall budget shall remain consistent with this Management District Plan.

*Assumes 5% yearly increase on all budget

* See Appendix A for operating budget projections

2009 District Rollover

Any unexpended funds at the end of the current Highland Park BID (2001-2009) will be rolled over to the new proposed Highland Park BID (2010-2019).

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Parcels that were not in the current Highland Park Business Improvement District, but are in the proposed Highland Park BID will not receive any services paid for by rolled over funds.

Parcels that are in the initial Highland Park BID, but are not in the proposed Highland Park BID will receive a refund of any unexpended funds that remain after all expenses of the initial Highland Park BID have been paid.

The percentage of this refund of assessment will be calculated based on the 2009 assessment methodology. Only parcels that were in the 2009 Highland Park BID area and paid their assessment and are not in the proposed Highland Park BID area are eligible for the assessment refund. The assessment refund amount for each parcel, if any, will be paid after completion of an outside audit of the financial records for the 2009 fiscal year and determination if any unexpended funds remain.

Step 1- Example 2009 Parcel Assessment / Total District Assessment = Rollover percent

\$5,000 Parcel Assessment / \$300,000 Total District Assessment = 1.67% Rollover percent

Step 2 Example Total rollover % x parcel percent = \$ refund

1.67% Total rollover % x \$10,000 parcel percent = \$162.00 refund

2019 District Rollover

Any unexpended funds at the end of the current Highland Park BID (2010-2019) will be rolled over to the new Highland Park BID (2020-2029). A portion of remaining funds may be used for BID renewal activities.

Parcels that were not in the 2019 Highland Park BID, but are in the 2020 Highland Park BID will not receive any services paid for by rolled over funds.

Parcels that are in the 2020 Highland Park BID, but were not in the 2019 Highland Park BID will receive a refund of any unexpended funds that remain after paying all expenses of the 2019 Highland Park BID have been paid. If there is no renewal of the 2020 Highland Park BID then the remaining funds will be refunded to assessed property owners in the established Highland Park BID.

The percentage of this refund of assessment will be calculated based on the 2019 assessment methodology. Only parcels that were in the 2019 Highland Park BID area and paid their assessment and are not in the 2020 Highland Park BID area are eligible for the assessment refund. The assessment refund amount for each parcel, if any, will be paid after completion of an outside audit of the financial records for the 2019 fiscal year and determination if any unexpended funds remain.

Assessment Methodology

In order to ascertain the correct assessment methodology to equitably apply costs to each parcel for property that specially benefit from the improvements and activities as proposed to be provided by the Highland Park BID, the assessment variables will be measured by linear feet of street frontage plus square feet of lot size plus square feet of building. This constitutes the total assessment for each parcel. It is noted that single family residential parcels within the PBID will not benefit from the PBID programs which include marketing, advertising, image identity/enhancement and area-wide maintenance and security targeted specifically for non-residential uses. Thus, residentially used parcels will not be assessed. Parcels with mixed uses will be fully assessed for non-residential building areas while any residential building areas on the property will also be subject to assessment. In the future, should the land use on any of these residential use/commercial zoned parcels convert from residential to non-residential, a full assessment will be levied in accordance with the assessment formula rates in effect at the time. It is noted that while the City of Los Angeles' LSPM PBID Ordinance does not specifically preclude levying assessments on properties zones solely for residential use as does the state of California PBID law, it is hereby concluded that the same rules of logic shall apply. Therefore only commercial zoned and other non residential zoned parcels shall be assessed to fund special benefit services as outlines in the Management Plan which will benefit proportionately to the proposed programs and services based on the proposed levels of service and the corresponding cost estimate.

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Street Frontage Defined

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. Street frontage footage was obtained from the County Assessor's parcel maps. Street footage is relevant to the need for services along North Figueroa street, sidewalks and building fronts. It is noted that street frontage primarily includes only the property widths facing Figueroa Street including any property corner cuts or radii dimensions. Side or rear street frontages are not counted since no services will be extended or provided along these other streets frontages. A few exceptions occur where the District will be providing extended property perimeter services to certain City owned public parking lots and other City facilities and multiple street frontages will be assessed.

Building Square Footage Defined

Building square footage is defined as gross building square footage as determined by the outside measurements of a building. Building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term value impacts.

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. Lot square footage is relevant to the highest and best use of a property and will reflect the long term value implications of the improvement district.

Service Cost Allocations

The methodology is applied to a database that has been constructed by the Highland Park BID District Owners Assoc. The process for compiling the property database includes the following steps:

- Property data was first obtained from the County of Los Angeles Assessor's Office.
- Database was submitted to the City Clerk's Office for verification.
- List of properties to be included within the District is provided.

Total Assessable Footage

Calculation Formula:

- Actual Lot Square Footage X square foot rate = Parcel Lot Footage Assessment
- Actual Building Square Foot X square foot rate = Parcel Building Footage Assessment
- Actual Street Frontage X linear frontage rate = Parcel Street Frontage Assessment

The property owners in the proposed Highland Park BID seek to establish the district for a *10 year period*. The Highland Park BID will have annual reviews of the budget and opportunities to disestablish the district on the anniversary of its approval.

The first year budget, due to the limited amount of revenues generated, shall serve as the basis for each year budget for the 10 years of the district.

* See table 2

The method and basis for levying the assessment shall be on the basis of lot size, building square footage size and street frontage. The annual budget shall be derived from the following variables, generating the following amounts of revenue:

Lot size:	About 40%, generating \$144,262 of the annual budget
Building Size:	About 31%, generating \$113,076.32 of the annual budget
Street Frontage:	About 29%, generating \$104,268.50 of the annual budget

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The Highland Park Property Business Improvement District property owners have agreed to assess themselves at the following annual rates:

Lot size:	\$0.0800 per square foot annually
Building Size:	\$0.1400 per square foot annually
Street Frontage:	\$ 7.75 per linear front foot

There is a single benefit zone within the proposed district. All private, public and non-profit properties, except residential, shall be assessed.

There are 1,803,275 total lot square feet, 807,688 total building square footage and 13,454 feet of total street frontage in the proposed district, yielding an estimated revenue flow of \$361,606.82 during the first year.

Corporate Identity Programs

The BID will utilize communication/branding programs currently in place or being considered are: quarterly newsletter, Highland Park BID website, shopping map and restaurant guide, Old L.A. Branding, Direct Marketing Pieces.

Highland Park Business Improvement District

Table 2
Assessment Adjustment Schedule

Assessment Variable	2010	2011	2012	2013	2014
Lot Size (per square foot)	\$0.08	\$0.084	\$0.09	\$0.09	\$0.10
Building Size (per square foot)	\$0.14	\$0.15	\$0.15	\$0.16	\$0.17
Street Frontage (per linear foot)	\$7.75	\$8.14	\$8.54	\$8.97	\$9.42

Assessment Variable	2015	2016	2017	2018	2019
Lot Size (per square foot)	\$0.10	\$0.11	\$0.11	\$0.11	\$0.12
Building Size (per square foot)	\$0.18	\$0.19	\$0.20	\$0.21	\$0.22
Street Frontage (per linear foot)	\$9.89	\$10.39	\$10.91	\$11.45	\$12.02

Annual Assessment Adjustments

The District Owners Association will be granted the option upon majority vote of the District Owners Association to annual increase by one of the following means:

- By a flat percentage Rate, not to exceed 5% of the previous year's rate. Increase will be determined by the District Owners Association.
- Based upon the regional Consumer Price Adjustor as determined by the U.S. Department of Labor

The projections in Appendix A will illustrate a maximum 5% annual increase for all budget items.

Budget Adjustments

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.

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

Highland Park Business Improvement District

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 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 then a Proposition 218 ballot will be required for approval of the formula changes.

Implementation Timeline for Collecting Assessments

The "Alpha PBID" is established with a successful petition drive by more than 30% of the property owners who *must* pay into the district. These petitions demonstrate stakeholder support for the district and trigger a Proposition 218 mail ballot procedure. The "Alpha PBID", can be established and function for a maximum of 10 years and must be re-established through a similar petitioning and balloting process at the end of its pre-designated life. The North Figueroa BID Steering Committee has elected to establish the district for the period of 10 years to save on the costs required to re-establish the district within 4 - 5 years.

As provided by local ordinance, the Highland Park BID will appear as a separate line item on the annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's Office will direct bill any property owners whose special assessment does not appear on the tax rolls. The County of Los Angeles shall distribute the assessments collected to the City of Los Angeles who will in turn then forward them to the District Owners Association. Pursuant to the administrative contract executed between the City of L.A. and the District Owners Association, existing laws for enforcement and appeal of property taxes apply to the District assessments.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the first fiscal year of operation and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

The Highland Park BID is expected to be established and begin implementation of the Management District Plan on January 1, 2010. Consistent with State law the Highland Park BID will have a ten-year life through December 31, 2019.

Non Profit Assessments

All tax-exempt, non-profit properties shall pay into the district. All of these properties have been included in the district as these properties will benefit from the same services and programs like: increased commerce to improve the appearance, promote beautification and safety of the District, as well as other landscaping issues by providing ongoing street and sidewalk cleaning; provide security, combat vandalism and graffiti to improve economic prosperity for property; market and promote the historic business corridor; provide educational, cultural and artistic improvements within the Highland Park BID Boundaries; increase economic well being; provide improvements and activities to assist in economic and commercial revitalization

Government Assessments

The Highland Park BID Management Plan assumes that the City of Los Angeles and other government entities will pay assessments for property owned within the boundaries of the District. Article XIII D of the California Constitution was added in November of 1996 to provide for these payments. Proposition 218, also known as "The Right to Vote on Taxes Act" states "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 a clear and convincing evidence that those publicly owned parcels in fact receive no benefit." Parcels in the District are assessed on their street footage, lot square footage and building square footage and receive special benefits based upon these footages that increase the aesthetic value for that parcel. It has been proposed that all government agencies pay each agency's "fair share" of assessment.

Government Parcels List

* See Appendix C

Highland Park Business Improvement District

Residential Assessments

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). Since state law presumes residential parcels do not benefit, it is reasonable to assume the residential parcels will not benefit. Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed. If and when those properties are converted from residential zoning to commercial zoning, they will begin paying full assessments for building square footage, lot square footage and street frontage into the District. Parcels with mixed uses will be fully assessed for non-residential building areas while any residential building areas on the property will also be subject to assessment.

District Rules and Regulations

Bonds

The District Owners Association will not issue bonds to finance any services or improvements in the District.

Accrued Interest & Delinquent Payments

Any and all delinquent payments and accrued interest will be expended in the budgeted categories.

Reserve for Slow Payments

A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties.

Disestablishment

Local ordinance provides for the disestablishment of the "Alpha PBID" pursuant to an annual review process. Each year that the Highland Park BID is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the district. This 30 day period begins each year on the anniversary day that the district was first established by the Los Angeles City Council. Within that 30 day period, if a written petition is submitted by the owners of real property who pay 30% or more of the assessments levied, the "Alpha PBID" disestablishment procedure may be initiated. The Los Angeles City Council will hold a public hearing on disestablishing the BID prior to actually doing so.

Due to its long term nature, (up to 10 years), this new ordinance allows for the growth of landscaping, its maintenance as well as economic development strategies related to revitalization that create a more permanent improvement to the area. If there is debt against the District, the District cannot be disestablished. All financial obligations in the form of bonds or loans for capital improvements must be paid off before the district can be disestablished.

Unexpended funds will be returned to property owners based upon each parcels percentage contribution to the total year 2019 assessments if the District is not renewed.

Assessments for the Maintenance of Improvements Constructed by the District shall continue to be levied on each parcel of land within the District for a period of time, as determined by the Los Angeles City Clerk, equal to the useful life of the improvement whether the District is disestablished or the term of the original levy has expired. The City of Los Angeles shall not be responsible for the maintenance nor repair of any privately funded, special improvements made in the Highland Park BID in its implementation of the enhanced services district created by adoption of this the Management District Plan. If the District is disestablished during the time the capital improvements are still in need of ongoing maintenance, the assessment district will be reduced accordingly to accommodate the annual maintenance needs.

Appendix A

Projected Budget for 2010-2019

Highland Park Business Improvement District

Budget for 2010-2019

Projected Budget	% of Budget	2010	2011	2012	2013
Right of Way	65	\$235,044.43	\$246,796.65	\$259,136.48	\$272,093.31
Corporate ID & Organ	35	\$126,562.39	\$132,890.51	\$139,535.04	\$146,511.79
Total	100	\$361,606.82	\$379,687.16	\$398,671.52	\$418,605.10

Projected Budget	% of Budget	2014	2015	2016	2017
Right of Way	65	\$285,697.98	\$299,982.88	\$314,982.02	\$330,731.12
Corporate ID & Organ	35	\$153,837.37	\$161,529.24	\$169,605.70	\$178,085.99
Total	100	\$439,535.35	\$461,512.12	\$484,587.72	\$508,817.11

Projected Budget	% of Budget	2018	2019
Right of Way	65	\$347,267.68	\$364,631.06
Corporate ID & Organ	35	\$186,990.29	\$196,339.80
Total	100	\$534,257.97	\$560,970.86

Appendix B

Parcels Properties Information

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APN	ANNUAL ASMT
5468-003-004	\$0.00
5468-003-005	\$0.00
5468-003-007	\$1,322.70
5468-003-008	\$1,353.94
5468-003-020	\$3,146.65
5468-003-021	\$1,042.50
5468-004-006	\$3,354.94
5468-004-007	\$2,136.20
5468-004-008	\$2,581.40
5468-004-009	\$3,651.97
5468-005-032	\$1,783.88
5468-005-042	\$2,837.78
5468-005-044	\$4,223.64
5468-005-045	\$23,212.01
5468-014-001	\$1,127.56
5468-014-002	\$1,029.84
5468-014-003	\$1,647.24
5468-014-028	\$5,622.42
5468-015-001	\$1,825.82
5468-015-002	\$1,642.34
5468-015-003	\$1,211.28
5468-015-015	\$1,043.28
5468-015-016	\$1,804.17
5468-015-033	\$1,256.08
5468-016-001	\$3,961.22
5468-016-002	\$1,086.25
5468-016-035	\$1,010.34
5468-016-040	\$1,638.99
5468-016-043	\$1,265.62
5468-017-001	\$888.89
5468-017-023	\$1,426.46
5468-017-024	\$1,246.07
5468-017-025	\$1,082.62
5468-017-027	\$1,257.82
5468-017-028	\$1,441.10
5468-017-031	\$1,596.72
5468-020-002	\$1,375.90
5468-020-003	\$1,457.08
5468-020-013	\$1,840.30
5468-020-014	\$1,232.28
5468-020-015	\$5,729.84
5468-020-025	\$2,263.00
5468-021-014	\$2,134.12

5468-021-024	\$2,384.64
5468-021-025	\$4,178.81
5468-021-030	\$5,662.40
5468-021-031	\$16,690.16
5468-024-007	\$2,546.50
5468-024-008	\$4,590.66
5468-024-009	\$2,389.10
5468-024-010	\$3,847.80
5468-025-001	\$1,895.85
5468-025-002	\$611.00
5468-025-003	\$2,173.35
5468-025-004	\$801.00
5468-025-005	\$1,091.02
5468-025-016	\$2,000.58
5468-025-017	\$652.40
5468-025-027	\$1,143.30
5468-026-001	\$1,204.34
5468-026-012	\$3,184.74
5468-026-013	\$3,280.28
5468-026-021	\$1,036.80
5468-026-023	\$2,093.48
5468-032-001	\$5,008.54
5468-032-014	\$1,887.50
5468-032-015	\$1,327.50
5468-032-016	\$1,411.50
5468-032-017	\$1,646.00
5468-032-018	\$3,103.00
5468-033-015	\$1,158.64
5468-033-016	\$2,541.00
5468-033-017	\$1,700.16
5468-033-018	\$844.35
5468-033-019	\$2,809.41
5468-033-020	\$3,269.67
5468-033-021	\$5,305.14
5468-033-023	\$1,515.70
5492-001-007	\$887.50
5492-001-012	\$1,687.50
5492-001-013	\$1,617.50
5492-001-014	\$805.25
5492-001-015	\$2,037.50
5492-001-016	\$2,947.50
5492-001-017	\$1,491.50
5492-001-018	\$1,205.65
5492-002-008	\$53.24
5492-002-013	\$117.50

5492-002-025	\$3,148.22
5492-002-026	\$1,897.63
5492-002-027	\$852.28
5492-002-028	\$868.20
5492-002-029	\$471.50
5492-011-002	\$1,212.40
5492-011-019	\$1,695.90
5492-011-020	\$1,442.50
5492-011-021	\$987.50
5492-011-024	\$2,130.78
5492-012-022	\$4,522.84
5492-012-024	\$5,447.60
5492-013-020	\$2,015.50
5492-013-021	\$1,351.62
5492-013-022	\$1,431.30
5492-013-023	\$1,690.44
5492-013-024	\$1,452.30
5492-014-017	\$4,636.90
5492-014-019	\$5,604.74
5492-014-020	\$2,398.04
5492-015-002	\$1,504.50
5492-015-003	\$1,485.34
5492-015-004	\$1,722.50
5492-015-005	\$1,490.94
5492-015-006	\$715.50
5492-015-007	\$440.00
5492-015-008	\$1,810.70
5492-015-009	\$1,757.50
5492-015-010	\$4,209.96
5492-015-027	\$4,785.42
5492-024-004	\$3,197.24
5492-024-015	\$5,092.52
5492-025-001	\$473.35
5492-026-005	\$1,415.30
5492-026-007	\$1,651.65
5492-026-022	\$1,026.80
5492-026-024	\$1,564.05
5492-026-025	\$3,937.85
5492-026-027	\$3,499.54
8900-763-599	\$294.00
	\$299,962.07

Appendix C

Government Parcels

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

NO	APN	SITE #	ST NAME	BLDG SF	BLDG ASMT	LOT SF	LOT ASMT	FRONTAGE	FRONT ASMT	ANNUAL ASMT
1	5468-025-900	116	Avenue 56	0	\$0.00	13,449	\$1,075.92	66	\$511.50	\$1,587.42
2	5468-025-901	116	Avenue 56	0	\$0.00	4,280	\$342.40	40	\$310.00	\$652.40
3	5468-032-901	124	Avenue 57	0	\$0.00	14,150	\$1,132.00	138	\$1,069.50	\$2,201.50
4	5468-032-902			0	\$0.00	10,500	\$840.00	70	\$542.50	\$1,382.50
5	5468-032-903	124	Avenue 57	0	\$0.00	4,160	\$332.80	0	\$0.00	\$332.80
6	5468-033-900	122	Avenue 57	0	\$0.00	10,188	\$815.04	50	\$387.50	\$1,202.54
7	5468-033-901	122	Avenue 57	0	\$0.00	10,188	\$815.04	50	\$387.50	\$1,202.54
8	5468-033-902	122	Avenue 57	0	\$0.00	4,600	\$368.00	46	\$356.50	\$724.50
9	5468-033-903	122	Avenue 57	0	\$0.00	9,900	\$792.00	66	\$511.50	\$1,303.50
10	5492-001-900	123	Avenue 57	0	\$0.00	21,875	\$1,750.00	288	\$2,232.00	\$3,982.00
11	5492-001-901	123	Avenue 57	0	\$0.00	7,500	\$600.00	200	\$1,550.00	\$2,150.00
12	5492-001-902	126	Avenue 58	0	\$0.00	9,375	\$750.00	63	\$488.25	\$1,238.25
13	5492-002-900	120	Avenue 58	0	\$0.00	9,100	\$728.00	65	\$503.75	\$1,231.75
14	5492-002-901	120	Avenue 58	0	\$0.00	1,130	\$90.40	24	\$186.00	\$276.40
15	5492-011-900	117	Avenue 58	0	\$0.00	7,000	\$560.00	50	\$387.50	\$947.50
16	5492-011-901	117	Avenue 58	0	\$0.00	7,000	\$560.00	50	\$387.50	\$947.50
17	5492-012-900	124	Avenue 59	0	\$0.00	13,500	\$1,080.00	240	\$1,860.00	\$2,940.00
18	5492-013-900	5921	N Figueroa St.	10,260	\$1,436.40	7,500	\$600.00	50	\$387.50	\$2,423.90
19	5492-024-900	6000	N Figueroa St.	17,300	\$2,422.00	25,100	\$2,008.00	160	\$1,240.00	\$5,670.00
20	5492-025-900	6103	N Figueroa St	17,400	\$2,436.00	154,170	\$12,333.60	729	\$5,649.75	\$20,419.35
21	5492-025-901	6145	N Figueroa St	13,895	\$1,945.30	18,520	\$1,481.60	564	\$4,371.00	\$7,797.90
22	5492-025-902	N/A	N Figueroa St	0	\$0.00	6,100	\$488.00	70	\$542.50	\$1,030.50
	Total			58,855	\$8,239.70	369,285	\$29,542.80	3,079	\$23,862.25	\$61,644.75

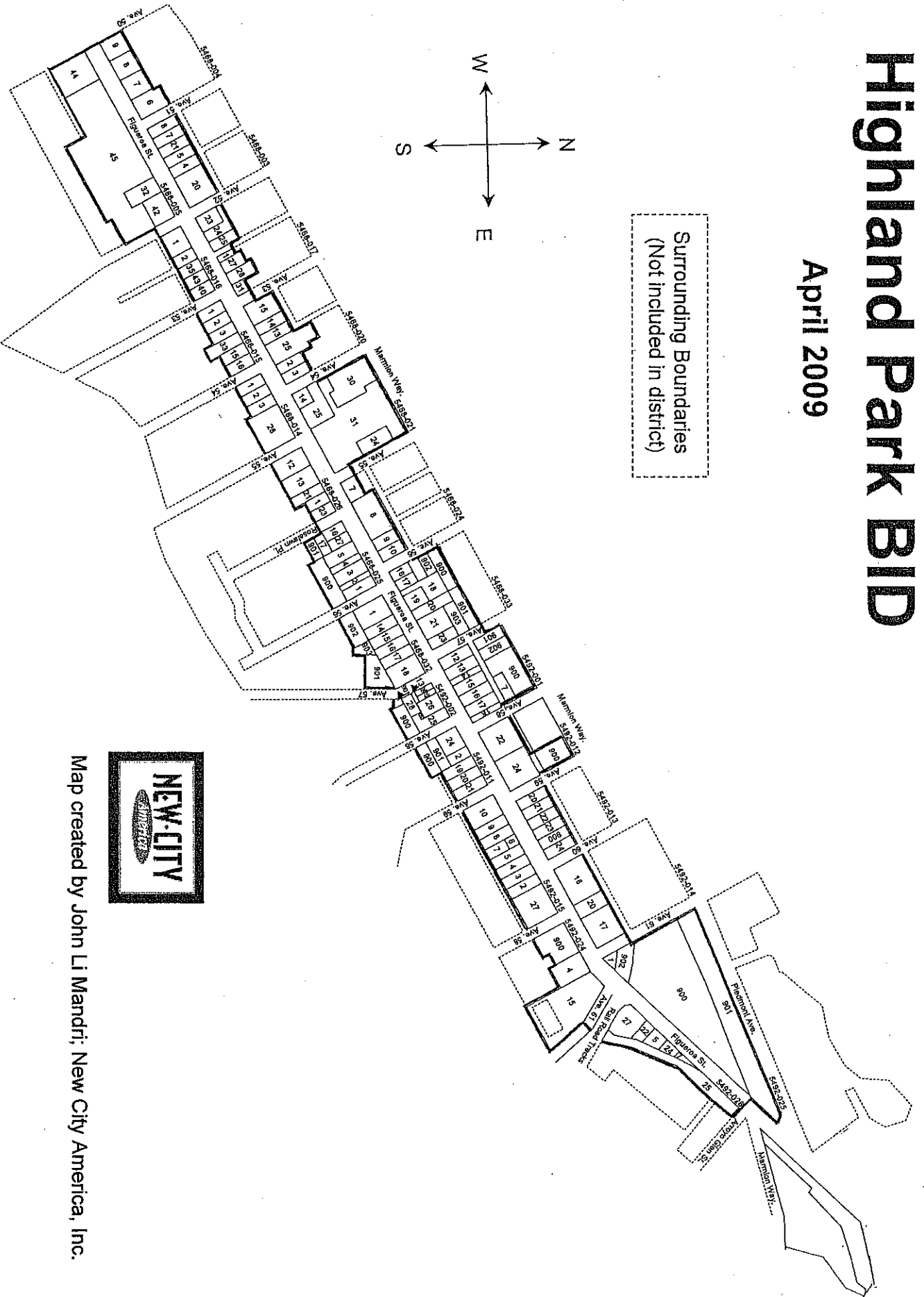
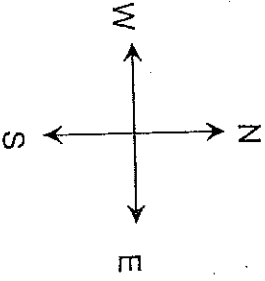
Appendix D

Map of District

Highland Park BID

April 2009

Surrounding Boundaries
(Not included in district)



Map created by John Li Mandri; New City America, Inc.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

**HIGHLAND PARK
PROPERTY BUSINESS IMPROVEMENT
DISTRICT**

*Prepared pursuant to the City of Los Angeles' Landscaping, Security, Programming and
Maintenance Property Business Improvement District (LSPM PBID) Ordinance
(Division 6, Chapter 9, Los Angeles Administrative Code)*

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

ATTACHMENT A

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

July 2009

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Highland Park Property Business Improvement District ("Highland Park PBID") being renewed for 10 years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

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



Edward V. Henning

RPE #26549

July 27, 2009

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIII D of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the Highland Park PBID in the City of Los Angeles, California being renewed for a 10 year period. The discussion and analysis contained within constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Highland Park PBID.

NOTE: The terminology "identified benefiting parcel" or "property" is used throughout this report pursuant to SB 919 - "Proposition 218 Omnibus Implementation Act" which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which will specially benefit directly either in whole or in part from the proposed District funded programs and improvements and does not imply that all parcels receive assessable benefits.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Background

The Highland Park PBID is a property-based benefit assessment type district being established pursuant to the City of Los Angeles' Landscaping, Security, Programming and Maintenance Property Business Improvement District (LSPM PBID) Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code) ("the Code") which was fashioned in part from Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the "Act"). Due to the benefit assessment nature of assessments levied within a PBID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the Code and the Act, frequent references are made to the concept of relative "benefit" received from PBID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from PBID funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

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

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

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

proportion to special benefits conferred in a manner similar to privately owned property assessments.

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

The method and basis of spreading program costs varies from one PBID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. CBDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or "stepped-down" benefits derived.

Supplemental Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Highland Park PBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were "chaptered" into law as Article XIII D of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Highland Park PBID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Highland Park PBID complies with each of these provisions are delineated below.

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

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

There are 150 "identified" parcels within the proposed Highland Park PBID that will derive special benefit from the proposed District programs and activities. The benefits are special and unique only to the identified properties within the proposed District because programs and services (i.e. right of way programs and corporate identity, organization and contingency/reserve) will only be provided directly for the identified properties. These identified benefiting parcels are located within the PBID perimeter boundary which is shown on the Boundary Map included in the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number. There is a single benefit zone within the PBID.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

The boundaries of the Highland Park PBID generally include the core commercial area of Historic Highland Park. The district includes parcels fronting the northwest and southeast sides of North Figueroa Street, and is bounded on the southwest by Avenue 50 and on the northeast by Piedmont Avenue. Also included within the PBID boundaries are the peripheral public parking lots to the northwest and southeast of Figueroa Street, and the contiguous parcels between these public parking lots and those parcels fronting Figueroa Street. (See the Management District Plan for a detailed metes and bounds boundary legal description as well as a detailed District map).

It is noted that the proposed PBID renewal plan expands the eastern boundary along Figueroa St. from Avenue 61 to Piedmont Avenue because the properties in these blocks have similar marketing & PR, security, landscaping & maintenance, and advocacy needs as the properties within the current PBID boundaries.

DISTRICT BOUNDARY RATIONALE

The property uses with the general boundaries of the Highland Park PBID are a mix of retail, restaurant, services and parking. Services and improvements provided by the District are designed to provide special benefits to the retail, restaurant, services and parking parcels. All of the services provided, such as security and cleaning, are services that are over and above the City's baseline of services and are not provided by the City. Because of the unique nature of these services which focus on the particular needs of each identified property within the District, they also provide particular and distinct benefits to each of these identified benefiting parcels within the District. Services are not provided outside of the District nor adjacent to non-identified, non-benefiting parcels within the District.

In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries. Furthermore, no services will be provided for non-identified, non-benefiting parcels within the District.

Northeastern Boundary: The northeastern boundary of the Highland Park PBID was determined by the fact that the area northeast of the intersection of Figueroa Street and Piedmont Avenue does not meet the criteria for an Alpha PBID. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or adjacent to non-identified, non-assessed parcels within the District.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Northwestern Boundary: The northwestern boundary of the Highland Park PBID was determined by the zoning and use of the parcels northeast of the District boundaries. The majority of the parcels northwest of the District's northwestern boundary are zoned residential and because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District or adjacent to non-identified, non-assessed parcels within the District.

Southwestern Boundary: The southwestern boundary of the Highland Park PBID was determined by the zoning and use of the parcels southwest of the District boundaries. The majority of the parcels southwest of the District's southwestern boundary are zoned residential and because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or adjacent to non-identified, non-assessed parcels within the District.

Southeastern Boundary: The southeastern boundary of the Highland Park PBID was determined by the zoning and use of the parcels southeast of the District boundaries. The majority of the parcels southeast of the District's southeastern boundary are zoned residential because of their residential use the parcels will not benefit from the District programs that are designed to improve commerce by providing special benefits to retail, restaurant, services and parking uses. In order to ensure that parcels outside of the District will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to the individually assessed parcels located within the District. Specifically, security patrols, maintenance/sanitation personnel and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries or adjacent to non-identified, non-assessed parcels within the District.

All identified parcels within the above-described boundaries will be assessed to fund special benefit services, programs and improvements as outlined in this report and the Management District Plan. PBID funded activities will only be provided to identified properties inside the District boundaries – none outside.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

It is noted that parcels used solely for residential purposes located within the PBID, in the opinion of this Engineer, will not benefit from the PBID programs which include security, maintenance, organization and corporate identity targeted specifically for non-residential uses. Thus, parcels used solely for residential purposes will not be assessed. Parcels with mixed uses will be fully assessed for non-residential building areas as well as residential building areas on the property since it is impossible to provide partial benefit to a single parcel. In the future, should the land use on any of the solely residential use/commercial zoned parcels convert from residential to non-residential, a full assessment will be levied in accordance with the assessment formula rates in effect at the time.

It is further noted that while the City of Los Angeles' LSPM PBID Ordinance does not specifically preclude levying assessments on properties zoned solely for residential use as does the State of California PBID law, it is hereby concluded that the same rule of logic shall apply. Therefore only commercial zoned and other non-residential zoned parcels shall be assessed to fund special benefit services as outlined in the Management Plan which will benefit proportionately to the proposed programs and services based on the proposed levels of service and the corresponding cost estimates.

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

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the property owners. "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. Special benefit must affect the assessed property 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." 'Public at large' is defined by the court as "all members of the public - including those that live, work and shop within the district - and not simply transient visitors." For the purposes of this analysis, the general benefit definition include those benefits "conferred generally on real property located in the district" and are not restricted to benefits conferred only on persons and property outside the assessment district.

The property uses within the boundaries of the PBID which will receive special benefits from PBID funded programs and services are a mix of retail, office, government and parking. Services, programs and improvements provided by the District are primarily designed to provide special benefits to identified non-residential parcels within the boundaries of the district. As previously mentioned, residential zoned parcels will receive no special benefits and thus will not be assessed.

Existing City of Los Angeles services will be enhanced, not replaced or duplicated, by PBID services. In the case of the Highland Park PBID, the very nature of the purpose of this District is to fund supplemental programs,

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

improvements and services within the PBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance the commercial core uses, increase tenancy and marketing of the non-residential entities in the PBID and improve the safety and aesthetic appearance of the PBID as a whole. All benefits derived from the assessments to be levied on parcels within the PBID are for services, programs and improvements directly benefiting the property owners within this area and support increased security, cleanliness, commerce, business attraction and retention, increased property rental income and improved District identity. No services will be provided beyond the PBID boundaries. The following services, programs and improvements will provide special benefit to the identified properties within the PBID boundaries.

RIGHT OF WAY PROGRAMS

Security Service Program

The Highland Park PBID Safety Program will provide security services for the parcels located within the District and can include the forms of patrolling bicycle personnel, nighttime vehicle personnel and walking patrols. The purpose of the Security Program is to prevent, deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking lots and alleys. The presence of the Security Program is intended to deter such illegal activities as drug dealing, public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Security Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Security Program will maintain communication with the Los Angeles Police Department (LAPD) area patrols and Los Angeles Sheriffs Dept. and intends to report illegal activities to the LAPD Northeast Division. The Security Program will only provide its services within the District boundaries. The special benefit to individual parcel owners within the district from these services is increased commercial activity within PBID boundaries.

- Private security over and above those services currently provided by the Los Angeles Police Department.

The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Maintenance Program

In order to consistently deal with maintenance issues like graffiti, trash and bulky items, the Maintenance Program, which began in 2001 will be continued and expanded. In order to effectively deal with the many maintenance issues, in the District, a multi-dimensional approach has been developed consisting of the following elements: trash collection, sidewalk maintenance, graffiti removal, weed abatement, tree trimming and landscaping, paper sign and handbill removal, special collections, maintenance problems requiring third party intervention, design elements, special projects and right of way consulting. The clean team will only provide service to properties within District boundaries. The special benefit to property owners from these services is increased commerce through the attraction of pedestrians, commercial leases and retention of commercial leases for parcels within PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Sidewalk Maintenance

Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Trash Collection

Collect trash from sidewalk trash receptacles and maintenance. The clean team and safe team each have responsibility in this area. Safety personnel encourage and report property and business owners' compliance of City code issues relating to cleanliness of sidewalks, alleys and illegal dumping. The clean team clears the alley of debris when a responsible party cannot be found for illegal dumping or other violations within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Graffiti Removal

Uniform personnel 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 weekdays within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Weed Abatement

Weeds are removed as they become unsightly or by special request within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Tree Trimming and Landscaping

Trees are trimmed on a schedule determined by District personnel and as funds are available within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Paper Sign and Handbill Removal

Paper signs and handbills that are scotch taped or glued on public property, utility boxes, poles and telephones are removed by hand or when necessary by high-pressure hose within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Special Collections

District trucks are called to assist LAPD to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Maintenance Problems Requiring Third Party Intervention

Problems are monitored that create blighted or unsafe conditions within the District, but are not within the authority/jurisdiction of the PBID to repair or correct. Requests are made to the responsible party/agency for the

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

repair within the Highland Park PBID boundaries. Types of problems include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Design Elements

Design, installation and maintenance of gateway signs; design, installation and maintenance of banner brackets and banner production; design and branding of logo development; design, purchase, install and maintain street furniture and streetscape; purchase, installation, removal and maintenance of holiday decoration program within the PBID boundaries. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Special Projects

The special projects budget is reserved for opportunities and additional projects that present themselves during the life of the District. Some special projects that have been implemented by the PBID and may be again are a follows: WiFi, Northeast Los Angeles Holiday Parade; Old LA Certified Farmers Market; and relevant Right of Way activities within the PBID boundaries. All special projects are designed to enhance the assets and the image of the District. Special project funds will only be used to specially benefit parcels within the District. The benefit to individual parcels within the District from these services is increased commercial activity and increase in the attraction of pedestrians from transit ridership, which directly relates to increases in lease rates and enhanced commerce. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Right of Way Consulting

Develop strategies for economic development and possible expansion; developing goals and an annual plan of action for the implementation of revitalization goals; develop strategies related to business attraction, retention and promotion of the area to prospective businesses; private and public grant funds to facilitate the work of the corporation. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

These maintenance and extended right of way activities are designed to increase commerce and attract and retain new business and patrons within the PBID boundaries. These services, programs and improvements will beautify and enhance the image of the PBID. The benefit to property owners from these services is creation of a cleaner and well designed environment for businesses, employees, visitors and shoppers. In turn, stakeholder investments will be protected and increased commerce and positive neighborhood activity will result. Because these services, programs and improvements will only be provided within the PBID boundaries, they will each constitute "special benefits" to the identified assessed parcels.

ORGANIZATION AND CORPORATE IDENTITY PROGRAMS

It is important to not only provide the services needed in the District, but to tell the story of improvement in the

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

District. The benefits to individual parcels within the District from these services are increased commercial activity, which directly relates to increase in lease rates and enhanced commerce. To tell the story the PBID will utilize communication/branding programs currently in place or being considered are: quarterly newsletter, Highland Park PBID website, shopping map and restaurant guide. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Organization

Administration and Corporate Operations:

The Highland Park PBID improvements and activities are managed by a professional staff and require administrative support. Management staff oversees the District's services which are delivered seven days a week. The benefit to individual parcels within the District from these services is increased commercial activity, which directly relates to increases in lease rates and enhanced commerce.

Examples of these special benefit services include, but are not limited to:

- Staff and administrative costs
- Insurance
- Office related expenses
- Financial reporting

The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Corporate Identity Programs

The benefit to individual parcels within the District from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Some of the Corporate Identity programs currently in place or being considered are: image and communication programs, quarterly newsletter, Highland Park PBID Web Site, holiday campaign, Buyer Attraction Program, Public and Media Relations, Development of Highland Park PBID Image Pieces, Banner Programs, Market Research, Old L.A. Branding, Old L.A. Certified Farmers Market, Other Relevant Marketing and Promotion activities. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

This organization and corporate identity activity is designed to increase commerce, enhance image and attract new patrons within the PBID boundaries. This component is key to the proper expenditure of PBID assessment funds and the administration of PBID programs and activities which are intended to promote business within the PBID boundaries through increased commerce and the attraction and retention of new business. Because these services and programs exist only for the purposes of the PBID and will only be provided for matters occurring within the PBID boundaries, this program constitutes a "special benefit" to the assessed parcels.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Contingency/Reserve

Costs to conduct a yearly financial review as well as City and County fees, uncollectible assessments, hardship credits and depreciation are included in this budget item. Also included are costs to renew the District. The above services will only be provided to the individual assessed parcels within the PBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

In conclusion, relative to the PBID funded work program, all of the above areas of services, activities and improvements work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this area through the attraction and retention of new business, increased commerce and enhanced experiences for shoppers, visitors and workers. The programs, improvements and services are designed to specifically benefit identified properties within the PBID boundaries. The proposed PBID assessments will only be levied on identified properties within the PBID boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the PBID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

It is noted that parcels used solely for residential purposes located within the PBID, in the opinion of this Engineer, will not benefit from the PBID programs which include security, maintenance, organization and corporate identity targeted specifically for non-residential uses. Thus, parcels used solely for residential purposes will not be assessed. Parcels with mixed uses will be fully assessed for non-residential building areas as well as residential building areas on the property since it is impossible to provide partial benefit to a single parcel. In the future, should the land use on any of the solely residential use/commercial zoned parcels convert from residential to non-residential, a full assessment will be levied in accordance with the assessment formula rates in effect at the time.

It is further noted that while the City of Los Angeles' LSPM PBID Ordinance does not specifically preclude levying assessments on properties zoned solely for residential use as does the State of California PBID law, it is hereby concluded that the same rule of logic shall apply. Therefore only commercial zoned and other non-residential zoned parcels shall be assessed to fund special benefit services as outlined in the Management Plan which will benefit proportionately to the proposed programs and services based on the proposed levels of service and the corresponding cost estimates.

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

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Each identified parcel within the district will be assessed based on property characteristics unique only to that parcel. The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified parcel within the district as a whole. Larger parcels, ones with larger street frontages and/or larger building areas are expected to impact the demand for services and programs to a greater extent than smaller ones and thus are assigned a higher proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified land attributes.

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

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

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Highland Park PBID, they are also considerably less than other options considered by the Highland Park PBID proponent group. The actual assessment rate for each parcel within the PBID directly relate to the level of service to be provided based on the respective lot size and street frontage of each parcel, and their respective amount of gross building area.

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

There are 22 publicly owned parcels which shall receive benefits, commensurate with the assessments paid into the Highland Park PBID. There is no compelling evidence that publicly owned parcels would not benefit equally to privately owned parcels and, thus, will be assessed in the same manner and rates as private parcels in the PBID.

APN	LEGAL OWNER	YEAR 1 ASSM'T	% of TOTAL
5468-025-900	CITY OF LOS ANGELES	\$1,587.42	0.44%
5468-025-901	CITY OF LOS ANGELES	\$652.40	0.18%
5468-032-901	CITY OF LOS ANGELES	\$2,201.50	0.61%
5468-032-902	CITY OF LOS ANGELES	\$1,382.50	0.38%
5468-032-903	CITY OF LOS ANGELES	\$332.80	0.09%
5468-033-900	CITY OF LOS ANGELES	\$1,202.54	0.33%

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5468-033-901	CITY OF LOS ANGELES	\$1,202.54	0.33%
5468-033-902	CITY OF LOS ANGELES	\$724.50	0.20%
5468-033-903	CITY OF LOS ANGELES	\$1,303.50	0.36%
5492-001-900	CITY OF LOS ANGELES	\$3,982.00	1.10%
5492-001-901	CITY OF LOS ANGELES	\$2,150.00	0.59%
5492-001-902	CITY OF LOS ANGELES	\$1,238.25	0.34%
5492-002-900	CITY OF LOS ANGELES	\$1,231.75	0.34%
5492-002-901	CITY OF LOS ANGELES	\$276.40	0.08%
5492-011-900	CITY OF LOS ANGELES	\$947.50	0.26%
5492-011-901	CITY OF LOS ANGELES	\$947.50	0.26%
5492-012-900	CITY OF LOS ANGELES	\$2,940.00	0.81%
5492-013-900	CITY OF LOS ANGELES / FIRE DEPT	\$2,423.90	0.67%
5492-024-900	CITY OF LOS ANGELES	\$5,670.00	1.57%
5492-025-900	CITY OF LOS ANGELES	\$20,419.35	5.65%
5492-025-901	CITY OF LOS ANGELES	\$7,797.90	2.16%
	Subtotal =	\$60,614.25	16.76%
5492-025-902	LACMTA	\$1,030.50	0.28%
	Total =	\$61,644.75	17.05%

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

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

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

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this Report. The District and resultant assessment payments will continue for 10 years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to land area, street frontage and for non-residential uses, gross building area. There is a single benefit zone.

Assessment Formula Methodology

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

PBID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

Based on the specific needs and corresponding nature of the program activities to be funded by the Highland Park PBID (i.e. right of way programs and corporate identity, organization and contingency/reserve) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area, street frontage and gross building area. It is noted that street frontage primarily includes only the property widths facing Figueroa Street including any property corner cuts or radii dimensions. Side or rear street frontages are not counted since no services will be extended or provided along these other streets frontages. A few exceptions occur where the District will be providing extended property perimeter services to certain City owned public parking lots and other City facilities and multiple street frontages will be assessed.

For non-residential uses, the interactive application of land area, street frontage and building area quantities are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries (non-residential uses) of PBID funded services, programs and improvements. Each of these factors directly relates to the degree of benefit each parcel will receive from PBID funded activities. Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on PBID funded activities such as security; landscape and maintenance; marketing & public relations; new business attraction; advocacy & administration. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 40% of the total PBID revenue. Street frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on PBID funded activities such as maintenance and physical amenities. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 30% of the total PBID revenue. Gross building area is a direct measure of the current development utilization of each parcel and its corresponding impact or draw on PBID funded activities such as security; landscape and maintenance; marketing & public relations; new business attraction; advocacy & administration. In the opinion of this Assessment Engineer, the targeted weight of this factor, gross building area, should generate approximately 30% of the total PBID revenue.

It is noted that parcels used solely for residential purposes located within the PBID, in the opinion of this Engineer, will not benefit from the PBID programs which include security, maintenance, organization and corporate identity targeted specifically for non-residential uses. Thus, parcels used solely for residential purposes will not be assessed. Parcels with mixed uses will be fully assessed for non-residential building areas as well as residential building areas on the property since it is impossible to provide partial benefit to a single parcel. In the future, should the land use on any of the solely residential use/commercial zoned parcels convert from residential to non-residential, a full assessment will be levied in accordance with the assessment formula rates in effect at the time.

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It is further noted that while the City of Los Angeles' LSPM PBID Ordinance does not specifically preclude levying assessments on properties zoned solely for residential use as does the State of California PBID law, it is hereby concluded that the same rule of logic shall apply. Therefore only commercial zoned and other non-residential zoned parcels shall be assessed to fund special benefit services as outlined in the Management Plan which will benefit proportionately to the proposed programs and services based on the proposed levels of service and the corresponding cost estimates.

The "Basic Benefit Units" will be expressed as a combined function of land square footage (Benefit Unit "A"), street frontage (Benefit Unit "B") and gross building area (Benefit Unit "C"). Based on the shape of the Highland Park PBID, as well as the nature of the District program elements, it is determined that all properties will gain a direct and proportionate degree of benefit based on the respective amount of parcel size, street frontage and gross building area within a single benefit zone.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties and their respective assessable benefit units, there are 1,803,275 Benefit Units A, 13,454 Benefit Units B and 807,688 Benefit Units C.

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the Highland Park PBID was computed from data extracted from City of Los Angeles land records as well as County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the PBID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Highland Park PBID assessments will be based on land area, street frontage and gross building area. The targeted assessment formula component weights are: 40% for Benefit Unit A - land area (39.8947% when adjusted), 30% (28.8348% when adjusted) for Benefit Unit B - street frontage and 30% for Benefit Unit C - gross building area (31.2705% when adjusted).

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Computing Assessment Formula Unit Costs:

(Benefit Unit "A") = $\$361,606.82 \times 39.8947\% / 1,803,275 \text{ sq ft} = \$0.08/\text{sq ft}$ of land area

(Benefit Unit "B") = $\$361,606.82 \times 28.8348\% / 13,454 \text{ lin ft} = \$7.75/\text{lin ft}$ of street frontage

(Benefit Unit "C") = $\$361,606.82 \times 31.2705\% / 807,688 \text{ sq ft} = \$0.14/\text{sq ft}$ of gross building area

The assessment formula for non-residential parcels is:

Land Area (sq ft) x \$0.08/sq ft +

Street Frontage (lin ft) x \$7.75/lin Ft +

Gross bldg area (sq ft) x \$0.14/sq ft

It is noted that parcels with solely residential uses will not be assessed while those with mixed uses will be assessed for all building areas.

Step 5. Estimate Total District Costs

The total District costs for Year 1 of the PBID are projected to be as shown below in Table 1.

TABLE 1
Total Year 1 District Costs

Program or activity funded by the Highland Park PBID	Approximate% of Year 1 Budget	Estimated Year 1 Costs
Right of Way Programs	65%	\$235,044.43
Corporate Identity and Organization	35%	\$126,562.39
Total	100%	\$361,606.82

Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)

All benefits derived from the assessments outlined in the Management District Plan and this Report are for supplemental services, programs and improvements directly benefiting the identified properties within the PBID. All PBID funded activities are provided solely to properties within the Highland Park PBID. All services will be delivered only within the boundaries and designed only for the direct special benefit of the identified assessed properties in the PBID. No services will be provided to non-assessed parcels outside the PBID boundaries. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the PBID, are inadvertent, intangible and immeasurable. Total District revenues are shown below in Table 2.

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

TABLE 2

Total Year 1 District Revenues

Funding Source	Revenue	% of Total
PBID Assessments	\$361,606.82	100.00%
TOTAL DISTRICT REVENUE	\$361,606.82	100.00%

Step 7. Calculate "Basic Unit Cost"

With a Year 1 budget of \$361,606.82 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the PBID is being established for a 10 year term, maximum assessments for future years (Years 2 through 10) must be set at the inception of the PBID. *An annual flat inflationary assessment rate increase of up to 5% may be imposed each year for Years 2-10*, on approval by the PBID Property Owner's Association. The maximum assessment rates for Years 1-10 are shown below in Table 3.

TABLE 3

Year 1-10 Maximum District Assessment Rates (assumes 5% annual increase)

	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
Land Area Rate (per SF)	\$0.0800	\$0.0840	\$0.0882	\$0.0926	\$0.0972	\$0.1021	\$0.1072	\$0.1126	\$0.1182	\$0.1241
Frontage Rate (per LF)	\$7.7500	\$8.1375	\$8.5444	\$8.9716	\$9.4202	\$9.8912	\$10.3857	\$10.9050	\$11.4503	\$12.0228
Building Area Rate (per SF)	\$0.1400	\$0.1470	\$0.1544	\$0.1621	\$0.1702	\$0.1787	\$0.1876	\$0.1970	\$0.2068	\$0.2172

Step 8. Spread the Assessments

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

APPENDIX 1

YEAR 1 ASSESSMENT ROLL

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Private Parcels

APN	ANNUAL ASMT		
		5468-021-024	\$2,384.64
		5468-021-025	\$4,178.81
5468-003-004	\$0.00	5468-021-030	\$5,662.40
5468-003-005	\$0.00	5468-021-031	\$16,690.16
5468-003-007	\$1,322.70	5468-024-007	\$2,546.50
5468-003-008	\$1,353.94	5468-024-008	\$4,590.66
5468-003-020	\$3,146.65	5468-024-009	\$2,389.10
5468-003-021	\$1,042.50	5468-024-010	\$3,847.80
5468-004-006	\$3,354.94	5468-025-001	\$1,895.85
5468-004-007	\$2,136.20	5468-025-002	\$611.00
5468-004-008	\$2,581.40	5468-025-003	\$2,173.35
5468-004-009	\$3,651.97	5468-025-004	\$801.00
5468-005-032	\$1,783.88	5468-025-005	\$1,091.02
5468-005-042	\$2,837.78	5468-025-016	\$2,000.58
5468-005-044	\$4,223.64	5468-025-017	\$652.40
5468-005-045	\$23,212.01	5468-025-027	\$1,143.30
5468-014-001	\$1,127.56	5468-026-001	\$1,204.34
5468-014-002	\$1,029.84	5468-026-012	\$3,184.74
5468-014-003	\$1,647.24	5468-026-013	\$3,280.28
5468-014-028	\$5,622.42	5468-026-021	\$1,036.80
5468-015-001	\$1,825.82	5468-026-023	\$2,093.48
5468-015-002	\$1,642.34	5468-032-001	\$5,008.54
5468-015-003	\$1,211.28	5468-032-014	\$1,887.50
5468-015-015	\$1,043.28	5468-032-015	\$1,327.50
5468-015-016	\$1,804.17	5468-032-016	\$1,411.50
5468-015-033	\$1,256.08	5468-032-017	\$1,646.00
5468-016-001	\$3,961.22	5468-032-018	\$3,103.00
5468-016-002	\$1,086.25	5468-033-015	\$1,158.64
5468-016-035	\$1,010.34	5468-033-016	\$2,541.00
5468-016-040	\$1,638.99	5468-033-017	\$1,700.16
5468-016-043	\$1,265.62	5468-033-018	\$844.35
5468-017-001	\$888.89	5468-033-019	\$2,809.41
5468-017-023	\$1,426.46	5468-033-020	\$3,269.67
5468-017-024	\$1,246.07	5468-033-021	\$5,305.14
5468-017-025	\$1,082.62	5468-033-023	\$1,515.70
5468-017-027	\$1,257.82	5492-001-007	\$887.50
5468-017-028	\$1,441.10	5492-001-012	\$1,687.50
5468-017-031	\$1,596.72	5492-001-013	\$1,617.50
5468-020-002	\$1,375.90	5492-001-014	\$805.25
5468-020-003	\$1,457.08	5492-001-015	\$2,037.50
5468-020-013	\$1,840.30	5492-001-016	\$2,947.50
5468-020-014	\$1,232.28	5492-001-017	\$1,491.50
5468-020-015	\$5,729.84	5492-001-018	\$1,205.65
5468-020-025	\$2,263.00	5492-002-008	\$53.24
5468-021-014	\$2,134.12	5492-002-013	\$117.50

5492-002-025	\$3,148.22
5492-002-026	\$1,897.63
5492-002-027	\$852.28
5492-002-028	\$868.20
5492-002-029	\$471.50
5492-011-002	\$1,212.40
5492-011-019	\$1,695.90
5492-011-020	\$1,442.50
5492-011-021	\$987.50
5492-011-024	\$2,130.78
5492-012-022	\$4,522.84
5492-012-024	\$5,447.60
5492-013-020	\$2,015.50
5492-013-021	\$1,351.62
5492-013-022	\$1,431.30
5492-013-023	\$1,690.44
5492-013-024	\$1,452.30
5492-014-017	\$4,636.90
5492-014-019	\$5,604.74
5492-014-020	\$2,398.04
5492-015-002	\$1,504.50
5492-015-003	\$1,485.34
5492-015-004	\$1,722.50
5492-015-005	\$1,490.94
5492-015-006	\$715.50
5492-015-007	\$440.00
5492-015-008	\$1,810.70
5492-015-009	\$1,757.50
5492-015-010	\$4,209.96
5492-015-027	\$4,785.42
5492-024-004	\$3,197.24
5492-024-015	\$5,092.52
5492-025-001	\$473.35
5492-026-005	\$1,415.30
5492-026-007	\$1,651.65
5492-026-022	\$1,026.80
5492-026-024	\$1,564.05
5492-026-025	\$3,937.85
5492-026-027	\$3,499.54
8900-763-599	\$294.00
	\$299,962.07

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT

Government Parcels

APN	YEAR 1 ASSM'T
5468-025-900	\$1,587.42
5468-025-901	\$652.40
5468-032-901	\$2,201.50
5468-032-902	\$1,382.50
5468-032-903	\$332.80
5468-033-900	\$1,202.54
5468-033-901	\$1,202.54
5468-033-902	\$724.50
5468-033-903	\$1,303.50
5492-001-900	\$3,982.00
5492-001-901	\$2,150.00
5492-001-902	\$1,238.25
5492-002-900	\$1,231.75
5492-002-901	\$276.40
5492-011-900	\$947.50
5492-011-901	\$947.50
5492-012-900	\$2,940.00
5492-013-900	\$2,423.90
5492-024-900	\$5,670.00
5492-025-900	\$20,419.35
5492-025-901	\$7,797.90
5492-025-902	\$1,030.50
	\$61,644.75

ORDINANCE NO. _____

An Ordinance of Intention to establish a Landscaping, Security, Programming and Maintenance Property Business Improvement District to be known as the Highland Park Property Business Improvement District (District) pursuant to the provisions of the City's Landscaping, Security, Programming and Maintenance District Ordinance (Division 6, Chapter 9, Los Angeles Administrative Code).

WHEREAS, the Landscaping, Security, Programming and Maintenance District Ordinance authorizes the establishment of Landscaping, Security, Programming and Maintenance Property Business Improvement Districts within specifically defined commercial districts of the City located within "special economic incentive zones" and the levying of assessments on real property within the districts to pay for improvements, maintenance and activities within the districts; and

WHEREAS, the proposed District is a commercial district located within the following "special economic incentive zones": Avenue 57 Transit Oriented District, Highland Park Los Angeles Neighborhood Initiative Area and the Highland Park Targeted Neighborhood Initiative Area; and

WHEREAS, the Highland Park Property Business Improvement District was originally established by City Council in 2001, and operated its inaugural term from January 1, 2002 to December 31, 2009; and

WHEREAS, property owners within the District, who will pay more than 30 percent of the total assessments proposed to be levied, filed written petitions requesting the City Council to establish a district.

NOW, THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. DECLARATION. Pursuant to the provisions of the Landscaping, Security, Programming and Maintenance District Ordinance, the City Council hereby declares its intention to establish a Landscaping, Security, Programming and Maintenance Property Business Improvement District to be known as the Highland Park Property Business Improvement District (District).

Sec. 2. ADOPTION OF ENGINEER'S REPORT, MANAGEMENT DISTRICT PLAN AND PRELIMINARY REPORT OF THE CITY CLERK. The City Council hereby adopts, approves and confirms the Engineer's Report, the Management District Plan, and the Preliminary Report of the City Clerk, all of which are included in Council File No. 09-2013.

Sec. 3. PARCELS WITHIN THE DISTRICT. The City Council hereby reaffirms its finding that all parcels, which will have a special benefit conferred upon them and upon which an assessment will be imposed, are identified in the Management District Plan.

Sec. 4. PROPORTIONAL BENEFIT. The City Council hereby reaffirms that the assessment proposed to be imposed on each parcel does not exceed the reasonable cost of the proportional benefit conferred on that parcel.

Sec. 5. SEPARATION OF GENERAL AND SPECIAL BENEFITS. The City Council hereby reaffirms that it has separated the general benefits, if any, from the special benefits conferred on each parcel.

Sec. 6. ASSESSMENTS SUPPORTED BY ENGINEER'S REPORT. The City Council hereby reaffirms that all proposed assessments are supported by a detailed Engineer's Report prepared by a registered professional engineer certified by the state of California.

Sec. 7. DISTRICT BOUNDARIES. The City Council hereby declares that the boundaries of the proposed District are as described and illustrated in the Management District Plan and the Preliminary Report of the City Clerk. A description of the proposed District boundaries is as follows: parcels fronting the northwest and southeast sides of North Figueroa Street, and is bounded on the southwest by Avenue 50 and on the northeast by Piedmont Avenue. Also included within the BID boundaries are the peripheral public parking lots to the northwest and southeast of Figueroa Street, and the contiguous parcels between said public parking lots and those parcels fronting Figueroa Street.

Sec. 8. IMPROVEMENTS AND ACTIVITIES. The City Council hereby declares that the proposed levy of assessments is to fund the improvements and activities detailed in the Management District Plan. They include, but are not limited to: security, maintenance, administration, corporate identity, and contingency/reserve.

Sec. 9. ANNUAL ASSESSMENT AND DURATION. The proposed District's total annual assessment for the first year is estimated to be \$361,606.82. The annual assessment for subsequent years may be adjusted based upon the Consumer Price Index for the Los Angeles region or by a flat percentage rate, not to exceed five percent (5%) of the previous year's assessment. The annual assessment shall be levied for a period of 10 (ten) years, which is the proposed duration of the District and the period during which the improvements and activities will be provided.

Sec. 10. BASIS FOR CALCULATING ASSESSMENTS. The proposed annual assessment for each property is based upon the property square footage, building square footage and street frontage. A full and complete description of the basis upon

which the proposed assessment was calculated is contained in the Engineer's Report and the Management District Plan.

Sec. 11. COLLECTION OF ASSESSMENTS. The City Council hereby declares that to the extent possible, assessments shall be collected at the same time and in the same manner as County ad valorem property taxes and shall be subject to all laws providing for the collection and enforcement of assessments. For properties that do not appear on the County tax rolls or for assessments for any years in which the City is unable to transmit the assessment information to the County in sufficient time for the County to collect the assessments with the County ad valorem property taxes, the City Clerk may bill and collect the assessments by mailing assessment notices (Statement of Assessment Due) to each property owner within the District at the address shown on City records. Assessments billed by the City Clerk are due 45 calendar days after the date of the Statement of Assessment Due.

Sec. 12. NOTICE, PROTESTS AND HEARING PROCEDURES. The City Clerk shall comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750, *et seq.*).

Sec. 13. SUMMARY OF PROCEDURES FOR COMPLETION AND RETURN OF BALLOTS. This Ordinance of Intention and a ballot (in the form of attached Exhibit A incorporated here by this reference) shall be mailed by first-class mail to each property owner in the proposed District.

The ballot may be completed by the person(s) or entity owning the property within the proposed District. To complete the ballot, the property owner should do the following: (1) verify that the information listed on the ballot is correct; (2) indicate his or her decision to either approve or disapprove of the District assessment by marking an "X" or other verifiable mark in the appropriate place; (3) sign the ballot; (4) insert the completed ballot into the secrecy envelope provided; and (5) place the secrecy envelope inside the return envelope and mail to the City Clerk's Office.

Sec. 14. PUBLIC HEARING. The City Council will hold a public hearing to determine whether to establish the District and levy assessments on _____, at 10 a.m., or as soon thereafter as City Council business permits, and on any days for continued hearing as ordered by the City Council, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012. At the public hearing, the City Council shall hear the testimony of all interested persons for or against the establishment of the proposed District, the boundaries of the proposed District, or the furnishing of specified types of improvements or activities of the proposed District.

Sec. 15. NOTICE TO RECORD OWNERS. The City Clerk shall give notice of the public hearing, in the manner specified in Government Code Section 53753, to the record owner of each parcel subject to the levy of an assessment. The notice shall be given at least 45 days before the public hearing date and shall specify that the public hearing will be to determine whether the Council will establish the District and levy assessments.

Sec. 16. TABULATION OF ASSESSMENT BALLOTS. At the conclusion of the public hearing, the City Clerk shall tabulate all assessment ballots that have been submitted and not withdrawn. To be included in the tabulation, assessment ballots must be received by the City Clerk either at the address indicated in the notice required by Government Code Section 53753 or at the site of the public hearing prior to the conclusion of the public hearing. The City Clerk will certify the results of the tabulation to the City Council during its meeting on _____, at 10:00 a.m., or as soon thereafter as City Council business permits, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012.

Sec. 17. MAJORITY PROTEST. If there is a majority protest against the imposition of the assessment, the City Council will not impose an assessment. A majority protest will exist if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the assessment ballots submitted, and not withdrawn, in its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

Sec. 18. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk


By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By  _____
David Michaelson, Chief Assistant City Attorney

Date 9-11-09

File No. 09-2013

**HIGHLAND PARK PROPERTY
BUSINESS IMPROVEMENT DISTRICT**

ADVISORY BOARD MEMBERS

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