



The Renewed Pacific Palisades
Property & Business Improvement District
(PPBID)

MANAGEMENT DISTRICT PLAN

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

NOVEMBER 6, 2019



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MANAGEMENT DISTRICT SUMMARY

The *Pacific Palisades PBID* is a Property and Business Improvement District (PPBID) being re-established for a 10-year period by a consortium of property and business owners within the current PBID area. The current district will end its five-year term on December 31st, 2020.

The purpose of renewing this PBID is to provide and manage supplemental services and improvements for this important and growing business center, including landscaping, sanitation, beautification, marketing, streetscape, and administration services, programs and improvements. The PPBID is a unique benefit assessment district that will enable the PPBID property owners and businesses working as a unit, to fund needed property and business-related improvement programs, services and programs above what is provided by the City of Los Angeles.

Name: The name of the renewed PBID is the Pacific Palisades Business Improvement District (PPBID).

Location: The proposed PPBID is in the core of the Pacific Palisades community. The key streets that make up the PPBID area include Sunset Boulevard, North Swarthmore Avenue, Via de la Paz and La Cruz Street.

Benefit Zones: There is one benefit zone within the proposed renewed PPBID.

Services: The key special benefit services by category will include: Sidewalk Operations, District Identity and Place Making and Administration Services.

Finance: Benefit assessment of real property (69 parcels). No bonds shall be issued to fund PPBID programs.

Budget: PBID assessment revenue for Year 1 is projected to be \$ 152,010. It is noted that the Assessment Engineer has determined that general benefits equate to 2% of the total adjusted PBID programs of \$155,112 or \$ 3,102. General benefit revenue shall be derived from non-assessment revenue sources such as grants, program income, credits, interest, memberships and other sources.

Year 1 – PROPOSED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT)

	Sidewalk Operations	District Identity and Place Making	Administration Services	TOTAL
%	70%	10%	20%	100%
Special Benefits	\$ 106,000	\$ 15,000	\$31,010	\$ 152,010
General Benefits	\$ 2,163	\$ 306	\$ 633	\$3,102
Total Budget	\$ 108,163	\$ 15,306	\$31,643	\$ 155,112

Benefits: “General Benefit” is defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special Benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the PPBID or to the public at large.

Formula: There is one benefit zone in the PPBID.

YEAR 1 –Assessment Rates

Building Square Footage Annual Costs	Land Area Annual Costs	Linear Frontage Annual Costs
\$0.073 per year	\$0.045 per year`	\$ 4.50 per year

Cap: Assessment increases are capped at a maximum of 5% per year, subject to approval by the PPBID Property Owner Association Board of Directors.

Establishment: PBID Established is a two-step process. First, petitions signed by PBID property owners representing at least 50% of the total assessment to be levied must be secured. Second, property owners will be sent a ballot to vote on the PBID Established. Returned ballots in support of the PBID Established must outweigh those in opposition based on the amount of assessment to be levied.

Duration

As allowed by State PBID Law, the District will have a ten (10) year operational term from January 1, 2021 to December 31, 2030. The proposed renewed District operation is expected to begin services on January 1, 2021.

II. RENEWED PACIFIC PALISADES PBID BOUNDARIES

General: The renewed Pacific Palisades PBID is located along Sunset Boulevard from Carey Street to the western commercial edge of the business district. The renewed district will have 69 parcels and 52 property owners. The renewed PPBID is a traditional linear commercial corridor, with a slight street grid to accommodate businesses and retailers on each side of Sunset Boulevard.

Boundary Description

The renewed Pacific Palisades PBID encompasses approximately 13 blocks centered along both sides of Sunset Boulevard including the traditional retail and commercial zoning of the business district.

Benefit Zones

The District consists of one benefit zone.

District Boundary Rationale

The Pacific Palisades PBID boundaries are comprised of the commercial core parcels where the main historic economic activity of Pacific Palisades is centered. The commercial parcels fronting Sunset Boulevard, La Cruz Street, North Swarthmore Avenue and Via de la Paz are the heart of the commercial core of Pacific Palisades. These parcels showcase an array of commercial retailers, service stores, and various other commercial enterprise within the business district.

Northern Boundary

The northern boundary of the renewed PBID is defined by the commercial parcels which are located along the north and south side of Sunset Boulevard in Pacific Palisades. Every parcel that fronts along the north side of Sunset Boulevard between Carey Street on the east (*parcels 4423-017-026 and 4411-001-019*) and parcels 4422-022-015 and 4412-001-017 on the west, represents the northern boundary of the renewed PBID. Furthermore, the two parcels at the north end of Monument Street and Bashford Street, (*parcel number 4423-017-024*) and the northern edge of North Swarthmore Avenue, (*parcel numbers 4423-022-079 and 080*) will include the northern most parcels within the boundaries of the renewed district.

The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, *“Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part.”*

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

Eastern Boundary

The eastern boundary of the renewed PBID is at the intersection of Carey Street and Embury Street (*parcel number 4423-017-026*) running southward from that parcel including the parcels on the west side of Carey Street to the intersection of Carey Street and Alma Real Drive (*parcel number 4412-009-014*). The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided east of the eastern District boundary.

Southern Boundary

The southern boundary of the renewed PBID is defined by a non-contiguous series of parcels. The southern boundary begins at the southwestern parcel at the intersection of Carey Street and Alma Real Drive (*parcel number 4412-009-014*), then runs westward to the northeastern parcel at the intersection of North Swarthmore Avenue and Bowdoin Street (*parcel number 4412-009-801*) then continuing northward including the parcels on the eastern side of North Swarthmore Avenue to the northern boundary of the Pacific Palisades Elementary Charter School, continuing southward to the southernmost parcel between Via de la Paz and Bowdoin Streets, (*parcel number 4412-004-025*).

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

Western Boundary

The western boundary of the renewed PBID is at the far western side of Sunset Boulevard and will include the two westernmost parcels which terminate the business district including parcels 4422-022-015 on the north side and parcel number 4412-001-017 on the south side of Sunset Boulevard. The western boundary then continues eastward along W. Antioch Street and includes all the parcels on the eastern side of Bowdoin Street from parcel 4412-004-015 running southward to parcel number 4412-004-025.

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

Summation:

A list of all parcels included in the proposed established PPBID is shown as Appendix 1, attached to this Report identified by their respective Los Angeles County assessor parcel number. The boundary of the proposed renewed PPBID are shown on the map of the proposed established PPBID is to be found on page 8 of this Report.

All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this Report and in the Management District Plan. All PPBID funded services, programs and improvements provided within the above described boundaries shall confer special benefit to identified

assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the PPBID will proportionately and especially benefit from the District funded programs and services (i.e. Sidewalk Operations, District Identity and Place Making, Administration Services and Contingency).

These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates and investment viability of individually assessed parcels and businesses on them within the renewed PPBID. The renewed PPBID confers special benefits on each individually assessed parcel by improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses on them within the District, all considered supplemental in a competitive properly managed business district.

All District funded services programs and improvements are supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the proposed renewed PPBID.

The District includes 69 parcels of which all are identified as assessable which are listed in the Assessment Roll included as Appendix 1.



Pacific Palisades PBID 2020



III. PROPOSED TEN-YEAR PBID WORK PLAN AND BUDGET

Overview

The programs and activities to be funded by the renewed PPBID will include Sidewalk Operations, District Identity and Place Making, Administration Services, and Contingency. The property uses within the boundaries of the District that will receive special benefits from District funded programs, services and improvements are currently a unique mix of retail, office, grocery, restaurant, mixed use housing developments, auto service and other neighborhood serving retail uses. District funded activities are primarily designed to provide special benefits as described below to identified assessed parcels and array of land uses within the boundaries of the District.

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

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

The projected program special benefit cost allocation of the District assessment revenues for the 10-year District term assuming a 5% maximum annual assessment rate increase is shown in the Table on page 13 of this Plan.

Work Plan Details

The services to be provided by the renewed PPBID are all designed to contribute to the cohesive commercial fabric and to ensure economic success and vitality of the District. The assessed parcels in the PBID will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the PBID goals: to improve sanitation, beautification, landscaping, and to attract new and retain existing businesses and services, and ultimately to increase commerce and improve the economic viability of each individual assessed parcel.

The following programs, services and improvements are proposed by the PPBID to specially benefit each individually assessed parcel within the District boundaries. PPBID services, programs and improvements will not be provided to parcels outside the District boundary. Assessment funds generated in each benefit zone shall only be used to provide services which specially benefit individual assessed parcels within that benefit zone.

Year 1 – PROPOSED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT)

Sidewalk Operations:

\$ 106,000 (Special Benefit) \$ 2,163 (General Benefit) = \$ 108,163 70%

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

- Sidewalk cleaning entails periodic pressure washing of all sidewalks throughout the District at a frequency determined by the Owners’ Association.
- Landscaping services includes landscaping care and weed removal services throughout the entire District at the discretion of the property owners, at a frequency determined by the Owners’ Association.
- Sanitation personnel will work on a regular basis sweeping up trash and litter from the sidewalks and gutters of the District at a frequency determined by the Owners’ Association.
- Graffiti removal entails receiving reports of and then quick removal of graffiti throughout the District.

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

District Identity and Place Making:

\$ 15,000 (Special Benefit) \$ 306 (General Benefit) = \$ 15,306 10%

The District Identity and Place Making component of the Special Benefits services strive to build the identity of the “Pacific Palisades” district from where it is today. The District Identity and Place Making services would include, but not be limited to:

- Creating a new logo to brand the district.

- Maintaining and updating the website to promote available retail opportunities, identify properties for lease or for sale and promote the new programs that the PBID will fund.
- Fund and install holiday decoration and banners.
- Other programs to bring a positive light to the Pacific Palisades PBID to specially benefit the parcels in the district include marketing promotions and social media.

The District Identity and Place Making component is designed to promote the image of Pacific Palisades PPBID. This program helps meet the goals of business and service attraction and retention and increased commerce.

The Owners' Association will continue to use its website to promote the assessed PPBID parcels in an effort to increase awareness of the District as a destination for consumers and tenants and increase occupancy and commerce on the assessed parcels. The website is designed to provide visitors information about the renewed Pacific Palisades PBID and comply with the open meetings and records provisions of the Brown Act.

Administration Services:

\$ 31,010 (Special Benefit) \$ 633 (General Benefit) = \$31,643 20%

The Administration Services component includes activities such as: personnel, operations, professional services (e.g. legal, accounting, insurance), production of the Annual Planning Report and Budget, preparation for the regular and Annual Board meetings, preparation of taxes, City required quarterly reports, facilitation of meetings of the Owners' Association, Brown Act compliance, outreach to District property and business owners, and participation in professional peer/best practice forums such as the LA BID Consortium, the California Downtown Association or the International Downtown Association.

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

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

PROGRAM & ACTIVITY BUDGET

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

	Sidewalk Operations	District Identity and Place Making	Administration Services	TOTAL
%	70%	10%	20%	100%
\$	\$ 106,000	\$ 15,000	\$31,010	\$152,010

To carry out the District programs outlined in the previous section, a Year 1 assessment budget of \$152,010 is projected. Since the District is planned for a 10-year term, projected program costs for future years (Years 2-10) are set at the inception of the District. While future inflationary, new development assessments and other program cost increases are unknown at this point, a built-in maximum increase of 5% per annum, commensurate to special benefits received by each assessed parcel, is incorporated into the projected program costs and assessment rates for the 10-year District term. The District shall adhere to the budget and Management District Plan. While some variation is permissible to account for unexpected circumstances, the funding allocated to each funding category expressed as a percentage of the total budget, shall not vary by more than 10% of total budget from each year’s percentage in the Management District Plan.

Any proposed variation shall be subject to review and approval of the City Clerk’s office. Any surplus or unspent funds, per category, shall not accumulate year to year over the life of the PBID.

10 Year Special + General Benefits (Assumes max of 5% Annual Increase)

YR		PROGRAM CATEGORY	SPECIAL BENEFITS	GENERAL BENEFIT	TOTAL BENEFITS	% OF TOTAL
1	2021	SIDEWALK OPERATIONS	\$106,000	\$2,163	\$108,163	69.7323%
		DISTRICT IDENTITY	\$15,000	\$306	\$15,306	9.8678%
		ADMINISTRATION	<u>\$31,010</u>	<u>\$633</u>	<u>\$31,643</u>	<u>20.4000%</u>
		TOTAL	\$152,010	\$3,102	\$155,112	100.00%
2	2022	SIDEWALK OPERATIONS	\$111,300	\$2,271	\$113,571	69.7323%
		DISTRICT IDENTITY	\$15,750	\$321	\$16,071	9.8678%
		ADMINISTRATION	<u>\$32,561</u>	<u>\$665</u>	<u>\$33,226</u>	<u>20.4000%</u>
		TOTAL	\$159,611	\$3,257	\$162,868	100.00%
3	2023	SIDEWALK OPERATIONS	\$116,865	\$2,385	\$119,250	69.7323%
		DISTRICT IDENTITY	\$16,538	\$337	\$16,875	9.8678%

		ADMINISTRATION	<u>\$34,189</u>	<u>\$698</u>	<u>\$34,887</u>	<u>20.4000%</u>
		TOTAL	\$167,592	\$3,420	\$171,012	100.00%
4	2024	SIDEWALK OPERATIONS	\$122,708	\$2,504	\$125,212	69.7323%
		DISTRICT IDENTITY	\$17,365	\$354	\$17,719	9.8678%
		ADMINISTRATION	<u>\$35,898</u>	<u>\$733</u>	<u>\$36,631</u>	<u>20.4000%</u>
		TOTAL	\$175,971	\$3,591	\$179,562	100.00%
5	2025	SIDEWALK OPERATIONS	\$128,843	\$2,629	\$131,472	69.7323%
		DISTRICT IDENTITY	\$18,233	\$372	\$18,605	9.8678%
		ADMINISTRATION	<u>\$37,693</u>	<u>\$770</u>	<u>\$38,463</u>	<u>20.4000%</u>
		TOTAL	\$184,769	\$3,771	\$188,540	100.00%
6	2026	SIDEWALK OPERATIONS	\$135,285	\$2,760	\$138,045	69.7323%
		DISTRICT IDENTITY	\$19,145	\$391	\$19,536	9.8678%
		ADMINISTRATION	<u>\$39,578</u>	<u>\$809</u>	<u>\$40,387</u>	<u>20.4000%</u>
		TOTAL	\$194,008	\$3,960	\$197,968	100.00%
7	2027	SIDEWALK OPERATIONS	\$142,049	\$2,898	\$144,947	69.7323%
		DISTRICT IDENTITY	\$20,102	\$411	\$20,513	9.8678%
		ADMINISTRATION	<u>\$41,557</u>	<u>\$849</u>	<u>\$42,406</u>	<u>20.4000%</u>
		TOTAL	\$203,708	\$4,158	\$207,866	100.00%
8	2028	SIDEWALK OPERATIONS	\$149,151	\$3,043	\$152,194	69.7323%
		DISTRICT IDENTITY	\$21,107	\$432	\$21,539	9.8678%
		ADMINISTRATION	<u>\$43,635</u>	<u>\$891</u>	<u>\$44,526</u>	<u>20.4000%</u>
		TOTAL	\$213,893	\$4,366	\$218,259	100.00%
9	2029	SIDEWALK OPERATIONS	\$156,609	\$3,195	\$159,804	69.7323%
		DISTRICT IDENTITY	\$22,162	\$454	\$22,616	9.8678%
		ADMINISTRATION	<u>\$45,817</u>	<u>\$936</u>	<u>\$46,753</u>	<u>20.4000%</u>
		TOTAL	\$224,588	\$4,585	\$229,173	100.00%
10	2030	SIDEWALK OPERATIONS	\$164,439	\$3,355	\$167,794	69.7323%
		DISTRICT IDENTITY	\$23,270	\$477	\$23,747	9.8678%
		ADMINISTRATION	<u>\$48,108</u>	<u>\$983</u>	<u>\$49,091</u>	<u>20.4000%</u>
		TOTAL	\$235,817	\$4,815	\$240,632	100.00%

The Assessment Engineer (see attached Engineer’s Report) has found that the general benefits (i.e. general benefits to assessed parcels within the District, the general public and surrounding parcels outside the PPBID) of the proposed programs, services and improvements (i.e. Sidewalk Operations, District Identity and Place Making, and Administration Services) represent 2% of the total benefits generated and, in turn, 2% (\$3,102) of the total adjusted costs of the PPBID funded improvements, activities and services provided.

Total Year 1 adjusted costs are estimated at \$152,010. General benefits are factored at 2% of the total adjusted costs (**see Finding 2 in the attached Engineer’s Report**) with special benefits set at 98% of the total annual budget. Article XIII D Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit cost is computed to be \$3,102 with a resultant 98% special benefit limit computed at \$155,112. Based on current property data and land uses, this is the maximum amount of Year 1 revenue that can be derived from property assessments from the subject District.

All programs associated with general benefits will be derived from sources other than District assessments. Sample revenue sources are shown in the following Table:

Special and General Benefit Revenue Sources

Revenue Source	Revenue	% of Total
District Assessments/Special benefit	\$ 152,010	98%
General Benefit	\$3,102	2%
TOTAL	\$ 155,112	100%

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

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

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 10th year of operation will be rolled over into the renewed budget or returned to stakeholders. District assessment funds may be used to pay for expenditures related to the renewal of the District. If the District is not established or terminated for any reason, unexpended funds will be returned to the property owners in the same proportion in which they were collected.

Manner of Collection

Assessments for the County of Los Angeles Property shall be collected at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles (Operation Years 2021-2030). The District assessments shall appear as a separate line item on the property tax bills issued by the Los Angeles County Assessor. The City of Los Angeles is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

IV. PROPOSED PBID ASSESSMENT FORMULA

The PBID programs and services described in this Management District Plan will be funded through benefit assessments against real property in the PBID and non-assessment revenues to fund the costs associated with general benefits conferred on assessed parcels within the District, the public at large and surrounding parcels outside of the renewed PPBID boundaries. The assessment formula has been developed to ensure that no parcel will be assessed an amount that exceeds the cost of the proportional special benefit that parcel derives from the programs, services and improvements to be funded by the proposed benefit assessments. The assessment rates are based on the anticipated benefit to be derived by each individual parcel within the boundary of the renewed PPBID.

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed established PPBID (i.e. Sidewalk Operations, District Identity and Place Making, Administration services), the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area and street frontage within district boundaries.

The “Basic Benefit Units” will be expressed as a combined function of land square footage (Benefit Unit “A”), street frontage (Benefit Unit “B”) and building square footage, (Benefit Unit “C”). Based on the shape of the proposed established PPBID, as well as the nature of the District program elements, it is determined that all identified assessed properties will gain a direct and proportionate degree of special benefit based on the respective amount of land area, street frontage and building square footage.

For the array of land uses within the District, the interactive application of land area, street frontage and building square footage quantities are a proven method of fairly and equitably spreading special benefit costs to these beneficiaries of District funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each assessed parcel will receive from District 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 District funded activities. The targeted weight of this factor, land area, should generate approximately 31% of the total first year District revenue.

Street Frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on District funded activities, many of which are linear in nature (i.e. sanitation and beautification). The targeted weight of this factor, street frontage, should generate approximately 32% of the total District revenue.

Building Square Footage is a direct measure of the current and future improvements to the land area of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, building square footage, should generate approximately 37% of the first year total District revenue. Assessing for building square footage is an appropriate gauge of the impact of employees, visitors, shopper and clients to a specific parcel.

Considering all identified specially benefiting parcels within the District and their respective assessable benefit units, the rates, cumulative quantities and assessment revenues by factor and zone are shown in the following tables:

Data generated from County records:

Land Area: 1,036,004 feet of assessable land area square footage
 Linear Frontage: 10,901 linear feet of assessable linear frontage
 Gross Building Square footage: 771,716 feet of assessable building square footage

Year 1 – Projected PPBID Assessment Revenue

	Land Area Assessment Revenue	Linear Frontage Assessment Revenue	Building Square Footage Assessment Revenue	Subtotal Assessment Revenue
Revenue	\$46,620	\$ 49,055	\$ 56,335	\$ 152,010
Percentage of total	31%	32%	37%	100%

The number of Benefit Units for each identified benefiting parcel within the renewed PPBID was computed from data extracted from County Assessor records and maps as well as property verification forms mailed out to each parcel owner in the proposed District. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel.

The assessment formula for the proposed established PPBID is as follows:

Assessments = Land Area (Unit A) Sq Ft x Unit A Rate, plus
 Street Frontage (Unit B) Lin Ft x Unit B Rate, plus
 Building Square footage (Unit C) Sq ft x Unit C rate

YEAR 1 – Assessment Rates

Land Area Annual Assessment	Linear Frontage Annual Assessment	Building square footage Annual Assessment
Unit A	Unit B	Unit C
\$ 0.045 per square foot	\$4.50 per linear foot	\$0.073 per square foot

Changes to Frontage, Building or Land Area

Any changes in frontage, building and land area as a result of all three land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such parcel adjustments.

Other Future Development

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

**PPBID – 10-year Maximum Assessment Rates
(Includes a 5%/Yr. Maximum Increase)**

YEAR	LAND AREA ASSESSMENT RATE	LINEAR FRONTAGE ASSESSMENT RATE	BUILDING SQUARE FOOTAGE ASSESSMENT RATE
Y1	\$ 0.045	\$ 4.50	\$ 0.073
Y2	\$ 0.0473	\$ 4.73	\$ 0.077
Y3	\$ 0.0496	\$ 4.96	\$ 0.080
Y4	\$ 0.0521	\$ 5.21	\$ 0.085
Y5	\$ 0.0547	\$ 5.47	\$ 0.089
Y6	\$ 0.0574	\$ 5.74	\$ 0.093
Y7	\$ 0.0603	\$ 6.03	\$ 0.098
Y8	\$ 0.0633	\$ 6.33	\$ 0.103
Y9	\$ 0.0665	\$ 6.65	\$ 0.108
Y10	\$ 0.0698	\$ 6.98	\$ 0.113

SAMPLE PPBID FIRST YEAR ANNUAL ASSESSMENT CALCULATION:

A 5,000 sq. ft. land area with 50 linear feet of street frontage and 2,500 square foot building

Land Area square footage:	5,000 x \$.045 cents per square foot =	\$ 225.00 plus
Linear Frontage:	50 linear feet x \$ 4.50 per linear foot =	\$ 225.00 plus
Building Square Footage	2,500 x \$.073 cents per square foot =	\$ 182.50

TOTAL YEAR 1 ASSESSMENT: \$ 632.50

Cost Per Month: \$ 52.70

Cost Per Day: \$ 1.73

The complete Year 1 – assessment roll of all parcels to be assessed by this renewed Pacific Palisades PBID is included in this Plan as Appendix I.

V. PUBLICLY OWNED PARCELS

The State Constitution - Article 13D (Proposition 218) states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are two publicly owned parcels within the District, all of which are identified as assessable and for which special benefit services will be provided. All identified assessed parcels are owned by the City of Los Angeles and Los Angeles City Department of Water and Power.

Each of these City owned parcels will directly receive and proportionately specially benefit from improved Sidewalk Operations, District Identity and Place Making, Administration Services, and Contingency.

These identified assessed publicly owned parcels/facilities will specially benefit from District funded programs and services.

In the opinion of the Assessment Engineer, there is no clear and convincing evidence that these two publicly owned parcels will not proportionately specially benefit from District services, programs and improvements; therefore, each publicly owned parcel will be assessed at the rates with assessments to be based on the lot square footage area and street linear frontage of each parcel.

The Table below lists all publicly owned parcels within the proposed established PPBID and their Year 1 assessment amounts:

City of Los Angeles Publicly owned parcels

APN	PUBLIC AGENCY OWNER	SITE ADDRESS	YEAR 1 ASSESSMENT	% of TOTAL
4412-002-900	LA CITY	Sunset Blvd.	\$675.00	0.44%
4423-016-900	LA City Dept. of Water & Power	Sunset Blvd.	\$1,678.10	1.10%
	PUBLIC PARCEL TOTAL		\$2,353.10	1.54%

VI. PBID DISTRICT GOVERNANCE

The governance or management of a PBID typically requires an “Owner’s Association” to carry out the PBID services and activities. State PBID Law (36600 Streets & Highways Code) also requires that the Owner’s Association carry out specific additional functions. This includes preparation of an Annual Report to the City Council on the PBID activities for the past fiscal year and those proposed for the next fiscal year. The Owner’s Association may also recommend to the City Council from time to time, changes to the PBID boundaries, benefit zones, assessment formula or PBID programs and activities, all subject to public notification and, in some cases petition/balloting requirements.

Meetings of the Owner’s Association and its standing Committees shall be subject to the State of California “Brown Act” open meeting law.

VII. PROPOSED RULES AND REGULATION APPLIED TO THE DISTRICT

There are no specific rules or regulations applied to this PPBID or its Owners’ Association.

VIII. OTHER ITEMS

No bonds will be issued.

IX. IMPLEMENTATION TIMETABLE

The renewal of the PPBID is expected to begin operation by January 1, 2021. In order to meet this goal, the following procedural timeline is proposed:

<u>Date</u>	<u>Action/Task</u>
July - August 2019	PPBID property owners meet to discuss the renewal process;
August 2019	Data for renewed district submitted to the LA Clerk’s office
September 6 th	PPBID Steering Committee meets to review and approve the renewal plan. Management District Plan will be sent to Assessment Engineer once approved
October	Renewal plan submitted to the Clerk’s office for review
November	Final plan approved by the City Clerk
December	Management Plan and Engineer’s report has been approved by the City Clerk, launch petition drive to get 50% weighted support to initiate Resolution of Intention by the City Council

January 2020	Submit petition threshold to the City Clerk from the PPBID
February	Resolution of Intent to form the PPBID adopted by the City Council, assessment ballot proceeding initiated, ballots mailed out by the City Clerk
March	Public hearing, mail ballot procedure concludes, ballots counted at the publicly noticed public hearing. If weighted returned ballots approved PPBID, City Council adopts a Resolution of Formation, the PPBID is formed
July	LA City transfers PPBID data to County assessor to include the Assessments on the FY 20 property tax bills
January 2021	First assessments transferred from City to the current Owners Association/District Management Corporation

APPENDIX 1

YR 1 ASSESSMENT ROLL

4423-016-003	\$570.43	4412-001-017	\$10,374.70
4423-016-002	\$724.97	4423-017-024	\$2,202.28
4422-022-016	\$1,477.56	4412-009-011	\$1,249.59
4412-004-022	\$1,159.52	4423-017-005	\$679.26
4412-004-015	\$1,495.78	4423-017-006	\$653.16
4412-003-008	\$536.65	4423-017-008	\$517.50
4423-017-003	\$824.09	4423-017-023	\$1,125.68
4412-004-024	\$787.95	4422-022-005	\$1,873.31
4412-004-018	\$945.19	4412-002-026	\$2,302.77
4412-004-019	\$845.11	4412-003-009	\$3,645.91
4412-002-010	\$1,754.27	4423-016-073	\$2,385.10
4412-003-007	\$927.36	4412-002-015	\$1,833.29
4412-002-009	\$567.96	4412-002-016	\$6,985.92
4412-002-011	\$1,737.00	4412-009-014	\$9,847.63
4412-002-012	\$5,950.32	4423-016-010	\$368.77
4412-002-023	\$4,304.92	4423-016-077	\$2,221.88
4423-017-009	\$4,356.87	4423-016-078	\$15,892.00
4412-003-004	\$1,006.04	4423-016-079	\$3,303.45
4423-016-018	\$700.94	4423-016-080	\$832.23
4412-002-008	\$740.62	4412-001-014	\$1,851.66
4412-004-025	\$829.71	4423-017-004	\$807.01
4412-009-801	\$3,548.26	4423-016-001	\$637.18
4423-017-026	\$1,988.09	4412-003-005	\$798.80
4423-016-004	\$1,671.77	4412-003-006	\$2,483.71
4412-004-016	\$784.81	4412-003-003	\$833.18
4412-002-900	\$675.00	4422-022-015	\$3,490.75
4423-016-900	\$1,678.10	4412-002-017	\$729.43
4411-001-016	\$2,076.33	4412-002-018	\$3,319.79
4411-001-017	\$1,515.61	4412-004-017	\$953.95
4411-001-018	\$1,606.64	4412-004-023	\$1,136.16
4411-001-019	\$5,787.90	4412-004-021	\$850.00
4411-001-020	\$2,632.72	4423-016-009	\$587.36
4423-016-011	\$980.06	4423-016-017	\$955.35
4423-016-012	\$1,034.71	4412-009-012	\$5,114.53
4412-004-020	\$943.44		

APPENDIX 2

PPBID
BOUNDARY MAP



Pacific Palisades PBID 2020



LEGEND

- District Parcel
- Parcel
- Not Included

Attachment 1

ASSESSMENT ENGINEER'S
REPORT

