

The Proposed West Adams
Property & Business Improvement District
(WAPBID)

MANAGEMENT DISTRICT PLAN

Being Established for a 5-year Term Pursuant to

California Streets and Highways Code Section 36600 et seq.

Property & Business Improvement District Act of 1994, as amended

FEBRUARY 7, 2019

VERSION: 3.5

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I. MANAGEMENT DISTRICT SUMMARY

The West Adams Property & Business Improvement District (WAPBID) is a Property and Business Improvement District being established for a 5-year period by a consortium of property and business owners within the WAPBID area. The WAPBID was originally discussed in a series of meetings of property owners along West Adams Boulevard in the summer of 2018. The property owners felt that the time had come for a special benefits district and that these services would be needed to accommodate hundreds of new apartments and businesses opening in 2019 and 2020, and these services would be needed by the beginning of 2021.

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

Name: The name of the PBID is the West Adams Property & Business Improvement District.

Location: The proposed WAPBID is in the West Adams community west of Downtown Los Angeles on one of the oldest developed streets in the City of Los Angeles. The WAPBID encompasses approximately 22 blocks centered along West Adams Boulevard between South La Brea Avenue on the east and Hauser Boulevard on the west.

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

Services: Sidewalk Operations, District Identity and Placemaking, and Administration Services.

Finance: Benefit assessment of real property (86 parcels). No bonds shall be issued to fund WAPBID programs.

Budget: WAPBID assessment revenue for Year 1 is projected to be \$210,389. It is noted that the Assessment Engineer has determined that general benefits equate to 2% of the total adjusted WAPBID program benefit value of \$214,683, or \$4,294 (the 2%).

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

	Sidewalk Operations	District Identity and Place Making	Administration	TOTAL
%	65%	11%	24%	100%
\$	\$136,753	\$23,143	\$50,493	\$210,389

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 WAPBID or to the public at large.

Formula: There is one benefit zone in the WAPBID. However, tax-exempt entities that are owner occupied will only pay for lot square footage and linear frontage since Civil Sidewalk and minimal Administrative services are the only services, they will receive under this Management District Plan. (A map showing the WAPBID boundaries and benefit zones is shown in Chapter 2 of this Plan). Year 1 property assessment rates per parcel are as follows:

YEAR 1 –Assessment Rates

Building Square Footage Annual Costs	Lot Square Footage Annual Costs	Linear Frontage Annual Costs
\$0.15 per year	\$0.10 per year	\$ 8.00 per year

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

Establishment: PBID establishment is a two-step process. First, petitions must be 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 five (5) year operational term from January 1, 2021 to December 31, 2025. The proposed established District operation is expected to begin services on January 1, 2021. If the District is not renewed, services will end on December 31, 2025.

II. WAPBID BOUNDARIES

General: The proposed WAPBID is located along West Adams Boulevard south of Interstate 10 and just southwest of Downtown Los Angeles. The WAPBID is a traditional linear commercial corridor, including West Adams Boulevard with its eastern boundary proposed as South La Brea Avenue and its west boundary proposed as Hauser Boulevard.

All of the property owners along this corridor have been sent two mailings in the process of this investigation process. The first, sent in early September, was to determine their support for the establishment of a special benefits district and the response to this survey was used to determine the final boundaries of the proposed district. The second mailing, sent in early December, was a property verification form to verify the property data obtained from the County records and have them compare it to the data the property owners had.

Boundary Description

The WAPBID encompasses approximately 22 blocks centered along West Adams Boulevard in Los Angeles between South La Brea Avenue on the east and Hauser Boulevard on the west.

Benefit Zones

The District consists of one benefit zone.

District Boundary Rationale

The WAPBID boundaries are comprised of the commercial core parcels where the main economic activity of West Adams Boulevard is centered. The commercial parcels fronting West Adams Boulevard are the heart of the commercial core of West Adams Boulevard. These parcels showcase an array of commercial retailers, service stores, an LAUSD elementary school, a Catholic Church, and other various religious owned and operated churches along the corridor. After decades of little if any new development, the corridor is now experiencing a renaissance of new market rate housing development in the form of new mixed use, market rate housing. Its proximity to both Downtown Los Angeles, Downtown Culver City and Downtown Santa Monica, makes it an ideal place to live in and conduct commerce in Los Angeles. The Expo La Brea line is the exact mid-point between Downtown Santa Monica and Downtown Los Angeles, with 9 stops to Downtown Los Angeles and 9 stops to Downtown Santa Monica. The Expo La Brea line is near this historic yet emerging 21st century mixed use community. New retail in the form of stores, restaurants, and coffee shops are following the growth of high density residential on the commercial corridor.

Northern Boundary

The northern boundary of the WAPBID is defined by the commercial parcels which are located along the northern side along West Adams Boulevard. Every northern parcel that fronts along West Adams Boulevard between Hauser Boulevard to the west and South La Brea Avenue to the east, is included in the proposed WAPBID. The single-family residential parcels between the parcels fronting on West Adams Boulevard and the south side of Interstate 10 are not included as these single family residential and multi-family parcels are presumed not to benefit from the special benefits of the WAPBID due to their residential zoning and land use. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, *"Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part."*

The eastern most parcel on the northern boundary is parcel 5049-009-035 located at the northwestern corner of the intersection of South La Brea Avenue and West Adams Boulevard. The western most parcel on the northern boundary is parcel 5043-001-026, at the northeastern corner of the intersection of Hauser Boulevard and West Adams Boulevard. 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 WAPBID is at the northwestern and southwestern parcels at the intersection of South La Brea Avenue and West Adams Boulevard. Two parcels on South Mansfield Avenue will be included 5049-009-040 and 041 since they are part of the same development attached to 5049-009-037. The northeastern most parcel is parcel 5049-009-035 and the southeastern most parcel is 5049-013-044. 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 WAPBID is defined by the commercial parcels which are located along the southern side along West Adams Boulevard. Every southern parcel that fronts along West Adams Boulevard between Hauser Boulevard to the west and South La Brea Avenue to the east, is included in the proposed WAPBID. The single-family residential parcels to the south of those fronting along West Adams Boulevard are not included, as these single family residential and multi-family parcels are presumed not to benefit from the special benefits of the WAPBID due to their residential zoning and land use. The Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, *"Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments and shall not be subject to any assessment pursuant to this part."*

The eastern most parcel on the southern boundary is parcel 5049-013-044 located at the southwestern corner of the intersection of South La Brea Avenue and West Adams Boulevard. The western most parcel on the southern boundary is parcel 5043-008-001, at the southeastern corner of the intersection of Hauser Boulevard and West Adams Boulevard. 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 WAPBID is at the northeastern and southeastern parcels at the intersection of Hauser Boulevard and West Adams Boulevard. The northwestern most parcel is parcel 5043-001-026 and the southwestern most parcel is 5043-008-001. 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

Summary:

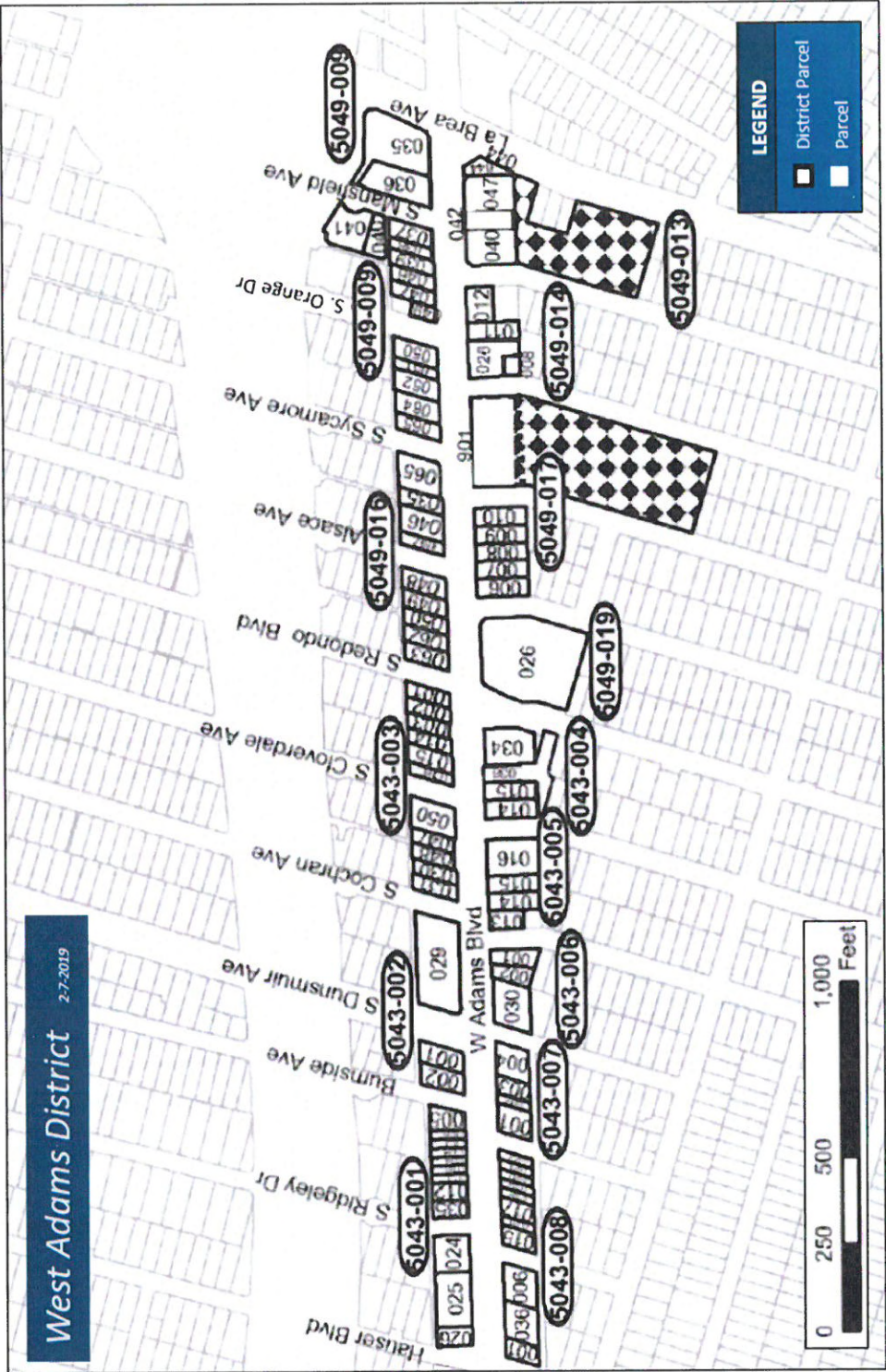
A list of all parcels included in the proposed established WAPBID is shown as Appendix 1, attached to this Plan and identified by their respective Los Angeles County assessor parcel number. The boundary of the proposed established WAPBID and benefit zones are shown on the map of the proposed established WAPBID is to be found on page eight (8) of this Plan.

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 Plan and in the Management District Plan. All WAPBID 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 WAPBID will proportionately and especially benefit from the District funded programs and services (i.e. Sidewalk Operations, District Identity and Placemaking, and Administration).

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 WAPBID. The WAPBID confers special benefits on each individually assessed parcel by reducing crime, 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 established WAPBID.

The District includes 86 parcels of which all are identified as assessable which are listed in the Assessment Roll included as Appendix 1.



III. PROPOSED FIVE-YEAR WAPBID WORK PLAN AND BUDGET

Overview

The Programs and activities to be funded by the WAPBID may include Sidewalk Operations, District Identity and Placemaking, and Administration services. 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, ecumenical, 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 WAPBID and are not provided to non-assessed parcels outside of the District. These programs, services, and improvements will only be provided to each individual assessed parcel within the District boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

In the case of the WAPBID, 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 5-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 WAPBID 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 WAPBID will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the WAPBID 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 WAPBID to specially benefit each individually assessed parcel within the District boundaries. WAPBID 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 COSTS)

Sidewalk Operations:

\$136,753 (Special Benefits) 65%

Sidewalk Operations is a term to define the cleanliness of the sidewalks in the proposed WAPBID. Sidewalk Operations special benefit services include, but are not limited to a landscaping, sanitation, and 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;
- Trash Disposal includes emptying, servicing and cleaning WAPBID owned and managed trash receptacles which are placed along sidewalks throughout the district. They will empty the trash in WAPBID paid dumpsters located within the district. The WAPBID will seek grants for special benefit trash receptacles to be distributed along West Adams Boulevard;
- Graffiti Removal entails receiving reports of and then quick removal of graffiti throughout the District;
- Tree Planting and Trimming entails the planting of, maintenance of, and trimming and care of trees throughout the District, at a frequency determined by the Owners' Association.

The goal of the Sidewalk Operations work plan component is to ensure that all identified assessed parcels are clean and well maintained, thereby creating an attractive 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, auto service, 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 WAPBID boundaries. Each assessed parcel will specially benefit from the Sidewalk Operations programs which will only be provided to, and for the direct benefit of, each identified assessed parcel within the District boundaries.

District Identity and Placemaking:

\$23,143 (Special Benefits) 11%

The District Identity and Placemaking component of the Special Benefits services strive to build the identity of the "West Adams" district from where it is today. There was very strong support in the survey that building a positive identity for the emerging West Adams District is key to increasing commerce, attracting capital and new development, and improving the West Adams District.

The District Identity and Placemaking services would include but not be limited to:

- Creating a new logo to brand the district;
- Creating a new website to promote available retail opportunities, identify properties for lease or for sale, and promote the new programs that the WAPBID will fund;
- Beautify the district in conjunction with the Sidewalk Operations maintenance work;
- Eventually develop a public relations and social media campaign to bring positive attention to the district;
- Fund and install holiday lights and decorations;
- Seek opportunities to partner with new development to create new public spaces in street fronting areas that could be used by the community at large and managed by the WAPBID maintenance staff;
- Other programs that bring a positive light to the WAPBID to benefit the individual parcel owners in the district.

In general, the District Identity and Placemaking component is designed to promote the image of West Adams Boulevard and to attract and increase pedestrian traffic. This program helps meet the goals of business and service attraction and retention, and increased commerce.

The District Identity program is also designed with the intent to increase the public's awareness of the WAPBID as a single destination in order to attract consumers to the rich collection of attractions, events, and services which will ultimately lead to increased commerce. For example, the District may publish a regular e-newsletter to keep property owners informed of services and upcoming events. The Owners' Association will continue to use its website to promote the assessed WAPBID 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 WAPBID and comply with the open meetings and records provisions of the Brown Act.

Administration

\$ 50,493 (Special Benefits)

24%

The Administration 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 of Los Angeles 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 Los Angeles Business Improvement District Consortium, the California Downtown Association and/or the International Downtown Association. It may also cover the costs associated with District renewal and/or expansion.

The Administration 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 WAPBID. 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.

Those costs may include, but not be limited to:

- City and/or County fees associated with their oversight and implementation of the District;
- The implementation of the Management District Plan and the Engineer's Report;

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

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 WAPBID 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 WAPBID.

PROGRAM & ACTIVITY BUDGET

Each identified assessed parcel within the WAPBID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of District funded services provided, except those tax-exempt owner-occupied parcels, which shall be assessed only for the direct special benefits they will be receiving along the frontage of their parcels facing streets within the WAPBID. 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	TOTAL
%	65%	11%	24%	100%
\$	\$136,753	\$23,143	\$50,493	\$210,389

To carry out the District programs outlined in the previous section, a Year 1 assessment budget of \$210,389 is projected. Since the District is planned for a 5-year term, projected program costs for future years (Years 2-5) 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 5-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 from the City Clerk's Office. Any surplus or unspent funds, per category, shall not accumulate year to year over the life of the WAPBID.

A 5-year projected WAPBID budget is shown in the following Table:

YEAR 1-5 PROJECTED DISTRICT ASSESSMENT BUDGET SUMMARY (Special Benefit Costs)

(Assumes 5% max rate increase per year)

YR		Sidewalk Operations	District Identity	Administration	TOTAL
		65%	11%	24%	100%
1	2021	\$136,753	\$23,143	\$50,493	\$210,389
2	2022	\$143,591	\$24,300	\$53,018	\$220,908
3	2023	\$150,771	\$25,515	\$55,669	\$231,953
4	2024	\$158,310	\$26,791	\$58,452	\$243,551
5	2025	\$166,226	\$28,131	\$61,375	\$255,729

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 WAPBID) of the proposed programs, services, and improvements (i.e. Sidewalk Operations, District Identity and Placemaking, and Administration services) represent 2% of the total benefits generated and, in turn, 2% (\$4,294) of the total benefits of the WAPBID funded improvements, activities, and services provided.

Total Year 1 benefits are estimated at \$214,683. General benefits are factored at 2% of the total benefits (**see Finding 2 in the attached Engineer's Report**) with special benefits set at 98%. 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 is computed to be \$4,294 with a resultant 98% special benefit limit computed at \$214,683. 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 program costs associated with general benefits will be derived from sources other than District assessments.

A breakdown of projected special and general benefit costs for each year of the 5-year Established term is shown in the following Table:

YR		PROGRAM CATEGORY	SPECIAL BENEFITS	GENERAL BENEFITS	TOTAL BENEFITS	% OF TOTAL
1	2021	Sidewalk Operations	\$136,753	\$2,791	\$139,544	65%
		District Identity	\$23,143	\$472	\$23,615	11%
		Administration	<u>\$50,493</u>	<u>\$1,031</u>	<u>\$51,524</u>	<u>24%</u>
		Total	\$210,389	\$4,294	\$214,683	100%
2	2022	Sidewalk Operations	\$143,591	\$2,931	\$146,522	65%
		District Identity	\$24,300	\$496	\$24,796	11%

		Administration	<u>\$53,018</u>	<u>\$1,083</u>	<u>\$54,101</u>	<u>24%</u>
		Total	\$220,909	\$4,510	\$225,419	100%
3	2023	Sidewalk Operations	\$150,771	\$3,078	\$153,849	65%
		District Identity	\$25,515	\$521	\$26,036	11%
		Administration	<u>\$55,669</u>	<u>\$1,137</u>	<u>\$56,806</u>	<u>24%</u>
		Total	\$231,955	\$4,736	\$236,691	100%
4	2024	Sidewalk Operations	\$158,310	\$3,232	\$161,542	65%
		District Identity	\$26,791	\$547	\$27,338	11%
		Administration	<u>\$58,452</u>	<u>\$1,194</u>	<u>\$59,646</u>	<u>24%</u>
		Total	\$243,553	\$4,973	\$248,526	100%
5	2025	Sidewalk Operations	\$166,226	\$3,394	\$169,620	65%
		District Identity	\$28,131	\$574	\$28,705	11%
		Administration	<u>\$61,375</u>	<u>\$1,254</u>	<u>\$62,629</u>	<u>24%</u>
		Total	\$255,732	\$5,222	\$260,954	100%

The WAPBID assessments may increase for each individual parcel each year during the 5-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 WAPBID) shall determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The Owners' Association Executive Director 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 5th year of operation will be rolled over into the renewed budget or returned to stakeholders. District assessment funds may be used to pay for costs related to the following District established term. 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 Tax Year fiscal beginning July 1, 2020 and ending June 30, 2025, 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 2021-2025). 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 WAPBID ASSESSMENT FORMULA

The WAPBID programs and services described in this Management District Plan will be funded through benefit assessments against real property in the WAPBID 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 WAPBID 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 WAPBID.

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed established WAPBID (i.e. Sidewalk Operations, District Identity and Placemaking, and 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 WAPBID 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 36% 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. Landscaping, Sanitation and Beautification). The targeted weight of this factor, street frontage, should generate approximately 44% 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 20% of the total District revenue. Assessing for building square footage is an appropriate gauge of the impact of employees, visitors, shoppers, and clients to a specific parcel.

Building square footage that is allocated to parking solely for tenants and is NOT available to the public at any time, at market rates, shall have that portion of the building square footage exempted from the individual parcel’s gross building square footage. This adjustment or exemption only applies to the building square footage of structured parking that is not available to public access and use. The individual parcel owner has the responsibility to inform the Assessment Engineer if such deductions are applicable since County records do not reveal this information via County tax records.

The WAPBID Management District Plan, in addition to the private parking building square footage criterion, will also allow an adjustment to any individual parcel owner to be assessed for the net building rentable space within their parcel(s). Since the official County records do not identify net building square footage along with internal parking square footage, the request for the building square footage adjustment from the overall gross building square footage assessment must be initiated and documented by the individual parcel owner. Once the documentation has been verified, the Owners Association will inform the City Clerk's Office of the adjustments to be made to the data of that individual 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 and validated by request of owner verification by mail:

Land Area/Lot Size:	757,370 feet of assessable land area square footage
Linear Frontage:	11,467 linear feet of assessable linear frontage
Gross Building Square Footage	286,106 feet of assessable building square footage

Note: Tax-exempt owner-occupied parcels will only be assessed for the lot square footage and linear frontage of the individual parcels fronting on any street within the boundaries of the WAPBID, since those are the only special benefit services that will be provided to those individual parcels according to this Management Plan. The lot square footage and linear frontage will be calculated along the same property lines as adjacent parcels.

Year 1 – Projected WAPBID Assessment Revenue

	Land Area Assessment Revenue	Linear Frontage Assessment Revenue	Building Square Footage Assessment Revenue	Subtotal Assessment Revenue
Revenue	\$75,737	\$91,736	\$42,916	\$210,389
Percentage	36%	44%	20%	100%

The number of Benefit Units for each identified benefiting parcel within the proposed WAPBID was computed from data extracted from County Assessor records and maps, 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 WAPBID 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 forage annual assessment
Unit A	Unit B	Unit C
\$ 0.10 per square foot	\$ 8.00 per linear foot	\$0.15 per square foot

Changes to Frontage, Building or Lot Parcel Size

Any changes in frontage, building, and lot parcel size 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 parcel size assessment methodology delineated in this Plan, 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.

YEAR	BLDG ASSMT RATE (\$/SF)	LAND ASSMT RATE (\$/SF)	FRONTAGE ASSMT RATE (\$/LF)
YR 1-2021	\$0.150	\$0.10	\$8.00
YR 2-2022	\$0.1575	\$0.1050	\$8.4000
YR 3-2023	\$0.1654	\$0.1103	\$8.8200
YR 4-2024	\$0.1737	\$0.1158	\$9.2610
YR 5-2025	\$0.1824	\$0.1216	\$9.7241

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

YEAR	LOT SQUARE FOOT ASSESSMENT RATE	LINEAR FRONTAGE ASSESSMENT RATE	BUILDING SQUARE FOOTAGE ASSESSMENT RATE
Y1	\$0.1000	\$8.00	\$0.1500
Y2	\$0.1050	\$8.40	\$0.1575
Y3	\$0.11025	\$8.82	\$0.1653
Y4	\$0.11576	\$9.26	\$0.1736
Y5	\$0.12155	\$9.72	\$0.1823

SAMPLE WAPBID FIRST YEAR ANNUAL ASSESSMENT CALCULATION:

A 5,000 sq. ft. lot with 50 linear feet of West Adams Boulevard street frontage and a 2,500 square foot building.

Land/Lot Size Square Footage:	5,000 x \$.10 cents per square foot =	\$500.00, plus
Liner Frontage:	50 linear feet x \$8.00 per linear foot =	\$400.00, plus
Building Square Footage:	2,500 x \$.15 cents per square foot =	<u>\$375.00</u>

TOTAL YEAR 1 ASSESSMENT: \$ 1,275.00

The complete Year 1 – assessment roll of all parcels to be assessed by this 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 is one (1) publicly owned parcel within the District, which is identified as assessable and for which special benefit services will be provided. The identified assessed parcel is owned by the Los Angeles Unified School District.

The City owned parcel will directly receive and proportionately specially benefit from improved Sidewalk Operations, District Identity and Placemaking, and Administration Services.

The identified assessed publicly owned parcels/facilities will specially benefit from District funded programs and services from cleaner and safer facility entrances and street frontages.

In the opinion of the Assessment Engineer, there is no clear and convincing evidence that the publicly owned parcel will not proportionately specially benefit from District services, programs, and improvements; therefore, the 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 WAPBID and their Year 1 assessment amounts:

LA Unified School District Publicly owned parcels

APN	PUBLIC AGENCY OWNER	SITE ADDRESS	YEAR 1 ASSESSMENT	% of TOTAL
5049-017-901	L A Unified School District	5611 S. Orange Dr.	\$7,774.70	3.70%
		Subtotal	\$7,774.70	3.70%
	PUBLIC PARCEL TOTAL		\$7,774.70	3.70%

VI. BUSINESS IMPROVEMENT DISTRICT GOVERNANCE

The governance or management of a PBID typically requires an “Owners’ 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 Los Angeles 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 Los Angeles 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 Owners’ Association and its standing Committees shall be subject to the State of California “Brown Act” open meeting law.

VII. PROPOSED RULES AND REGULATIONS

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

VIII. OTHER ITEMS

No bonds will be issued for any WAPBID projects in conjunction with this formation.

IX. IMPLEMENTATION TIME TABLE

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

<u>Date</u>	<u>Action/Task</u>
Summer 2018	WAPBID property owners meet to discuss the formation process.
September 2018	WAPBID investigation undertaken, survey mailed out to all property owners within the preliminary study area along West Adams Boulevard.
September 6, 2018	WAPBID Steering Committee meets to build support for the survey.
September 10, 2018	Survey mailed out after approved by WAPBID Steering Committee.
October 30, 2018	WAPBID Steering Committee meets to review initial survey results, boundaries expanded to include all parcels from South La Brea to South Fairfax Avenue.
November 2018	Surveys collected.

November 30, 2018	WAPBID Steering Committee meets to review survey results and finalize boundaries, budget and assessment methodology. All approved.
December 2018	Data finalized, property verification forms mailed out to all property owners, rough draft Management Plan developed based upon prioritized services from the survey and the input from the November 30th Steering Committee meeting. Rough draft plan drafted in late December.
January 2019	Final plan finalized, sent to Assessment Engineer and City Clerk's Office for review and approval.
February 2019	Once Management Plan and Engineer's Report have been approved by the City Clerk's Office, launch petition drive to get 50% weighted support to initiate Resolution of Intention by the Los Angeles City Council.
Summer 2019	Revise boundaries to include all parcels from South La Brea Avenue to Hauser Boulevard.
August 2019	Submit petition threshold to the City Clerk's Office from the WAPBID.
October 2019	Resolution of Intent to form the WAPBID adopted by the Los Angeles City Council, assessment ballot proceeding initiated, ballots mailed out by the City Clerk's Office.
December 2019	Public hearing, mail ballot procedure concludes, ballots counted at the publicly noticed public hearing.
December 2019	If weighted returned ballots approve WAPBID, Los Angeles City Council adopts a Resolution of Formation and the WAPBID is formed.
April 2020	Los Angeles City transfers WAPBID data to County assessor to include the Assessments on the FY 2021 property tax bills.
May 2020	Owners Association form a new non-profit district management corporation to oversee the WAPBID and manage the services as per the Management District Plan. New corporation signs an agreement with the City of Los Angeles to manage the district as per the plan
December 2020	County transfers the assessments collected with the property tax bills to the City of Los Angeles.
January 2021	First assessments transferred from the City of Los Angeles to the new Owners Association/District Management Corporation.

X. APPENDIX 1: YEAR 1 WAPBID ASSESSMENT ROLL

APN	Year 1 - 2021 Annual Assessment	Percent
5043-001-005	\$ 1,900.10	0.90%
5043-001-006	\$ 450.00	0.21%
5043-001-007	\$ 731.25	0.35%
5043-001-008	\$ 1,001.10	0.48%
5043-001-037	\$ 2,707.65	1.29%
5043-001-024	\$ 2,707.30	1.29%
5043-001-025	\$ 5,151.30	2.45%
5043-001-026	\$ 2,323.60	1.10%
5043-001-035	\$ 1,700.00	0.81%
5043-002-001	\$ 3,041.50	1.45%
5043-002-002	\$ 3,255.80	1.55%
5043-002-029	\$ 7,284.70	3.46%
5043-003-001	\$ 2,725.50	1.30%
5043-003-002	\$ 1,357.90	0.65%
5043-003-003	\$ 876.00	0.42%
5043-003-014	\$ 1,395.80	0.66%
5043-003-015	\$ 2,081.30	0.99%

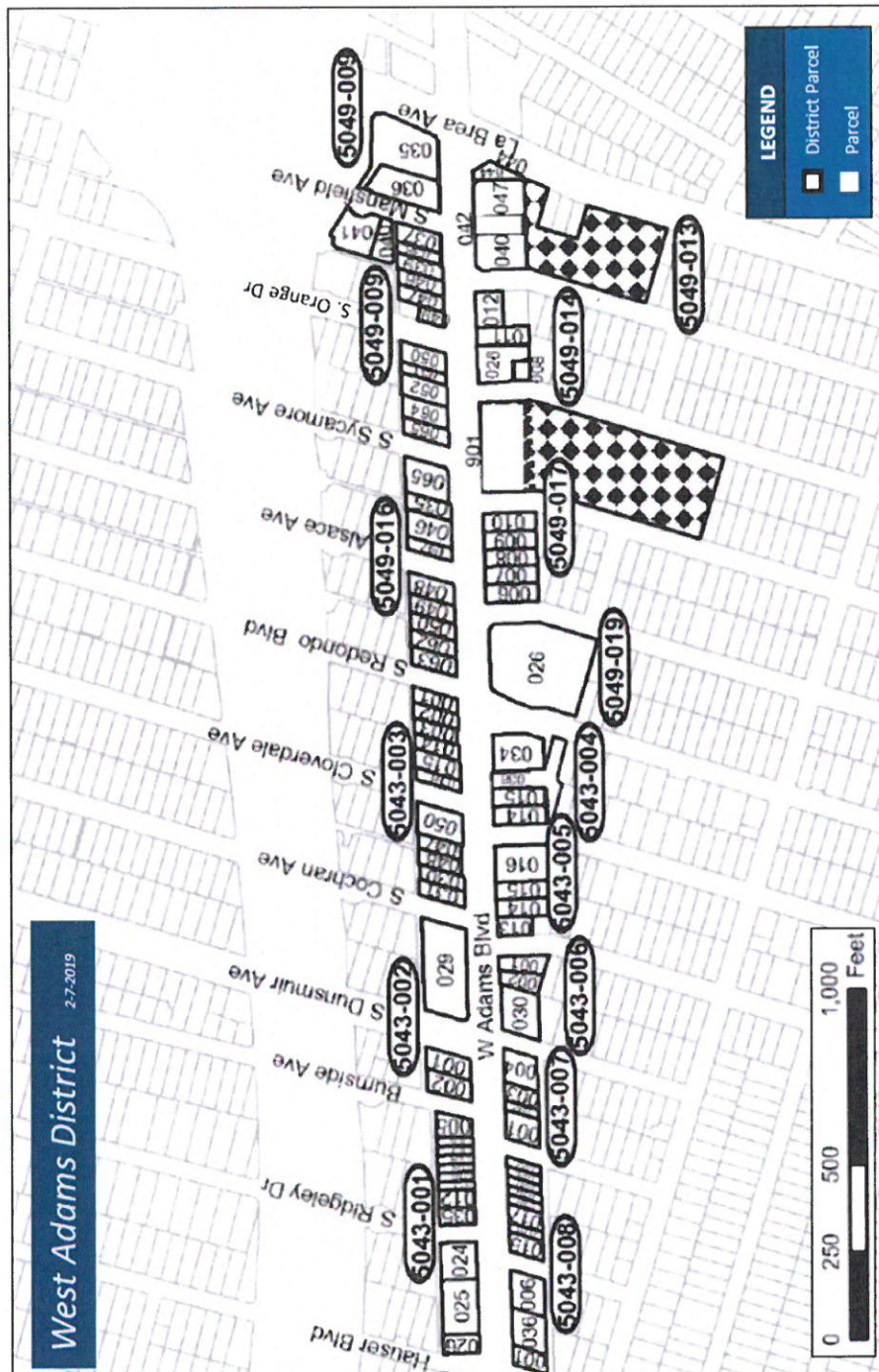
5043-003-016	\$ 2,085.20	0.99%
5043-003-030	\$ 1,357.10	0.65%
5043-003-031	\$ 1,938.00	0.92%
5043-003-047	\$ 875.90	0.42%
5043-003-048	\$ 875.80	0.42%
5043-003-050	\$ 5,037.45	2.39%
5043-004-014	\$ 2,972.35	1.41%
5043-004-015	\$ 1,585.90	0.75%
5043-004-034	\$ 3,823.30	1.82%
5043-004-036	\$ 2,031.00	0.97%
5043-005-013	\$ 1,965.40	0.93%
5043-005-014	\$ 1,768.40	0.84%
5043-005-015	\$ 1,306.80	0.62%
5043-005-016	\$ 3,571.50	1.70%
5043-006-032	\$ 2,142.00	1.02%
5043-006-002	\$ 1,525.75	0.73%
5043-006-030	\$ 3,288.00	1.56%
5043-007-001	\$ 3,428.05	1.63%
5043-007-002	\$ 652.30	0.31%
5043-007-003	\$ 1,485.40	0.71%

5043-007-004	\$ 2,826.60	1.34%
5043-008-001	\$ 2,261.85	1.08%
5043-008-006	\$ 3,753.00	1.78%
5043-008-015	\$ 2,009.55	0.96%
5043-008-016	\$ 587.20	0.28%
5043-008-017	\$ 1,450.40	0.69%
5043-008-018	\$ 788.95	0.37%
5043-008-019	\$ 806.05	0.38%
5043-008-020	\$ 706.35	0.34%
5043-008-021	\$ 673.60	0.32%
5043-008-022	\$ 1,424.05	0.68%
5043-008-036	\$ 3,380.70	1.61%
5049-009-035	\$ 6,204.05	2.95%
5049-009-036	\$ 5,111.00	2.43%
5049-009-037	\$ 2,176.00	1.03%
5049-009-038	\$ 1,244.00	0.59%
5049-009-039	\$ 1,640.65	0.78%
5049-009-040	\$ 836.90	0.40%
5049-009-041	\$ 2,306.30	1.10%
5049-009-046	\$ 1,557.85	0.74%

5049-009-047	\$ 1,372.90	0.65%
5049-009-049	\$ 1,696.45	0.81%
5049-009-050	\$ 3,480.70	1.65%
5049-009-051	\$ 1,029.40	0.49%
5049-009-052	\$ 1,653.70	0.79%
5049-009-064	\$ 1,974.60	0.94%
5049-009-065	\$ 2,646.60	1.26%
5049-013-040	\$ 3,396.30	1.61%
5049-013-042	\$ 1,150.00	0.55%
5049-013-044	\$ 1,872.00	0.89%
5049-013-047	\$ 3,230.60	1.54%
5049-014-011	\$ 1,450.00	0.69%
5049-014-012	\$ 3,164.05	1.50%
5049-014-027	\$ 2,386.00	1.13%
5049-016-035	\$ 1,030.10	0.49%
5049-016-046	\$ 1,585.60	0.75%
5049-016-047	\$ 2,276.90	1.08%
5049-016-048	\$ 3,217.65	1.53%
5049-016-049	\$ 3,069.00	1.46%
5049-016-050	\$ 1,594.05	0.76%

5049-016-062	\$ 1,633.15	0.78%
5049-016-063	\$ 2,114.00	1.00%
5049-016-065	\$ 3,423.70	1.63%
5049-017-006	\$ 2,917.95	1.39%
5049-017-038	\$ 2,315.00	1.10%
5049-017-009	\$ 1,600.00	0.76%
5049-017-010	\$ 3,117.15	1.48%
5049-017-901	\$ 7,774.70	3.70%
5049-019-026	\$ 16,065.20	7.64%
TOTALS	\$ 210,388.90	100.0%

XI. APPENDIX 2: MAP OF WAPBID



XII. ATTACHMENT 1: CERTIFIED ASSESSMENT ENGINEER'S REPORT