

Century City Property and Business Improvement District

Engineer's Report



**Los Angeles, California
December 2021**

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

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

TABLE OF CONTENTS

ENGINEER'S STATEMENT	1
----------------------------	---

ENGINEER'S REPORT:

SECTION A: Legislative and Judicial Review	2
SECTION B: Improvements and Activities	4
SECTION C: Benefitting Parcels	8
SECTION D: Proportional Benefits	12
SECTION E: Special and General Benefits.....	15
SECTION F: Cost Estimate	21
SECTION G: Apportionment Method	22
SECTION H: Assessment Roll	26

ENGINEER'S STATEMENT

This Report is prepared pursuant to Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 as amended.

The Century City Property-Based Business Improvement District ("PBID") will provide activities either currently not provided or are above and beyond what the City of Los Angeles provides. These activities will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities; parcels contiguous to and outside the PBID and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the proposed PBID is five (5) years, commencing January 1, 2023. An estimated budget for the PBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 16% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 16% in any given year. Funding for the PBID improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section E.

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



Respectfully submitted,

A handwritten signature in blue ink that reads "Terrance E. Lowell".

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Property and Business Improvement District Law of 1994 (the "State Law") is the legislation that authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the PBID. The purpose of the PBID is to encourage commerce, investment, and business activities. In order to meet these goals PBIDs typically fund activities and improvements, such as, enhanced safety and cleaning. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, PBIDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the PBID are over and above those already provided by the City within the PBID's boundaries. Each of the PBID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract businesses that serve the community, and improve the quality of life.

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

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

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

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

Article XIID of the State Constitution

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

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

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.³

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

Judicial Guidance

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

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

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

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

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

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

³ Section 4, Article XIID of the State Constitution.

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

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

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

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

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

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Century City PBID Renewal Committee collectively determined the priority for improvements and activities that the PBID will deliver. The primary needs as determined by the property owners are safety, cleaning, beautification, landscaping, fountain maintenance and management. Specifically, the Century City PBID shall provide the following activities.

CLEAN, SAFE and BEAUTIFUL

To respond to stakeholder priorities and guiding principles to make Century City more welcoming, clean and beautiful, the CCBID will continue to fund and expand upon the existing safety, cleaning and beautification efforts. The CCBID activities are intended to improve commerce and quality of life by making each individually assessed parcel safer, cleaner and more attractive, which will encourage investment dollars and generate additional pedestrian traffic. The following is a multi-dimensional approach for providing a safer, cleaner and more aesthetically appealing district.

Safe Team

The Safe Team will provide safe services for the individual parcels located within the CCBID in the form of bike patrols. The purpose of the Safe Team is to prevent, deter and report illegal activities taking place in the public rights-of-way including streets, sidewalks, storefronts, and public alleys. The presence of the Safe Team is intended to deter such illegal activities as vandalism, graffiti, narcotic use or sales, public urination, trespassing, drinking in public, prostitution, illegal panhandling, and illegal dumping. The Safe Team activities will supplement, not replace, other ongoing police, security and patrol efforts within the CCBID.

Currently the 2-person Safe Team is deployed with 16 hours of coverage between 7AM to 7PM on weekdays and 8 hours of coverage 11AM to 7PM on Saturdays. Once the Metro station opens it is anticipated that the Safe Team will increase to a 4-person team with 16 hours of continuous coverage 7 days a week. In addition, the bike patrol may include an Outreach Ambassador to assist those that are experiencing homelessness and connecting them to appropriate service organizations. The CCBID is also analyzing adding a car patrol with an off-duty police officer to respond to increased vandalism during the evening and weekends.

The Safe Team creates a safe and secure environment for each assessed parcel in the CCBID. An unsafe environment deters commerce and may fail to attract patrons and visitors and reduce commercial rents and commercial occupancies. This activity is designed to increase vehicular and pedestrian traffic, increase commerce and customer activity, attract and retain new business and patrons, and may increase lease rates and occupancies for the assessed parcels within the CCBID boundaries. The Safe Team only provides its services within the CCBID boundaries. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. A district that is perceived as unsafe deters pedestrian and commercial activity.

Commercial parcels benefit from the Safe Team activities that work to provide greater pedestrian traffic, increased sales, enhanced business climate, new business attraction, business retention, and increased business investment which all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Retail parcels benefit from Safe Team activities that work to provide greater pedestrian traffic, increased sales and an enhanced business climate. Residential parcels benefit from Safe Team activities

that provide an enhanced sense of safety and a positive user experience which in turn improves the business climate and business offering and attracts and retains residents. Office parcels benefit from Safe Team activities that work to provide greater pedestrian traffic, an enhanced business climate, new business and tenant attraction, business/tenant retention, and increased business investment. Publicly owned parcels benefit from Safe Team activities which work to provide greater pedestrian traffic and increased use which translates into fulfilling their public service mission.

Clean Team

To consistently deal with cleaning issues, the Day Porter will continue to provide services as it has since CCBID inception in 2008. The Day Porter will only provide services to individual assessed parcels within CCBID boundaries. These cleaning services are not to replace existing City cleaning services, but to complement and enhance what is currently provided. Therefore, no assessment funding will be used to provide baseline City services. In order to effectively deal with the cleaning issues in the CCBID, a multi-faceted approach has been developed that may consist of the following elements.

- Power washing
- Sweeping sidewalks and gutters
- Cleaning up litter
- Removing illegal signs/posters/stickers
- Removing graffiti
- Emptying trash cans
- Removing illegal dumping and/or untidy conditions

Currently the Day Porter activities are provided 8 hours per day, 5 days a week. Once the Metro station opens it is anticipated these activities will increase to 16 hours a day, 7 days a week.

Landscaping and Fountain Maintenance

In addition to the general cleaning and public safety services, landscaping the corridors will be provided for all the medians (including Santa Monica Boulevard median), and landscaped corridors throughout the CCBID. The landscape maintenance services may include, but not necessarily be limited to:

- Tree pruning on medians and Olympic Boulevard cloverleafs
- Median and corridor landscaping on Avenue of the Stars, the cloverleafs on the north and south side of the interchange at Olympic Boulevard, the Santa Monica Boulevard medians, and the landscaped corridors along Century Park West.
- Seasonal flowers
- Replacing irrigation equipment

Basic maintenance of the two iconic fountains in the medians on Avenue of the Stars will also be provided through the CCBID. The fountains were installed more than six decades ago as an integral part of the design of the "City of the Future." They help to define Century City as a sophisticated and unique destination for both businesses and investors. The fountains are important and internationally recognized iconic symbols that have been as much a part of Century City as the elegant office buildings, unique hotels and residential towers that have been built around them. They anchor the landscaped medians and provide an aesthetic element of progressive urban attention that defines the center of Century City's grand boulevard. The

fountains are a key part of Century City's history and identity now and in the future. The fountain maintenance services may include, but not necessarily be limited to:

- Replacing pumps, motors, expansion joints, horizontal manifold lines, equipment and drains
- Replacing lighting (various parts and/or main receptacle)
- New electrical
- Add wind speed controls

Beautification

In addition to the general cleaning and safety programs for the purposes of improving commerce to each individual assessed parcel, the CCBID may also provide highly visible improvements that will add to the attractiveness of public spaces, such as cosmetic improvements to the landscape and streetscape on the public rights-of-way throughout the CCBID. While Century City has been well maintained, the beautification needs continued refreshing and updating. These improvements may include but not necessarily be limited to:

- Street furniture, such as benches, trash receptacles and kiosks
- Signage to help visitors navigate through the CCBID
- Gateway signage
- Public art
- Tree Lighting
- Seasonal holiday decorations and banners

The following table itemizes each of the CCBID services by benefit zone.

CCBID Services	Premium Zone	Standard Zone	Fox Studios
Sweeping sidewalks	X	X	X
Graffiti removal and illegal signs/posters/stickers	X	X	X
Safe Team	X	X	X
Tree pruning	X	X	X
Day Porter	X	X	x
Fountain maintenance	X		X
Landscaping	X	X	X
Replacing irrigation equipment	X	X	X
Tree lighting	X		X
Seasonal flowers	X		X
Street furniture	X	X	X
Signage	X	X	X
Seasonal holiday décor and banners	X	X	X

The Clean Team, Landscaping and Fountain Maintenance and Beautification will only be provided to assessed parcels within the CCBID boundary. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. Dirty and unclean sidewalks deter pedestrians and commercial activity.

Commercial parcels benefit from these activities that provide greater pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Retail parcels benefit from these activities that work to provide greater pedestrian traffic, increased sales and an enhanced business climate. Residential parcels benefit from these activities that provide an enhanced sense of cleanliness and a positive user experience which in turn improves the business climate and business offering and attracts and retains residents. Office parcels benefit from these activities that that work to provide greater pedestrian traffic, an enhanced business climate, new business and tenant attraction, business/tenant retention, and increased business investment. Publicly owned parcels benefit from these activities which work to provide greater pedestrian traffic and increased use which translates into fulfilling their public service mission.

ADMINISTRATION & MANAGEMENT

Like any business, the CCBID will require a professional staff to properly manage programs, communicate with stakeholders and provide leadership. The CCBID supports a professional staff that delivers the CCBID activities to the assessed parcels within the CCBID boundary.

Management services may include compensation for an Executive Director, an administrative assistant or any other staff member, or subcontractor the Owner's Association deems necessary to manage the CCBID programs. The management team is responsible for providing the day-to-day operations. CCBID funds may be used to leverage additional monies from sponsorships, contracts, grants and earned income. Additional administrative costs may include accounting and annual financial reviews, insurance, legal, program support costs including supplies, equipment and rent, assessment collection fee, and other administration costs associated with the overhead and administrative support of programs. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

SECTION C: BENEFITTING PARCELS

PBID Boundary Description

The CCBID is approximately a 6 square block area. It is roughly bounded by Century Park West on the west, Santa Monica Boulevard medians to the north, Century Park East to Olympic Boulevard as well as Avenue of the Stars from Olympic Boulevard to Pico Boulevard to the east, and Pico Boulevard to the south.

Beginning at the northeast corner of parcel number 4319-003-902 (Santa Monica Boulevard median), thence south along the eastern boundary line said parcel and across Santa Monica Boulevard to the northeast corner of parcel number 4319-001-015; thence south along the eastern boundary line said parcel to its southeast corner; thence west along the southerly boundary line of said parcel to the northeast corner of parcel number 4319-001-904; thence south along the eastern property line of parcels facing on the east side of Century Park East to the centerline of W. Olympic Boulevard; thence west along the centerline of W. Olympic Boulevard to the eastern boundary line of the Avenue of the Stars median; thence south along the eastern boundary line of the Avenue of the Stars median to the north side of Pico Boulevard; thence west along the north side of Pico Boulevard to the southwest corner of parcel number 4315-019-013; thence north the western parcel line of said parcel to the centerline of Olympic Boulevard; thence east along the centerline of Olympic Boulevard to southerly prolongation of the western boundary line of the parcel on the northwesterly corner of Olympic Boulevard and Avenue of the Stars (the Century Condos); thence north along the western boundary line of said parcel to the southeasterly corner of parcel number 4319-004-160; thence west along the southern parcel line of said parcel to its southwesterly corner; thence north along the western parcel line of said parcel to the southerly boundary line of parcel number 4319-004-141; thence west along the southerly boundary of said parcel and across Century Park West to the western boundary line of the landscaped corridor on the west side of Century Park West; thence north along the western boundary line of said landscaped corridor and across Santa Monica Boulevard to the northwesterly corner of parcel number 4319-003-901; thence east along the northern boundary line of the Santa Monica Boulevard median to the point of beginning.

District Boundary Rationale

The primary parcel uses within the CCBID boundaries are a mix of retail, office, parking and residential. The CCBID improvements and activities are designed to provide special benefits to each of the individual assessed parcels; to improve the appearance and safety of the area, to increase building occupancy and lease rates, to encourage new business development and attract wholesale serving businesses and customers. All the CCBID improvements and activities are over and above the City's baseline of services and are not provided by the City, and each of the services provide particular and distinct benefits to each of the individual assessed parcels within the CCBID. In order to ensure that parcels outside of the CCBID will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be delivered to individual assessed parcels within the boundaries of the CCBID and will not extend beyond.

NORTHERN BOUNDARY: Santa Monica Blvd Median

Santa Monica Boulevard median between Moreno Drive and just west of Century Park West is the northern CCBID boundary. The median itself (APNs 4319-003-901, 902) due to its high

pedestrian traffic and as the gateway to Century City needs the CCBID services and therefore will be assessed for its proportional special benefit. Since Santa Monica Boulevard is a major arterial street with 3 lanes in either direction it poses safety issues for the day porter and safety teams to cross the entire width of the street. Most of the land uses on the northern side of Santa Monica Boulevard are a fenced in country club and uses not consistent with those in the CCBID. Therefore, no CCBID services will be provided north of the Santa Monica Boulevard median.

WESTERN BOUNDARY: Century Park West and Avenue of the Stars

The west side of Century Park West between Santa Monica Boulevard and Solar Way is a solid fence line and tree hedge row that separates Century Park West and the of the residential community to the west. These parcels do not have access off of Century Park West and will not receive any of the CCBID services or special benefits and therefore are not included in the boundary. APN 4319-004-142, the MTA layover zone, is in the CCBID boundary but will not receive any special benefit from the CCBID services as its use is not commerce driven and is not consistent with other uses in the CCBID. It is a public transit layover zone for buses only and is not a parcel that engages in commerce or has public access. The two parcels (APNs 4319-004-141, 160) behind the MGM Tower (APN 4319-004-140) are included in the boundary as they are the parking structures for the tenants and visitors to the area. Their primary access is from MGM Drive which is off of Constellation Boulevard not Century Park West, and therefore will receive the CCBID services. The fenced in residential condominium development just south of the parking structures are not included in the boundary since the CCBID services only extend as far south as Solar Way on Century Park West and do not continue any further. The CCBID will not provide any services to the fenced in gated condo development nor will the CCBID provide any services to the sidewalk or street immediately adjacent to these parcels. The western boundary then extends to the western property line of the Century Condos and 4315-019-005 on the southwest corner of Olympic Boulevard and Avenue of the Stars. The CCBID services will only be delivered on W Olympic Boulevard to the western property lines of these parcels and will not be delivered beyond. The western boundary then extends south on Avenue of the Stars to include the frontage of APN 4315-019-006 and the Fox Studios. CCBID services will not be delivered to any other frontage of Fox Studios other than their frontage on Avenue of the Stars.

SOUTHERN BOUNDARY: Olympic Boulevard and Pico Boulevard

The southern boundary begins at the centerline of W Olympic Boulevard to the Avenue of the Stars median and proceeds south along the eastern side of the median to Pico Boulevard. It then heads west to the eastern parcel line of parcel number 4315-019-013 (Fox Studios). The CCBID services are only delivered to Fox Studios for its frontage along Avenue of the Stars. No services will be delivered to any other frontage of the Fox Studios. Olympic Boulevard and Pico Boulevard serve to delineate the business corridor from the residential community of Century City. The residential condominium developments are fenced in and provide self-inclusive security and maintenance. These condominium projects do not have their primary access on Avenue of the Stars. The fenced-in condominium projects are excluded from the CCBID boundaries because CCBID services will not be provided to those fenced-in condo projects and therefore do not receive special benefit from said services.

EASTERN BOUNDARY: The City Limit line

The City Limit line is the boundary to the east between the Santa Monica Boulevard median and the centerline of Olympic Boulevard, which is the jurisdictional boundary separating the City of Los Angeles and the City of Beverly Hills. The eastern boundary continues down the eastern boundary of the Avenue of the Stars median until Pico Boulevard. The residential condominium

developments east of Avenue of the Stars are fenced in and provide self-inclusive security and maintenance services. These condominium projects are excluded from the CCBID boundaries because CCBID services will not be provided to those fenced in condo developments and therefore do not receive special benefit from the proposed services.

Benefit Zones

There are three benefit zones within the CCBID; the Premium Zone includes every parcel that has frontage along Avenue of the Stars, except for those parcels expressly exempted, as detailed herein. The Standard Zone includes every other parcel within the CCBID boundary except for Fox Studios. The Fox Studios Zone includes solely the Fox Studios parcel 4315-019-013. See the map on the following page for benefit zone designations.

Premium Zone

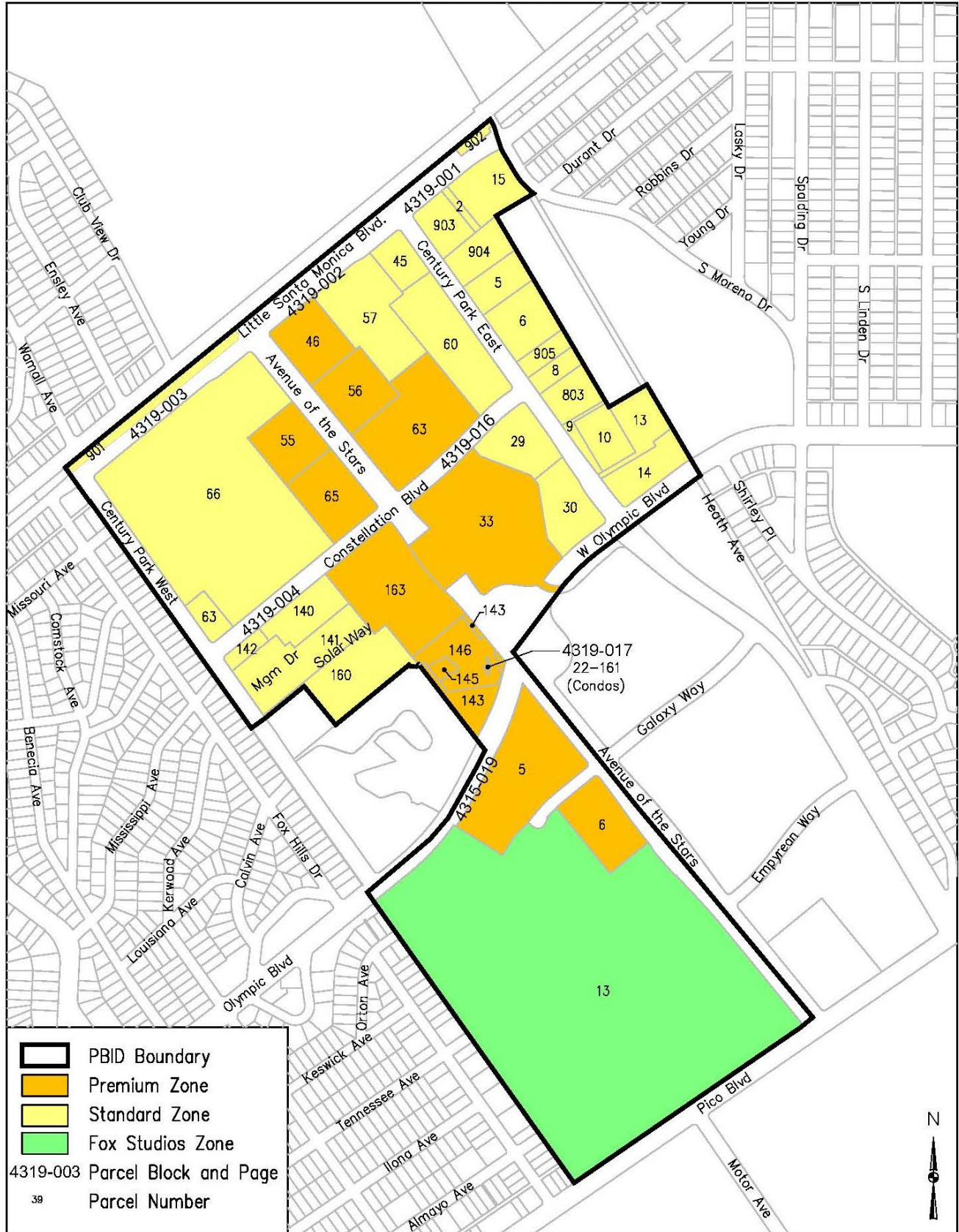
Due to the highest concentration of office use and pedestrian traffic, the individual assessed parcels in the Premium Zone will receive the highest level of CCBID services. They will benefit from all the district-wide services such as General Cleaning, Public Safety, Beautification, and Landscaping. In addition to these services, the individual assessed parcels in the Premium Zone will also receive a higher level of landscaping to maintain the Avenue of the Stars medians as well as maintain the median fountains. The Premium Zone individual assessed parcels will pay 100% of the special benefits it receives from the CCBID services.

Standard Zone

The individual assessed parcels in the Standard Zone will receive all the CCBID district-wide services including General Cleaning, Public Safety, Landscaping and Beautification. The pedestrian traffic in the Standard Zone is significantly less than in the Premium Zone, so their need and special benefit from the CCBID services is also significantly less than in the Premium Zone. The Standard Zone also includes the Santa Monica medians from parcel lines 4319-003-901 to 4319-003-902 which will receive services over and above the City's current level of service it provides to the medians. The Standard Zone individual assessed parcels will pay an assessment rate equal to 100% of the special benefits received.

Fox Studios Zone

The Fox Studios parcel will only receive services that pertain that are provided to parcels along Avenue of the Stars, such as the Clean Team, Safe Team, as well as the landscaped median and the fountains immediately adjacent to their parcel on Avenue of the Stars. The Fox Studios main entrance is on Pico Boulevard which does not receive any CCBID services. CCBID services are only provided on Avenue of the Stars to Pico Boulevard. Due to their unique nature and use and the fact that they provide their own heavily patrolled and maintenance teams to their fenced and gated parcel, the Fox Studios does not require or benefit from the CCBID services to the same degree as all other assessed parcels. The Fox Studios will have an assessment rate proportional to special benefits received. The Fox Studios parcel will pay 100% of the special benefits it receives from the CCBID services.



SECTION D: PROPORTIONAL BENEFITS

Methodology

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

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

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

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

Land Use Considerations

Each assessed parcel within the CCBID specially benefits from the CCBID activities but not to the same degree. The proportional special benefit and assessment methodology provides the following land use considerations for the MTA Layover parcel and parking structures:

- **MTA Layover Zone:** The Metropolitan Transit Authority (MTA) owns and operates a public transit layover area within the CCBID boundaries at the corner of Constellation Avenue and Century Park West (APN 4319-004-142). This is a public transit layover zone for MTA buses. This area is for MTA vehicles only and it is not intended for public access and does not benefit from any business activity. Its use is not commerce driven and is not consistent with other uses in the CCBID. No services will be provided to this parcel as there is very little pedestrian traffic, only the bus drivers are allowed on the parcel. Therefore, it is deemed not to benefit from the CCBID services, and thus will not be assessed.
- **Parking Structures:** Depending on usage and ownership, parking structures vary in their demand for CCBID services. Parking structures will be assessed at a rate commensurate with the special benefit received and all parking structures will pay 100% of the special benefits it receives from the CCBID services. Parking structures will be subject to one of the following methodologies:
 - a. Integrated parking structures (i.e., those that are integrated within and/or dedicated to other buildings that have primary uses other than parking and are also under the same ownership as the other buildings) do not receive special benefits from the CCBID improvements and activities. These structures are not intended for commercial operation use and mostly do not contribute to an attraction of business or an increase in pedestrian

traffic. Thus, the total building square footage allocated to a parcel that contains a building plus an integrated parking structure will be reduced by building square footage allocated to the integrated parking structure.

- b. All other parking structures (i.e., stand-alone parking structures that are not ancillary to a building) will specially benefit from the CCBID improvements and activities as these structures generate pedestrian traffic that may distribute throughout the CCBID. Non-integrated structured parking, with separate ownership, because of its commercial nature and diversity of users requires the same level of CCBID services and receives the same special benefits as all other assessed parcels in the CCBID and will be assessed accordingly for its building square footage.

Change in Land Use: If at any time a parcel changes its land use that parcel then will be subject to the assessment methodology for the new land use. As a result, the CCBID may experience the addition or subtraction of assessable lot or building square footage for parcels included and assessed within the CCBID boundaries. The modification of land use of assessed parcels within the CCBID may then change upwards or downwards the amount of total lot and building square footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon individual assessed parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment formula does not change.

Special Benefit Factor

The methodology to levy assessments upon real property that receives special benefits from the CCBID improvements and activities is building square footage for developed parcels and lot square footage for vacant parcels. These land use factors are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Building square footage for developed parcels is relevant to the current use of a property and is also closely correlated to the potential pedestrian traffic from each developed parcel and the demand developed parcels have for the CCBID activities, whereas a vacant parcel's lot square footage reflects the long-term value implications of the improvement district. Together, these land use factors serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole. This is the basis then to proportionately allocate the cost of the special benefits to each assessed parcel.

The CCBID improvements and activities are designed to provide special benefits to the mix of land uses found within the district, i.e., commercial, office, retail, residential, and publicly owned. Each parcel's building square footage or lot square footage is the best unit of measure to convey the special benefits of the CCBID services, as the intent of these services is to improve the safety and cleanliness of each individual parcel, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services for parcels within the CCBID. The most equitable way to determine each parcel's proportionate special benefit from the CCBID services is to relate each individual parcel's Building Square Footage or Lot Square Footage to the Building Square Footage or Lot Square Footage of all other parcels in the CCBID.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County of Assessor's records.

Lot square footage is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps.

Each one of these land use factors represents the Benefit Units allocated to each specially benefitted parcel. The total number of assessable Benefit Units in the CCBID by Benefit Zone are:

Benefit Zone	Benefit Units
Premium Zone	5,700,596
Standard Zone	9,754,168
Fox Studios Zone	,1,518,974

The number of Benefit Units for each assessed parcel within the CCBID was determined from data collected from the Los Angeles County Assessor's Office and verified by the City Clerk's office.

SECTION E: SPECIAL and GENERAL BENEFITS

State Law, Article XIID of the State Constitution, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that “only special benefits are assessable,” which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements.

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

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

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

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the PBID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel's assessment shall be greater than the special benefits received.

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

The Century City PBID's goal is to fund activities and improvements to provide a cleaner, safer and more attractive and economically vibrant environment as outlined in Section B. The goal of

improving the economic vitality is to improve the safety, cleanliness, appearance, and communication of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from:

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

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

Clean, Safe and Beautiful

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

The cleaning activities specially benefit each assessed parcel within the PBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, trash removal, and tree trimming. These activities create the environment needed to achieve the PBID's goals. Sidewalks that are dirty and unclean, particularly from homeless activities, deter pedestrians and commercial activity.

The Clean and Beautiful activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the PBID. Sidewalks that are dirty and unkempt deter pedestrians and commercial activity. "Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased

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

connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists.”¹⁰

- Removing graffiti from buildings to keep the aesthetic appeal uniform throughout the PBID
- The beautification activities specially benefit each assessed parcel by providing maintained landscaped corridors and medians. These activities create an aesthetically pleasing environment.

Management

The PBID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City/County departments, and provide leadership. Each parcel will specially benefit from the PBID Administration staff that will ensure that the PBID services are provided and deployed as specifically laid out in this Engineer's Report and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

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

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

General Benefit Analysis

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not “particular and distinct” and are not over and above the benefits that other parcels receive. This analysis will evaluate and determine the level of general benefits that (1) parcels inside of the Century City PBID, (2) parcels outside of the PBID, and (3) the public at large may receive.

General Benefit to Parcels Inside of the Century City PBID

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

General Benefit to Parcels Outside of the Century City PBID

All the PBID activities and improvements are provided solely for each of the individual assessed parcels in the PBID boundary. None of the surrounding parcels will directly receive any of the

¹⁰ “Benefits of Sidewalks”, Iowa Healthiest State Initiative, November 1, 2017

PBID activities. However, it is conceivable to conclude that some parcels outside of the PBID boundary may receive some spillover benefit from the Clean and Safe activities.

In the case of the PBID, the parcels considered outside of the PBID's boundary that may receive a general benefit are those parcels that are immediately adjacent to, or immediately across the street from the PBID boundary.

In order to calculate the general benefit parcels adjacent to the Century City PBID may receive, the percentage of each PBID activity budget attributed to these parcels must be determined. The table below shows the budget for the Clean, Safe and Beautiful activities that may have spillover benefit and its respective percentage of the total PBID budget. We then need to apply a Relative Benefit factor to each of the activities accounting for the potential benefit parcels outside of the district may receive. The relative benefit factor is a basic unit of measure that compares the benefit that parcels within the District receive compared to parcels outside of the District. Since the parcels in the District boundary receive 100% of the special benefit, they are assigned a relative benefit factor of 1.0 for each PBID activity. Since the parcels outside of the district boundary do not directly receive any PBID activity they are assigned a benefit factor less than 1.0 for each PBID activity.

In the case of the Century City PBID, Clean, Safe and Beautiful may have a spillover benefit in that those parcels immediately adjacent to the PBID boundary may visually receive the effects of the PBID services, e.g., cleaner sidewalks, safety patrols, buildings without graffiti, and landscaped corridors and medians. The relative benefit factor for Clean, Safe and Beautiful is 0.25 acknowledging that these activities can be seen and are limited to PBID frontage adjacent to parcels outside the PBID. A visitor can clearly see the difference between parcels in the PBID and those outside. The relative benefit factor is then multiplied by the PBID activity's budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

<u>PBID Activities Budget:</u>	<u>Budget</u>	<u>Percent of Total</u>	<u>x</u>	<u>Relative Benefit *</u>	<u>=</u>	<u>Benefit Factor</u>
Budget for Clean/Safe/Beautiful:	\$1,226,223.37	86.10%		0.25		<u>0.21525</u>
TOTAL PBID Assessment Budget:	\$1,424,192.43					0.21525

There are 10 non-residential parcels that are immediately adjacent to the Century City PBID. These parcels are assigned a total benefit factor of 0.21525 to account for the fact that they may benefit from the Clean, Safe and Beautiful activities that may encourage commerce not only within the PBID boundary but immediately adjacent to it.

In comparison, there are 177 parcels within the PBID boundary, all of which receive a benefit factor of 1.0 acknowledging that they receive 100% special benefit from the PBID activities. To calculate the general benefit percentage, the respective benefit factors must be applied to the number of parcels both within the PBID boundary and those that are outside of the PBID boundary. The table below shows the calculation for the general benefit percentage. Note, the benefit factor and benefit units are rounded off to the fifth decimal place and the general benefit to parcels outside the district boundary may vary slightly when calculated by hand.

	No. of Parcels	Benefit Factor	Total Benefit Units
No. of parcels in District:	177	1.00000	177.00000
No. of non-residential parcels adjacent to PBID boundary	10	0.21525	2.15249
Total number of parcels	187		179.15249

General Benefit to parcels outside of district boundary

1.20148%

(2.15249 / 179.15249)

This analysis indicates that \$14,732.88 or 1.20148% of the budget allocated to Clean, Safe and Beautiful may be attributed to general benefit to parcels outside of the PBID boundary and must be raised from sources other than special assessments.

General Benefit to the Public At Large

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

To calculate the general benefit the public at large may receive we determine the percentage of each PBID activity budget that may benefit the general public. In this case, the Clean, Safe and Beautiful activities may generally benefit the public as the general public may appreciate the enhanced level of maintenance, security and beautification as it passes through the PBID. If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

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

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

	A	B	C	D	E
ACTIVITY	Budget Amount	% of Budget	General Benefit Factor	General Benefit Percent (B x C)	General Benefit Allocation (A x D)
Clean/Safe/Beautiful	\$1,226,223	86.10%	2.50%	2.1525%	\$26,394.32
TOTAL:					\$26,394.32

This analysis indicates that 2.1525% of the Clean and Safe activities may be attributed to general benefit to the public at large, equaling a total of \$26,394.32 that must be raised from sources other than special assessments.

General Benefit Conclusion

Using the sum of the three measures of general benefit described above we find that \$41,127.20 (\$14,732.88 + \$26,394.32) or 2.89% of the total budget may be general in nature and will be funded from sources other than special assessments.

The total general benefit from the Century City PBID activities as quantified above is summarized in the table below.

General Benefit	General Benefit, \$
Parcels Inside the District	\$0.00
Parcels Outside the District	\$14,732.88
Public At Large	\$26,394.32
TOTAL	\$41,127.20

SECTION F: COST ESTIMATE

2023 Operating Budget

The Century City PBID's operating budget takes into consideration:

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

EXPENDITURES	Premium Zone	Standard Zone	Fox Zone	TOTAL BUDGET	% of Budget
Clean, Safe and Beautiful	\$739,249.65	\$347,913.68	\$139,060.04	\$1,226,223.37	86.10%
Management	\$108,882.98	\$69,289.17	\$19,796.91	\$197,969.06	13.90%
Total Expenditures	\$848,132.63	\$417,202.85	\$158,856.95	\$1,424,192.43	100.00%
REVENUES					
Assessment Revenues	\$823,640.63	\$405,155.05	\$154,269.55	\$1,383,065.23	97.11%
Other Revenues (1)	\$24,492.00	\$12,047.80	\$4,587.40	\$41,127.20	2.89%
Total Revenues	\$848,132.63	\$417,202.85	\$158,856.95	\$1,424,192.43	100.00%

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

Any accrued interest or delinquent payments will be expended in the above categories.

Budget Notations

During the 5-year term the budget and annual assessments may increase up to 16% to take into consideration the increase in program costs as well as the increased cost of activities once the Metro station opens in late 2025. In 2024, the assessments will increase 4%. With the Metro Station opening in late 2025 the assessments for 2025 will increase 10.85% to account for a partial year of increased activities. In 2026, the assessments will increase the full 16% to account for a full year of increased activities. In 2027, the assessments will increase 10.33%. Assessment budgets may also increase based on development in the CCBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CCBID Owners' Association. The CCBID Owners' Association will develop annual budgets and service programs each year.

SECTION G: APPORTIONMENT METHOD

As previously discussed in Section B, the PBID is segregated into three benefit zones based upon each zone's demand for services and improvements and the benefits received. The table below summarizes the assessable benefit units within each benefit zone:

Benefit Zone	Benefit Units
Premium Zone	5,700,596
Standard Zone	9,754,168
Fox Studios Zone	1,518,974

Calculation of Assessments

Based on the assessment factors, benefit units for each variable plus the proposed budget for each benefit zone, all of which are discussed above, the following table illustrates the maximum annual assessment per assessable benefit unit for per each benefit zone. Note, assessment rates are rounded off to the fourth decimal place and a parcel's assessment may vary slightly when calculated using the assessment rates below.

Benefit Zone	Assmt Rate per Benefit Unit
Premium Zone:	\$0.1445
Standard Zone:	\$0.0415
Fox Studios Zone:	\$0.1016

Specifically, the assessment rates for are calculated as follows:

Premium Zone

The Premium Zone assessable budget divided by the number of Benefit Units in the Premium Zone.

$$\text{Assessable Budget / Benefit Units} \\ (\$823,640.63 / 5,700,266) = \$0.1445 \text{ per Benefit Unit}$$

Sample Parcel Assessment

The assessment for a parcel with 100,000 building square feet or lot square feet (Benefit Units) is calculated as follows:

$$\begin{array}{l} \text{Bldg square footage x the assessment rate (100,000 x \$0.1445)} = \underline{\$14,450.00} \\ \text{Initial annual parcel assessment} \qquad \qquad \qquad \$14,450.00 \end{array}$$

Standard Zone

The Standard Zone assessable budget divided by the number of Benefit Units in the Standard Zone.

$$\begin{array}{l} \text{Assessable Budget / Benefit Units} \\ (\$405,155.05 / 9,496,671) = \$0.0415 \text{ per Benefit Unit} \end{array}$$

Sample Parcel Assessment

The assessment for a parcel with 100,000 building square feet or lot square feet (Benefit Units) is calculated as follows:

$$\begin{array}{l} \text{Bldg square footage x the assessment rate (100,000 x \$0.0415) = } \underline{\$4,150.00} \\ \text{Initial annual parcel assessment} \qquad \qquad \qquad \$4,150.00 \end{array}$$

Fox Studios Zone

The Fox Studios Zone assessable budget divided by the number of Benefit Units in the Fox Studios Zone.

$$\begin{array}{l} \text{Assessable Budget / Benefit Units} \\ (\$154,269.22 / 1,469,316) = \$0.1016 \text{ per Benefit Unit} \end{array}$$

Sample Parcel Assessment

The assessment for a parcel with 100,000 building square feet (Benefit Units) is calculated as follows:

$$\begin{array}{l} \text{Bldg square footage x the assessment rate (100,000 x \$0.1016) = } \underline{\$10,160.00} \\ \text{Initial annual parcel assessment} \qquad \qquad \qquad \$10,160.00 \end{array}$$

Public Parcel Assessments

There are 5 publicly owned parcels in the CCBID, all of which are identified as assessable and receive special benefit from the CCBID services. Of the 5 identified assessed parcels, 2 are owned by the City of Los Angeles, 1 by the Los Angeles County Metropolitan Transportation Authority, and 2 by the State of California Teachers Retirement.

All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIID of the California Constitution was added in November 1996 and provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Below is a list of the publicly owned parcels and their respective assessments.

APN	OWNER NAME	SITE ADDRESS	BENEFIT ZONE	2023 Assmt	%
4319 003 901	L A City	Santa Monica median	Standard	\$2,806.84	0.20%
4319 003 902	L A City	Santa Monica median	Standard	\$490.55	0.04%
				\$3,297.38	0.24%
4319 001 905	LACTMA	1940 Century Park E	Standard	\$1,246.51	0.09%
4319 001 903	State Of Ca Teachers Retirement	1800 Century Park E	Standard	\$10,382.16	0.75%
4319 001 904	State Of Ca Teachers Retirement	1840 Century Park E	Standard	\$14,078.96	1.02%
				\$24,461.12	1.77%

Maximum Annual Assessment Adjustments

During the 5-year term the budget and annual assessments may increase up to 16% to take into consideration the increase in program costs as well as the increased cost of activities once the Metro station opens in late 2025. In 2024, the assessment will increase 4%. With the Metro Station opening in late 2025 the assessments for 2025 will increase 10.85% to account for a partial year of increased activities. In 2026, the assessments will increase the full 16% to account for a full year of increased activities. In 2027, the assessments will increase 10.33%. Assessment budgets may also increase based on development in the CCBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the CCBID Owners' Association. The CCBID Owners' Association will develop annual budgets and service programs each year.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Owner's Association shall have the right to reallocate up to 10% by line item of budget allocation within the budgeted categories. Any change will be approved by the Owners' Association Board of Directors and submitted to the City of Los Angeles within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

Budget Adjustment

Any annual budget surplus (maximum of 10%), including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases to income, will be rolled into the following year's budget, including surpluses from the prior CCBID 2022 budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the CCBID is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the annual report each year. Funds from an expiring district shall be rolled over into the new district if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

Future Development

Based on new development in the CCBID, the amount of assessable square footage in the CCBID may change over time. These changes could modify the total square footage assessed for affected parcels. Therefore, in future years, the assessments levied against CCBID parcels may change in accordance with the assessment methodology formula and rates in the Management District Plan and Engineer's Report. Changes to the assessment formula would require the approval of an amendment to the Management Plan.

Bond Issuance

The District will not issue Bonds.

SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2022/23 is \$1,383,065.23 apportioned to each individual assessed parcel, as follows.

APN	OWNER NAME	SITE ADDRESS	BENEFIT ZONE	2023 Assmt	%
4315 019 005	2121 Avenue of the Stars	2121 Avenue Of The Stars	Premium	\$114,869.81	8.31%
4315 019 006	Sumitomo Realty & Development	2151 Avenue Of The Stars	Premium	\$48,739.40	3.52%
4315 019 013	Fox Studio Lot LLC	10201 W Pico Blvd #111	Fox	\$154,269.55	11.15%
4319 001 002	Sm 10000 Property LLC		Standard	\$444.28	0.03%
4319 001 005	Century Park	1880 Century Park E	Standard	\$14,276.63	1.03%
4319 001 006	Fsp 1888 Century Park East LLC	1888 Century Park E	Standard	\$21,971.04	1.59%
4319 001 008	Automobile Club Of So Calif	1950 Century Park E	Standard	\$1,028.99	0.07%
4319 001 009	Cc Site One LLC		Standard	\$741.84	0.05%
4319 001 010	Cc Site One LLC	2010 Century Park E	Standard	\$2,496.89	0.18%
4319 001 013	Cc Plant Fee LLC	2052 Century Park E	Standard	\$703.63	0.05%
4319 001 014	Century City Med Pz Lnd Co	2070 Century Park E	Standard	\$13,737.03	0.99%
4319 001 015	Sm 10000 Property LLC	10000 Santa Monica Blvd	Standard	\$24,803.92	1.79%
4319 001 803	Pacific Bell		Standard	\$2,876.91	0.21%
4319 001 903	State Of Ca Teachers Retirement	1800 Century Park E	Standard	\$10,382.16	0.75%
4319 001 904	State Of Ca Teachers Retirement	1840 Century Park E	Standard	\$14,078.96	1.02%
4319 001 905	LACTMA	1940 Century Park E	Standard	\$1,246.51	0.09%
4319 002 045	Douglas Emmett 1997 LLC	1801 Century Park E	Standard	\$15,805.30	1.14%
4319 002 046	Duesenberg Investment Co	1800 Avenue Of The Stars	Premium	\$43,713.41	3.16%
4319 002 056	Duesenberg Investment Company	1900 Avenue Of The Stars	Premium	\$90,393.20	6.54%
4319 002 057	10100 Santa Monica Inc	10100 Santa Monica Blvd	Standard	\$27,213.71	1.97%
4319 002 060	1875 1925 Century Park East Co	1875 Century Park E	Standard	\$38,545.68	2.79%
4319 002 063	Cc Site Two LLC		Premium	\$35,055.85	2.53%
4319 003 055	Douglas Emmett 20ii LLC	1901 Avenue Of The Stars	Premium	\$70,480.37	5.10%
4319 003 063	Century City Mall LLC	1930 Century Park W	Standard	\$7,652.29	0.55%
4319 003 065	1999 Stars LLC	1999 Avenue Of The Stars	Premium	\$121,383.84	8.78%
4319 003 066	Century City Mall LLC	10250 Santa Monica Blvd	Standard	\$60,450.22	4.37%
4319 003 901	L A City	Santa Monica median	Standard	\$2,806.84	0.20%
4319 003 902	L A City	Santa Monica median	Standard	\$490.55	0.04%
4319 004 140	Ap Properties Ltd	10250 Constellation Blvd	Standard	\$33,587.58	2.43%
4319 004 141	Ap Properties Ltd	10250 Constellation Blvd	Standard	\$2,879.25	0.21%
4319 004 142	Ap Properties Ltd		Standard	\$860.26	0.06%
4319 004 160	Century City Garage Partners LP		Standard	\$3,926.82	0.28%
4319 004 163	Next Century Partners LLC	2025 Avenue Of The Stars	Premium	\$116,162.94	8.40%
4319 016 029	One Hundred Towers LLC	2029 Century Park E	Standard	\$50,948.72	3.68%
4319 016 030	One Hundred Towers LLC	2049 Century Park E #260	Standard	\$51,199.06	3.70%
4319 016 033	Entertainment Center LLC	2040 Avenue Of The Stars	Premium	\$110,829.92	8.01%
4319 017 022	Hjc Investments I LLC	1 W Century Dr #THA	Premium	\$869.79	0.06%
4319 017 023	Edward J Debartolo Jr.	1 W Century Dr #THB	Premium	\$975.26	0.07%
4319 017 024	Kashanian	1 W Century Dr #3a	Premium	\$658.84	0.05%
4319 017 025	Jay Co Ringel	1 W Century Dr #3b	Premium	\$495.58	0.04%
4319 017 026	Richard A Barry	1 W Century Dr #3c	Premium	\$401.66	0.03%
4319 017 027	Richard A Barry	1 W Century Dr #3d	Premium	\$356.87	0.03%

APN	OWNER NAME	SITE ADDRESS	BENEFIT ZONE	2023 Assmt	%
4319 017 028	David Co Rosen	1 W Century Dr #4a	Premium	\$673.29	0.05%
4319 017 029	Eduardo J Co Subelman	1 W Century Dr #4b	Premium	\$497.02	0.04%
4319 017 030	Renee Logan	1 W Century Dr #4c	Premium	\$403.11	0.03%
4319 017 031	Century Drive Avenue Of Stars LLC	1 W Century Dr #4d	Premium	\$353.98	0.03%
4319 017 032	Ernest Co Del	1 W Century Dr #5a	Premium	\$658.84	0.05%
4319 017 033	Scott E Schwimer	1 W Century Dr #5b	Premium	\$495.58	0.04%
4319 017 034	Ricky Y Seung	1 W Century Dr #5c	Premium	\$401.66	0.03%
4319 017 035	Susanti Handajuwana	1 W Century Dr #5d	Premium	\$356.87	0.03%
4319 017 038	Irving H Picard	1 W Century Dr #6c	Premium	\$403.11	0.03%
4319 017 039	One Century Drive 6d LLC	1 W Century Dr #6d	Premium	\$353.98	0.03%
4319 017 040	Arzak Properties LLC	1 W Century Dr #7a	Premium	\$658.84	0.05%
4319 017 041	Phyllis Cole	1 W Century Dr #7b	Premium	\$495.58	0.04%
4319 017 042	Alpha Century LLC	1 W Century Dr #7c	Premium	\$401.66	0.03%
4319 017 043	Palanga Real Estate LLC	1 W Century Dr #7d	Premium	\$356.87	0.03%
4319 017 044	Sung W Min	1 W Century Dr #8a	Premium	\$673.29	0.05%
4319 017 045	Pamela J Rosenau	1 W Century Dr #8b	Premium	\$497.02	0.04%
4319 017 046	Harmony Fortune Holdings Limited	1 W Century Dr #8c	Premium	\$403.11	0.03%
4319 017 047	Charlie Lee LLC	1 W Century Dr #8d	Premium	\$353.98	0.03%
4319 017 048	S & V Braverman	1 W Century Dr #9a	Premium	\$658.84	0.05%
4319 017 049	C73 LLC	1 W Century Dr #9b	Premium	\$495.58	0.04%
4319 017 050	Andrew H Tan	1 W Century Dr #9c	Premium	\$401.66	0.03%
4319 017 051	Century Of The Star1 LLC	1 W Century Dr #9d	Premium	\$356.87	0.03%
4319 017 052	Fahad A Co Tamimi	1 W Century Dr #10a	Premium	\$673.29	0.05%
4319 017 053	Richard J & Susan Shemin	1 W Century Dr #10b	Premium	\$497.02	0.04%
4319 017 054	Malka Fingold	1 W Century Dr #10c	Premium	\$403.11	0.03%
4319 017 055	Charlie Lee LLC	1 W Century Dr #10d	Premium	\$353.98	0.03%
4319 017 056	Michael Hecht	1 W Century Dr #11a	Premium	\$507.14	0.04%
4319 017 057	Claudia Peltz	1 W Century Dr #11b	Premium	\$508.58	0.04%
4319 017 058	James & Debby Fogelman	1 W Century Dr #11c	Premium	\$473.91	0.03%
4319 017 059	Robert J & Gina L Laikin	1 W Century Dr #11d	Premium	\$361.21	0.03%
4319 017 060	Cyril & Risa Drabinsky	1 W Century Dr #12a	Premium	\$507.14	0.04%
4319 017 061	Jhb 1	1 W Century Dr #12b	Premium	\$508.58	0.04%
4319 017 062	Reseda Investments Limited	1 W Century Dr #12c	Premium	\$508.58	0.04%
4319 017 063	Michael A Mendelson	1 W Century Dr #12d	Premium	\$361.21	0.03%
4319 017 064	Wilshire Palm LLC	1 W Century Dr #14a	Premium	\$507.14	0.04%
4319 017 065	Teshinsky	1 W Century Dr #14b	Premium	\$508.58	0.04%
4319 017 066	Alan Co Fogelman	1 W Century Dr #14c	Premium	\$473.91	0.03%
4319 017 067	New Big Apple LLC	1 W Century Dr #14d	Premium	\$361.21	0.03%
4319 017 068	Sooha Nasouh Akkad	1 W Century Dr #15a	Premium	\$507.14	0.04%
4319 017 069	Sw Century Holdings LLC	1 W Century Dr #15b	Premium	\$508.58	0.04%
4319 017 070	Tjs Holdings LLC	1 W Century Dr #15c	Premium	\$473.91	0.03%
4319 017 071	Duta Holdings LLC	1 W Century Dr #15d	Premium	\$361.21	0.03%
4319 017 072	Patricia L F Rosenthale	1 W Century Dr #16a	Premium	\$507.14	0.04%
4319 017 073	Sixteenth The Century LLC	1 W Century Dr #16b	Premium	\$508.58	0.04%
4319 017 074	Ahad Y Aghaj	1 W Century Dr #16c	Premium	\$473.91	0.03%
4319 017 075	1 West Century	1 W Century Dr #16d	Premium	\$361.21	0.03%
4319 017 076	Carl K & Linda C Moy	1 W Century Dr #17a	Premium	\$507.14	0.04%
4319 017 077	Carole A Sasiela	1 W Century Dr #17b	Premium	\$508.58	0.04%

APN	OWNER NAME	SITE ADDRESS	BENEFIT ZONE	2023 Assmt	%
4319 017 078	Evelyn Furtak	1 W Century Dr #17c	Premium	\$473.91	0.03%
4319 017 079	Sarah Soewatdy	1 W Century Dr #17d	Premium	\$361.21	0.03%
4319 017 080	Peggy Schaefer	1 W Century Dr #18a	Premium	\$507.14	0.04%
4319 017 081	Century 18la LLC	1 W Century Dr #18b	Premium	\$508.58	0.04%
4319 017 082	Stanley N Caplan	1 W Century Dr #18c	Premium	\$473.91	0.03%
4319 017 083	Polyn C Hou	1 W Century Dr #18d	Premium	\$361.21	0.03%
4319 017 084	Lee	1 W Century Dr #19a	Premium	\$507.14	0.04%
4319 017 085	Maxine Lynn	1 W Century Dr #19b	Premium	\$508.58	0.04%
4319 017 086	Jonathan Tahir	1 W Century Dr #19c	Premium	\$473.91	0.03%
4319 017 087	Margaurita Management LLC	1 W Century Dr #19d	Premium	\$361.21	0.03%
4319 017 088	Harrmaxs LLC	1 W Century Dr #20a	Premium	\$508.58	0.04%
4319 017 089	Amir Ahdoot	1 W Century Dr #20b	Premium	\$514.36	0.04%
4319 017 090	Gary E & Tari N Weiss	1 W Century Dr #20c	Premium	\$469.57	0.03%
4319 017 091	Kenneth Siegel	1 W Century Dr #20d	Premium	\$364.10	0.03%
4319 017 092	Mark E Millet	1 W Century Dr #21a	Premium	\$508.58	0.04%
4319 017 093	Victor A Co Kaufman	1 W Century Dr #21b	Premium	\$514.36	0.04%
4319 017 094	Eytan R Co Ribner	1 W Century Dr #21c	Premium	\$469.57	0.03%
4319 017 095	Kenneth & Helen J Park	1 W Century Dr #21d	Premium	\$364.10	0.03%
4319 017 096	Daniel R Co Fellman	1 W Century Dr #22a	Premium	\$508.58	0.04%
4319 017 097	Carol H Goldsmith	1 W Century Dr #22b	Premium	\$514.36	0.04%
4319 017 098	Northcoast Place LLC	1 W Century Dr #22c	Premium	\$469.57	0.03%
4319 017 099	Hironobu Sakaguchi	1 W Century Dr #22d	Premium	\$364.10	0.03%
4319 017 100	Lee H Co Wagman	1 W Century Dr #23a	Premium	\$508.58	0.04%
4319 017 101	Century 23b LLC	1 W Century Dr #23b	Premium	\$514.36	0.04%
4319 017 102	Northern Company	1 W Century Dr #23c	Premium	\$469.57	0.03%
4319 017 103	Lee H Co Wagman	1 W Century Dr #23d	Premium	\$364.10	0.03%
4319 017 104	Lili Gai	1 W Century Dr #24a	Premium	\$508.58	0.04%
4319 017 105	Skyra Century LLC	1 W Century Dr #24b	Premium	\$514.36	0.04%
4319 017 106	One West Century LLC	1 W Century Dr #24c	Premium	\$469.57	0.03%
4319 017 107	Lili Gai	1 W Century Dr #24d	Premium	\$364.10	0.03%
4319 017 108	Stuart & Toni K Holden	1 W Century Dr #25a	Premium	\$508.58	0.04%
4319 017 109	Susan K Dickson	1 W Century Dr #25b	Premium	\$514.36	0.04%
4319 017 110	Rohit Mehta	1 W Century Dr #25c	Premium	\$469.57	0.03%
4319 017 111	Jaeyoul Choi	1 W Century Dr #25d	Premium	\$364.10	0.03%
4319 017 112	Kathleen M Harouche	1 W Century Dr #26a	Premium	\$508.58	0.04%
4319 017 113	Jed M Weisman	1 W Century Dr #26b	Premium	\$527.36	0.04%
4319 017 114	Kenneth N & Mindy B Berns	1 W Century Dr #26c	Premium	\$469.57	0.03%
4319 017 115	Century 26d LLC	1 W Century Dr #26d	Premium	\$364.10	0.03%
4319 017 116	Rachel Gindi	1 W Century Dr #27a	Premium	\$508.58	0.04%
4319 017 117	Drive Century	1 W Century Dr #27b	Premium	\$514.36	0.04%
4319 017 118	Michael L Fowler	1 W Century Dr #27c	Premium	\$469.57	0.03%
4319 017 119	Mimi M Goldfinger	1 W Century Dr #27d	Premium	\$364.10	0.03%
4319 017 120	G & C Marks	1 W Century Dr #28a	Premium	\$642.95	0.05%
4319 017 121	Julie Oun	1 W Century Dr #28b	Premium	\$495.58	0.04%
4319 017 122	Ketal LLC	1 W Century Dr #28c	Premium	\$394.44	0.03%
4319 017 123	Helen L Koo	1 W Century Dr #28d	Premium	\$325.09	0.02%
4319 017 124	Norman E Friedmann	1 W Century Dr #29a	Premium	\$642.95	0.05%
4319 017 125	Jimc Holdings LLC	1 W Century Dr #29b	Premium	\$495.58	0.04%

APN	OWNER NAME	SITE ADDRESS	BENEFIT ZONE	2023 Assmt	%
4319 017 126	Steven D Co Lockshin	1 W Century Dr #29c	Premium	\$394.44	0.03%
4319 017 127	Michael A Mendelson	1 W Century Dr #29d	Premium	\$325.09	0.02%
4319 017 128	William M Dorfman	1 W Century Dr #30a	Premium	\$642.95	0.05%
4319 017 129	Yoko Matsuhisa	1 W Century Dr #30b	Premium	\$495.58	0.04%
4319 017 130	Daniel S Lee	1 W Century Dr #30c	Premium	\$394.44	0.03%
4319 017 131	Yang	1 W Century Dr #30d	Premium	\$325.09	0.02%
4319 017 132	Howard Gleicher	1 W Century Dr #31a	Premium	\$642.95	0.05%
4319 017 133	Ars Holdings LLC	1 W Century Dr #31b	Premium	\$495.58	0.04%
4319 017 134	Michael Co Hundert	1 W Century Dr #31c	Premium	\$394.44	0.03%
4319 017 135	Hamad A Neama	1 W Century Dr #31d	Premium	\$325.09	0.02%
4319 017 136	Howard Gleicher	1 W Century Dr #32a	Premium	\$642.95	0.05%
4319 017 137	Century Dream LLC	1 W Century Dr #32b	Premium	\$495.58	0.04%
4319 017 138	Golden Incorpra Enterprise LLC	1 W Century Dr #32c	Premium	\$394.44	0.03%
4319 017 139	Dorothy S & Vivine H Wang	1 W Century Dr #32d	Premium	\$325.09	0.02%
4319 017 140	Bahram Alipour	1 W Century Dr #33a	Premium	\$642.95	0.05%
4319 017 141	Robert M Mirvis	1 W Century Dr #33b	Premium	\$495.58	0.04%
4319 017 142	Mark & Debra Goodman	1 W Century Dr #33c	Premium	\$394.44	0.03%
4319 017 143	Bronte	1 W Century Dr #33d	Premium	\$325.09	0.02%
4319 017 144	34a One Century LLC	1 W Century Dr #34a	Premium	\$642.95	0.05%
4319 017 145	Dayle Weiner	1 W Century Dr #34b	Premium	\$495.58	0.04%
4319 017 146	Rascoff	1 W Century Dr #34c	Premium	\$394.44	0.03%
4319 017 147	Leslie S Bullano	1 W Century Dr #34d	Premium	\$325.09	0.02%
4319 017 148	Nk Real Estate Investments LLC	1 W Century Dr #35a	Premium	\$642.95	0.05%
4319 017 149	Nk Real Estate Investments LLC	1 W Century Dr #35b	Premium	\$495.58	0.04%
4319 017 150	Cmash LLC	1 W Century Dr #35c	Premium	\$394.44	0.03%
4319 017 151	Schmidtengasse LLC	1 W Century Dr #35d	Premium	\$325.09	0.02%
4319 017 152	Geraldine Alden	1 W Century Dr #36PHA	Premium	\$878.46	0.06%
4319 017 153	Avenue Of The Stars Associates	1 W Century Dr #36PHB	Premium	\$892.91	0.06%
4319 017 154	Jonathan Woetzel	1 W Century Dr #37PHA	Premium	\$809.11	0.06%
4319 017 155	Brian Delamarter	1 W Century Dr #37PHB	Premium	\$832.22	0.06%
4319 017 156	Sg Century One LLC	1 W Century Dr #38PHA	Premium	\$754.20	0.05%
4319 017 157	Martin Meeks	1 W Century Dr #38PHB	Premium	\$768.65	0.06%
4319 017 158	Rv 702 LLC	1 W Century Dr #39PH	Premium	\$1,361.03	0.10%
4319 017 159	Wayne House Bruce	1 W Century Dr #40PH	Premium	\$1,342.25	0.10%
4319 017 160	Candy Spelling	1 W Century Dr #41PHA	Premium	\$1,280.12	0.09%
4319 017 161	Candy Spelling	1 W Century Dr #41PHB	Premium	\$1,314.80	0.10%
4319 017 227		1 W Century Dr #6b	Premium	\$1,170.31	0.08%
TOTAL:				\$1,383,065.23	100.00%