

**Attachment A**

**Westwood**

**Business Improvement District**

**Revised Final**

**Engineer's Report**

**Los Angeles, California**  
**April 2026**

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

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

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## ENGINEER'S STATEMENT

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

The Westwood ("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.

The duration of the proposed PBID is ten (10) years, commencing January 1, 2027 and ending December 31, 2036. An estimated budget for the PBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 5% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 5% 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 F.

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

Respectfully submitted,



Terrance E. Lowell, P.E.



## SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

### *Property and Business Improvement District Law of 1994*

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

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

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

*"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."<sup>2</sup>*

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: "Special benefit also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general."<sup>3</sup>

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<sup>1</sup> California Streets and Highways Code, Section 36610.

<sup>2</sup> California Streets and Highways Code, Section 36613.

<sup>3</sup> California Streets and Highways Code, Section 36615.5(b)

## **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 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.<sup>4</sup>*

*"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."<sup>5</sup>*

## **Judicial Guidance**

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portion of a case that applies to PBIDs in particular is 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."<sup>6</sup>*

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

<sup>4</sup> Section 4, Article XIID of the State Constitution.

<sup>5</sup> Section 2 (i), Article XIID of the State Constitution.

<sup>6</sup> *Dahms v. Downtown Pomona Property and Business Improvement District* (2009) 174 Cal.App. 4th 708, 722.

## **SECTION B: IMPROVEMENTS AND ACTIVITIES**

The Westwood PBID Steering Committee collectively determined the priority for improvements and activities that the PBID will deliver. The primary needs as determined by the property owners are Clean, Safe and Beautiful programs as well as Communication and Development and Management activities. Specifically, the Westwood PBID shall provide the activities described in greater detail in Section 3 of this Management District Plan: District Improvement and Activity Plan.

## SECTION C: BENEFITTING PARCELS

### *PBID Boundary Description*

The Westwood Business Improvement District includes all property within a boundary formed by:

Beginning at the intersection of Levering Avenue and Le Conte Avenue the northern boundary of the District follows the south side of Le Conte Avenue east to the intersection with the eastern parcel line of parcels facing on the east side of Hilgard Avenue. Turn south along the eastern parcel line of parcels facing on the east side of Hilgard Avenue until the intersection with Weyburn Avenue. Turn west along the north side of Weyburn Avenue to the intersection with Hilgard Avenue. At Hilgard Avenue turn south following the west side of Hilgard Avenue to the intersection with Lindbrook Drive. Turn south along the east parcel line of parcel number 4360-003-028 and 4360-003-029 to the intersection with Wilshire Boulevard. Turn west along the north side of Wilshire Boulevard to parcel number 4363-023-041. Turn north along the west parcel line of parcel number 4363-023-041 and continue along the west parcel line of parcels facing on the west side of Gayley Avenue to the intersection with Weyburn Avenue. Turn east along the south side of Weyburn Avenue to the eastern side of Gayley Avenue. Turn north along the east side of Gayley Avenue to Levering Avenue. Continue north along the east side of Levering Avenue to the starting point at the intersection of Levering Avenue and Le Conte Avenue.

### *Benefit Zones*

The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each individual parcel receives from the improvements. In order to match assessment rates to benefits, two benefit zones have been created within the District. Each zone receives a different level of services and a different level of special benefit. Each zone pays an assessment rate that reflects 100% of the special benefit received.

The levels of appropriate service delivery were determined by analyzing historical data on the amount of clean and safe services delivered to parcels, current service delivery needs and projecting future needs over the term of the District in order to produce a common level of safety and cleanliness for each assessed parcel throughout each zone the District. Each zones assessment rate was calculated by determining the expense for the services provided in that area and then spreading the expenses over the total assessable footage for that zone.

#### **Zone 1:**

Zone 1 contains the highest concentration of retail uses in the District, the highest pedestrian counts and the highest demand for clean and safe services. Beginning at the intersection of Levering Avenue and Le Conte Avenue the northern boundary of the District follows the south side of Le Conte Avenue east to the intersection with Tiverton Avenue. At Tiverton Avenue the boundary follows the west side of Tiverton Avenue to the north parcel line of parcel 4360-003-029. Turn east along the north parcel line of parcel 4360-003-029 and then turn south along the eastern parcel line of parcels 4360-003-028 and 4360-003-029 to Wilshire Boulevard. Turn west along the north side of Wilshire Boulevard to Glendon Avenue, turn north along the east side of Glendon Avenue to Lindbrook Drive. At Lindbrook Drive turn west to Westwood Boulevard, at Westwood Boulevard turn south to Wilshire Boulevard, turn west along Wilshire Boulevard to Gayley Avenue, turn north along Gayley Avenue to the north parcel line of parcel 4363-023-041,

turn west along the north parcel line of parcel 4363-023-041 to the west District boundary, follow the west District boundary to the beginning point at Levering Avenue and Le Conte Avenue.

**Zone 2:**

Parcels within Zone 2 are on the periphery of the District, has the lowest pedestrian traffic of the two zones and less need for cleaning and maintenance services. Zone 2 parcels are all of the assessable parcels within the District Boundary that are not included in Zone 1. Zone 2 parcels are all of the assessable parcels within the District Boundary that are not included in Zone 1. Specifically, these parcels include assessable parcels fronting Hilgard Avenue from LeConte Avenue to Lindbrook Avenue, assessable parcels on the east side of Tiverton Avenue from Weyburn Avenue to Lindbrook Drive, parcels on the north side of Lindbrook Drive include parcel 4360-002-037, parcels on the north side of Wilshire Boulevard include parcels 4363-023-041 and 4363-022-900. (See map on page 7 for further identification of parcels)

**District Boundary Rationale**

The property uses within the general boundaries of the Westwood Business Improvement District are a mix of retail, theater, religious, parking, office and mixed-use residential parcels. Services and improvements provided by the District are designed to provide special benefits to parcels that contain retail, theater, religious, parking, office and mixed-use residential uses. Services and improvements provided by the District are designed to provide special benefits in the form of improving the economic vitality within the District by increasing building occupancy and lease rates, encouraging new business development, attracting tenants, attracting retail customers, attracting new residents and students, increasing attendance and encouraging commerce that provide a special benefit to retail, theater, religious, parking, office and mixed-use residential parcels. All of the services provided such as the safety work provided by the Safe Team and the cleaning work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District because of the unique nature of these services focusing on the particular needs of each individually assessed property within the District. These services provide particular and distinct benefits to each of the individually assessed parcels within the District.

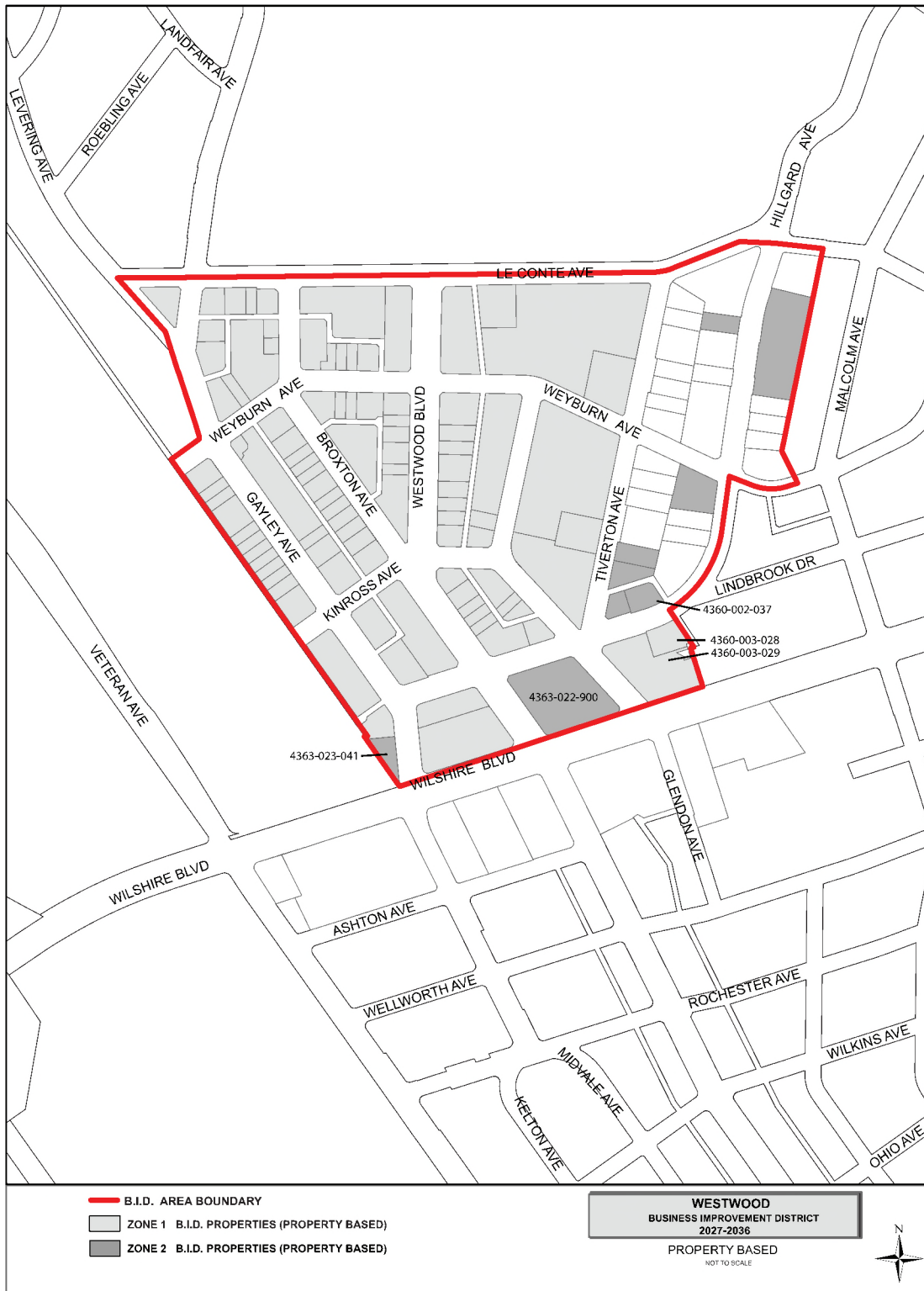
**Northern Boundary:** Le Conte Avenue represents the northern boundary of the Westwood Business Improvement District. The northern boundary of the Westwood Business Improvement District was determined by the zoning and use of the parcels north of the District boundaries. The parcels north of the District boundaries are the University of California Los Angeles campus and are zoned open space (University Land). The open spaced zoned parcels will not benefit from the District programs that are designed to provide special benefits to parcels which contain retail, theater, religious, parking, mixed use residential and office uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District.

**Eastern Boundary:** Hilgard Avenue, including parcels on both sides of Hilgard Avenue, represents the eastern boundary of the Westwood Business Improvement District. The eastern boundary of the Westwood Business Improvement District was determined by the residential zoning of the parcels east of the District boundaries and the lack of commercial business activity. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will

only patrol and provide services to individual assessed parcels within the District and will not provide services outside of District boundaries.

**Southern Boundary:** Wilshire Boulevard represents the southern boundary of the Westwood Business Improvement District and was determined because it represents the south edge of the area considered to be Westwood Village. Wilshire Boulevard is a six-lane major traffic arterial and acts as a barrier to insure that parcels on the south side of Wilshire Boulevard, outside of the District, will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District and will not provide services outside of District boundaries.

**Western Boundary:** Gayley Avenue, including parcels on both sides of Gayley Avenue, represents the western boundary of the Westwood Business Improvement District. The western boundary of the Westwood Business Improvement District was determined by the zoning and use of the parcels west of the District boundaries. The parcels west of the District boundaries are zoned open space (cemetery land). The open spaced zoned parcels will not benefit from the District programs that are designed to provide special benefits to parcels that contain retail, theater, religious, parking, and office uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District and will not provide services outside of District boundaries.



## SECTION D: PROPORTIONAL BENEFITS

### *Methodology*

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

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed improvements, services, and activities is the result of a 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 PBID will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the PBID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

### *Special Benefit Factor*

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the Westwood Business Improvement District is Parcel Square Footage, Building Square Footage and Street Front Footage as the three assessment variables. Parcel Square Footage is relevant to the highest and best use of a property and will reflect the long-term value implications of the improvement district. Building Square Footage is relevant to the interim use of a property and is utilized to measure short and mid-term special benefit. Street Front Footage is relevant to the street level usage of a parcel.

Services and improvements provided by the District are designed to provide special benefits to the mix of retail, theater, religious, parking, office and mixed-use residential parcels. The use of each parcel's Parcel Square Footage, Building Square Footage and Street Front Footage is the best measure of benefit for the programs because the intent of the District programs is to improve the safety of each individual parcel, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services for parcels within the District. In other words, to attract more customers, residents, patrons, tenants, clients and or employees. The best way to determine each parcel's proportionate special benefit from the District programs is to relate each parcel's Parcel Square Footage, Building Square Footage and Street Front Footage to every other parcel's Parcel Square Footage, Building Square Footage and Street Front Footage.

**Parcel Square Footage Defined.** Parcel Square Footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps. Thirty-five percent (35%) of the Zone 1 budget and Twenty-eight percent (28%) of the Zone 2 budget are allocated to parcel square footage.

**Building Square Footage Defined.** Building Square Footage is defined as gross building square footage as determined by the outside measurements of a building. Twenty-six percent (26%) of the Zone 1 budget and Forty-eight percent (48%) of the Zone 2 budget are allocated to building square footage.

**Street Front Footage Defined.** Properties are assessed for all street frontages. Properties with more than one street frontage such as corner lots or whole block parcels are assessed for the sum of all the parcels' street frontage. Street Front Footage was obtained from the County Assessor's parcel maps. Thirty-nine percent (39%) of the Zone 1 budget and Twenty-four (24%) percent of the Zone 2 budget are allocated to street front footage.

### ***Parcel Use Consideration***

#### **Gross Square Footage of Parking:**

Because parking structures and lots are primarily used to park cars and not to house tenants, or businesses and because parking uses have less daily pedestrian traffic than similarly sized buildings parking uses require fewer services and receive less special benefit from Westwood Business Improvement District improvements and activities. Parking uses will be subject to one of the following methodologies:

- Parking square footage that is integrated within a building, has the same ownership and on the same single parcel as the building (and the building has other uses in addition to parking), because it is integrated within the building, require no District services and receive no special benefit. The square footage of the building that is comprised of parking will be excluded from the calculation of building square footage when determining building assessments. (All three conditions must be met to be excluded)
- Non-integrated structured commercial parking and/or surface parking with the same ownership as a building and with a majority of its parking dedicated to the building's tenants require fewer services and receive less special benefit. These parking parcels will not be assessed for building footage, but will be assessed on lot square footage and street front footage only.
- Non-integrated structured commercial parking with ownership different than buildings that may use a majority of the parking and independent stand-alone structured parking are commercial businesses that require the same services as other non-parking commercial business parcels and receive the same special benefit. These parcels will be assessed the same as other parcels within the District. They will be assessed on lot square footage, building square footage (parking structure) and street front footage.
- Surface commercial parking requires the same services as other non-parking commercial business parcels and receives the same special benefit. These parcels will be assessed the same as other parcels within the District on lot square footage, street front footage and building footage if there is a building.

Based on the Special Benefit Factor and Parcel Use Considerations discussed above, each one of these characteristics represents the benefit units allocated to each specially benefitted parcel. The total number of assessable benefit units in the PBID are as follows:

<b>Assessable Footage</b>	<b>Zone 1</b>	<b>Zone 2</b>
Parcel Sq.Ft.	1,525,585	233,236
Building Sq.Ft.	2,810,981	703,610
Front Footage	18,017	2,672

## SECTION E: SPECIAL and GENERAL BENEFITS

### **Special Benefit Defined**

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIII D Section 4(a) of the California Constitution in part states that “only special benefits are assessable”.

The State Law defines special benefit as “...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. Special benefit excludes general enhancement of property value.”<sup>7</sup>

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: “Special benefit’ also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefit does not make the benefits general.”

Furthermore, the amendment (Section 36622(k)(3)) states: “In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.”

### **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(b) 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

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<sup>7</sup> California Streets and Highways Code, Section 36615.5(a)

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

Each parcel will specially benefit from:

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

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

### **Clean, Safe and Beautiful**

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, and trash removal. These activities create the environment needed to achieve the PBID’s goals. Sidewalks that are dirty and unclean deter pedestrians and commercial activity.

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.”<sup>8</sup> 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 Clean, Safe 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

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<sup>8</sup> “Accelerating economic growth and vitality through smarter public safety management” IBM Global Business Services Executive Report, September 2012, pg. 2

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 connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists.”<sup>9</sup>

- Removing graffiti from buildings to keep the aesthetic appeal uniform throughout the PBID.

### **Communication and Development**

The communication and development activities are tied to and will specially benefit each individual parcel by encouraging business development and investment that generates customer traffic, which directly relates to increases in commercial activity, filling of vacant storefronts and offices and ultimately, increased lease rates for retail and office space.

### **Management**

The PBID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City departments, and provide leadership. Each parcel will specially benefit from the PBID executive staff that will ensure that the PBID activities are provided and deployed to assessed parcels and will provide leadership to represent the community with one clear voice.

### **Special Benefit Conclusion**

The fact that each PBID improvement and activity defined above will be provided to each assessed parcel is above and beyond what the city currently provides constitutes a special benefit. In addition, the PBID activities are targeted to improve the safety, cleanliness and economic vitality of only those parcels that are within the district boundary. Therefore, we conclude that each of the proposed activities provides special benefits to the assessed parcels within the district and that each parcel's assessment is in direct relationship to and no greater than its proportional special benefits received.

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<sup>9</sup> “Benefits of Sidewalks”, Iowa Healthiest State Initiative, November 1, 2017

### **General Benefit Defined**

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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.

### **General Benefit Analysis**

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The PBID improvements and activities are designed to provide service only to those parcels that are within the district boundary. As discussed above, these activities are determined to provide special benefits only to the assessed parcels. If there is any general benefit to property located in the district or to the public at large, it is incidental to providing special benefits to the assessed parcels. However, it is conceivable that there may be some general benefit that is not quantifiable, and it is judicious to allocate a portion of the budget to acknowledge this.

For the purposes of the Westwood PBID, we assigned 2%, or \$29,160 of the budget to general benefit. This portion of the budget will need to be funded from sources other than the special assessments.

## SECTION F: COST ESTIMATE

### 2027 Operating Budget

The Westwood PBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Westwood 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	Zone 1 Budget	Zone 2 Budget	TOTAL BUDGET
Clean, Safe & Beautiful	\$925,218.51	\$120,493.57	\$1,045,712.08
Communication/Development	\$171,891.59	\$22,385.88	\$194,277.47
Management/City Fee/Reserve	\$192,889.90	\$25,120.55	\$218,010.45
<b>Total Expenditures</b>	<b>\$1,290,000.00</b>	<b>\$168,000.00</b>	<b>\$1,458,000.00</b>
REVENUES			
Assessment Revenues	\$1,264,200.00	\$164,640.00	\$1,428,840.00
Other Revenues	\$25,800.00	\$3,360.00	\$29,160.00
<b>Total Revenues</b>	<b>\$1,290,000.00</b>	<b>\$168,000.00</b>	<b>\$1,458,000.00</b>

### Budget Notations

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 Board of Directors of the Owner's Association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Increases will be determined by the Board of Directors of the District Owner's Association and will vary between 0% and 5% in any given year. Any change will be approved by the Owners' Association Board of Directors and submitted 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. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's 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 set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District 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 Planning Report each year. District funds may be used for renewal. Funds from an expired District shall be rolled over into the new District if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

### Bond Issuance

The District will not issue bonds.

## SECTION G: APPORTIONMENT METHOD

### Assessment Methodology

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

As previously discussed above in Section D, the methodology for allocating the cost of the special benefits is allocated to Building Square Footage, Parcel Square Footage and Street Front Footage for Zone 1 and Zone 2. The table below indicates the assessable footage for each.

Assessable Footage	Zone 1	Zone 2
Parcel Sq.Ft.	1,525,585	233,236
Building Sq.Ft.	2,810,981	703,610
Front Footage	18,017	2,672

### Calculation of Assessments

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

Assessment Rates	Zone 1	Zone 2
Parcel Sq.Ft.	\$0.2917	\$0.1991
Building Sq.Ft.	\$0.1169	\$0.1130
Front Footage	\$27.2248	\$14.4799

### Assessment Rate Calculation

The assessment rate for each benefit zone is determined by the following calculation:

**Zone 1 Assessment Budget = \$1,290,000.00**

Assessment Budget allocated to Parcel Square Footage @ 35.20% = \$444,998.40

Assessment Budget allocated to Building Square Footage @ 26% = \$328,692.00

Assessment Budget allocated to Front Footage @ 38.80% = \$490,509.60

Zone 1 Parcel Square Footage Assessment Rate-

Assessment Budget \$444,998.40 / 1,525,585 Parcel Sq Ft = \$0.2917

Zone 1 Building Square Footage Assessment Rate-

Assessment Budget \$328,692.00 / 2,810,981 Building Sq Ft = \$0.1169

Zone 1 Front Footage Assessment Rate-

Assessment Budget \$490,509.60 / 18,017 Street Front Ft = \$27.2248

### Zone 1 Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage, 5,000 square

feet of building, and 50 linear feet of street front footage, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.2917) = (\$1,458.50) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.1169) = (\$584.50) + multiple the street front footage (50) by the Assessment Rate (\$27.2248) = (\$1,361.24) = Initial Annual Parcel Assessment (\$3,404.24).

**Zone 2 Assessment Budget = \$168,000.00**

Assessment Budget allocated to Parcel Square Footage @ 28.20% = \$46,428.48

Assessment Budget allocated to Building Square Footage @ 48.30% = \$79,521.12

Assessment Budget allocated to Front Footage @ 23.50% = \$38,690.40

Zone 2 Parcel Square Footage Assessment Rate-

Assessment Budget \$46,428.48 / 233,236 Parcel Sq Ft = \$0.1991

Zone 2 Building Square Footage Assessment Rate-

Assessment Budget \$79,521.12 / 703,610 Building Sq Ft = \$0.1130

Zone 2 Front Footage Assessment Rate-

Assessment Budget \$38,690.40 / 2,672 Street Front Ft = \$14.4799

**Zone 2 Sample Parcel Assessment**

To calculate the assessment for a parcel with 5,000 square feet of parcel footage, 5,000 square feet of building, and 50 linear feet of street front footage, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.1991) = (\$995.50) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.1130) = (\$565.00) + multiple the street front footage (50) by the Assessment Rate (\$14.4799) = (\$724.00) = Initial Annual Parcel Assessment (\$2,284.50).

**Public Property Assessments**

There are 5 publicly owned parcels in the District, all of which are identified as assessable and for which special benefit services will be provided. Of the 5 identified assessed parcels, 4 are owned by Regents of the University of CA. and 1 by L.A. City.

All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIII D 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.

Zone	APN	Owner name	Site Address	2027 asmt	%
1	4363-018-904	L A City	1036 Broxton Ave	\$27,197.50	1.90%
				<b>\$27,197.50</b>	<b>1.90%</b>
1	4363-019-901	Regents Of The University Of CA	10886 Le Conte Ave	\$12,490.37	0.87%
1	4363-019-903	Regents Of The University Of CA	930 Westwood Blvd	\$45,013.72	3.15%
2	4363-022-900	Regents Of The University Of CA	10889 Wilshire Blvd	\$68,254.01	4.78%
1	4363-023-900	Regents Of The University Of CA	1101 Gayley Ave	\$31,916.69	2.23%
				<b>\$157,516.58</b>	<b>11.04%</b>

### Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments maybe subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the District Owner's Association and will vary between 0% and 5% in any given year. The maximum increase for any given year cannot exceed 5% in that year. Any change will be approved by the Owner's Association Board of Directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

The projections below illustrate a maximum 5% annual increase for all assessment rates.  
 Maximum Assessment Table

	2027	2028	2029	2030	2031
<b>Zone 1 Parcel Sq Ft Rate</b>	\$0.2917	\$0.3063	\$0.3216	\$0.3377	\$0.3546
<b>Zone 1 Building Sq Ft Rate</b>	\$0.1169	\$0.1228	\$0.1289	\$0.1354	\$0.1421
<b>Zone 1 Front Ft Rate</b>	\$27.2248	\$28.5861	\$30.0154	\$31.5161	\$33.0919
<b>Zone 2 Parcel Sq Ft Rate</b>	\$0.1991	\$0.2090	\$0.2195	\$0.2304	\$0.2420
<b>Zone 2 Building Sq Ft Rate</b>	\$0.1130	\$0.1187	\$0.1246	\$0.1308	\$0.1374
<b>Zone 2 Front Ft Rate</b>	\$14.4799	\$15.2039	\$15.9641	\$16.7623	\$17.6005
	2032	2033	2034	2035	2036
<b>Zone 1 Parcel Sq Ft Rate</b>	\$0.3723	\$0.3909	\$0.4104	\$0.4310	\$0.4525
<b>Zone 1 Building Sq Ft Rate</b>	\$0.1492	\$0.1567	\$0.1645	\$0.1728	\$0.1814
<b>Zone 1 Front Ft Rate</b>	\$34.7465	\$36.4839	\$38.3081	\$40.2235	\$42.2346
<b>Zone 2 Parcel Sq Ft Rate</b>	\$0.2541	\$0.2668	\$0.2801	\$0.2941	\$0.3088
<b>Zone 2 Building Sq Ft Rate</b>	\$0.1442	\$0.1515	\$0.1590	\$0.1670	\$0.1753
<b>Zone 2 Front Ft Rate</b>	\$18.4805	\$19.4045	\$20.3747	\$21.3935	\$22.4631

### Budget Adjustment

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the Management District Plan to adjust for surpluses that are carried forward. District funds may be used to fund the cost of renewing the District. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners if one is not established, in accordance with the Streets and Highways Code section 36671.

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

### Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification for parcel improvements within the District, which changes upwards or downwards the amount of total footage assessed for these parcels will, pursuant to Government Code 53750,

be prorated to the date they receive the temporary and/or permanent certificate of occupancy and will be billed directly by the City for the prorated year. Any delinquent assessments owed for the modification of assessable footage that was billed directly by the City will be added to the property tax roll for the following year as delinquent. Parcels that experience a loss of building square footage need to provide notice of the change to the District by April 1<sup>st</sup> of each year.

In future years of the BID term, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment rate does not change. If the assessment formula changes and increases the assessments, then a ballot as defined in Article 13 Section D of the State Constitution will be required for approval of the formula changes.

### ***Assessment Appeal Procedure***

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

## SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2026/2027 is \$1,428,840, apportioned to each individual assessed parcel, as follows.

Zone	APN	Owner name	Site Address	2027 asmt	%
1	4363-018-904	L A City	1036 Broxton Ave	\$27,197.50	1.90%
				<b>\$27,197.50</b>	<b>1.90%</b>
1	4363-019-901	Regents Of The University Of CA	10886 Le Conte Ave	\$12,490.37	0.87%
1	4363-019-903	Regents Of The University Of CA	930 Westwood Blvd	\$45,013.72	3.15%
2	4363-022-900	Regents Of The University Of CA	10889 Wilshire Blvd	\$68,254.01	4.78%
1	4363-023-900	Regents Of The University Of CA	1101 Gayley Ave	\$31,916.69	2.23%
				<b>\$157,674.79</b>	<b>11.04%</b>

Zone	APN	2027 asmt	%
2	4360-001-182	\$5,015.94	0.35%
2	4360-002-006	\$5,426.14	0.38%
2	4360-002-007	\$5,791.61	0.41%
2	4360-002-013	\$13,424.76	0.94%
2	4360-002-032	\$4,734.60	0.33%
2	4360-002-037	\$5,263.82	0.37%
1	4360-003-028	\$12,264.99	0.86%
1	4360-003-029	\$65,427.25	4.58%
2	4360-006-029	\$46,658.21	3.27%
1	4363-017-002	\$3,046.91	0.21%
1	4363-017-003	\$6,948.13	0.49%
1	4363-017-004	\$9,807.70	0.69%
1	4363-017-005	\$17,673.14	1.24%
1	4363-017-006	\$4,950.75	0.35%
1	4363-017-008	\$10,619.13	0.74%
1	4363-017-009	\$3,117.62	0.22%
1	4363-017-010	\$19,781.60	1.38%
1	4363-017-011	\$3,095.33	0.22%
1	4363-017-012	\$3,457.08	0.24%
1	4363-017-013	\$8,504.94	0.60%
1	4363-017-014	\$7,785.33	0.54%
1	4363-018-001	\$28,998.24	2.03%
1	4363-018-008	\$14,685.55	1.03%
1	4363-018-009	\$3,580.56	0.25%
1	4363-018-014	\$21,914.27	1.53%
1	4363-018-015	\$3,233.30	0.23%
1	4363-018-018	\$2,648.64	0.19%

1	4363-018-019	\$2,629.93	0.18%
1	4363-018-020	\$11,743.39	0.82%
1	4363-018-025	\$5,566.46	0.39%
1	4363-018-026	\$9,229.94	0.65%
1	4363-018-027	\$2,810.54	0.20%
1	4363-018-028	\$3,973.26	0.28%
1	4363-018-029	\$5,196.38	0.36%
1	4363-018-030	\$5,695.70	0.40%
1	4363-018-033	\$26,740.17	1.87%
1	4363-018-034	\$5,982.04	0.42%
1	4363-019-008	\$106,083.18	7.42%
1	4363-019-009	\$41,359.39	2.89%
1	4363-020-001	\$6,909.25	0.48%
1	4363-020-002	\$3,944.35	0.28%
1	4363-020-006	\$19,694.02	1.38%
1	4363-020-007	\$6,221.05	0.44%
1	4363-020-008	\$4,413.73	0.31%
1	4363-020-009	\$7,470.38	0.52%
1	4363-020-010	\$4,922.09	0.34%
1	4363-020-011	\$3,331.82	0.23%
1	4363-020-013	\$3,539.16	0.25%
1	4363-020-014	\$7,999.46	0.56%
1	4363-021-018	\$73,474.80	5.14%
1	4363-021-021	\$143,968.27	10.08%
1	4363-021-800	\$15,793.98	1.11%
1	4363-022-003	\$11,346.68	0.79%
1	4363-022-004	\$8,416.72	0.59%
1	4363-022-005	\$4,635.13	0.32%
1	4363-022-006	\$2,653.32	0.19%
1	4363-022-007	\$3,025.16	0.21%
1	4363-022-008	\$2,997.10	0.21%
1	4363-022-009	\$12,157.66	0.85%
1	4363-022-010	\$8,496.86	0.59%
1	4363-022-015	\$2,863.87	0.20%
1	4363-022-016	\$3,448.39	0.24%
1	4363-023-027	\$14,121.01	0.99%
1	4363-023-029	\$36,173.88	2.53%
1	4363-023-030	\$17,465.29	1.22%
1	4363-023-032	\$51,931.79	3.63%
1	4363-023-034	\$21,708.99	1.52%
2	4363-023-041	\$10,070.90	0.70%
1	4363-024-001	\$9,729.84	0.68%
1	4363-024-002	\$4,225.15	0.30%
1	4363-024-003	\$3,520.96	0.25%

1	4363-024-004	\$3,520.96	0.25%
1	4363-024-005	\$3,168.87	0.22%
1	4363-024-006	\$2,816.77	0.20%
1	4363-024-007	\$5,118.67	0.36%
1	4363-024-008	\$3,321.68	0.23%
1	4363-024-009	\$2,372.43	0.17%
1	4363-024-010	\$2,372.43	0.17%
1	4363-024-011	\$4,744.86	0.33%
1	4363-024-012	\$9,152.19	0.64%
1	4363-024-016	\$6,054.49	0.42%
1	4363-024-017	\$11,491.33	0.80%
1	4363-024-019	\$2,782.16	0.19%
1	4363-024-020	\$4,827.80	0.34%
1	4363-024-021	\$27,053.54	1.89%
1	4363-025-001	\$11,275.32	0.79%
1	4363-025-002	\$3,550.19	0.25%
1	4363-025-003	\$2,559.52	0.18%
1	4363-025-004	\$3,251.75	0.23%
1	4363-025-005	\$3,336.53	0.23%
1	4363-025-006	\$2,812.09	0.20%
1	4363-025-007	\$2,816.77	0.20%
1	4363-025-008	\$3,233.51	0.23%
1	4363-025-009	\$9,275.61	0.65%
1	4363-025-010	\$3,233.28	0.23%
1	4363-025-011	\$3,404.00	0.24%
1	4363-025-012	\$10,883.94	0.76%
	Private Parcels	\$1,243,967.71	87.06%
	Publicly Owned Parcels	\$184,872.29	12.94%
	<b>Total All Parcels</b>	<b>\$1,428,840.00</b>	<b>100.00%</b>