

Attachment A

**Hooper Commons
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*

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 5

SECTION D: Proportional Benefits 9

SECTION E: Special and General Benefits 11

SECTION F: Cost Estimate 15

SECTION G: Apportionment Method 16

SECTION H: Assessment Roll 19

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 Hooper Commons ("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 five (5) years, commencing January 1, 2027 and ending December 31, 2031. 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 7% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 7% 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..."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*

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."³

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

³ 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.⁴

"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."⁵

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."⁶

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.

⁴ Section 4, Article XIID of the State Constitution.

⁵ Section 2 (i), Article XIID of the State Constitution.

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

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Hooper Commons 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 and Safe programs as well as Marketing. Specifically, the Hooper Commons PBID shall provide the activities described in greater detail in Section 3 of the Management District Plan: District Improvement and Activity Plan.

SECTION C: BENEFITTING PARCELS

PBID Boundary Description

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

Beginning at the intersection of Olympic Boulevard and Birch Street turn east along Olympic Boulevard to the intersection of McGarry Street. At McGarry Street turn south along McGarry Street to 14th Street. At 14th Street turn west along 14th Street to Long Beach Avenue. At Long Beach Avenue turn south along Long Beach Avenue to 15th Street. At 15th Street turn west along 15th Street to Hooper Avenue. At Hooper Avenue turn south along Hooper Avenue to 16th Street. At 16th Street turn west along 16th Street to Central Avenue. At Central Avenue turn north along Central Avenue to 15th Street. At 15th Street turn east along 15th Street to the eastern boundary of APN 5130-014-025. Continue south along the eastern boundary of APN 5130-014-025 and then continue east along the southern boundary line of parcels facing 15th Street to the western boundary of APN 5130-014-010. Turn north across 15th Street to the western boundary of APN 5130-011-036. Continue north along the western boundary of APN 5130-011-036 and then continue west along the north boundary line of parcels facing 15th Street to the eastern boundary line of APN 5130-011-003. Continue north along the eastern boundary of APN 5130-011-003 to the southern boundary of APN 5130-011-906. Turn west along the southern boundary of APN 5130-011-906 to Central Avenue. Continue north along Central Avenue to 14th Street. At 14th Street turn west along 14th Street to the western boundary of APN 5132-017-005. Continue north along the western boundary of APN 5132-017-005 and 5132-017-004, across Pico Boulevard to the western boundary of APN 5132-016-035. At APN 5132-016-035 turn east along the northern boundary of parcels facing Pico Boulevard to Central Avenue. At Central Avenue turn north along Central Avenue to the northern boundary of APN 5130-001-028. Turn east along the northern boundary of APN 5130-001-028 and APN 5130-002-055 to Birch Street. Continue north on Birch Street to the beginning point at Olympic Boulevard. Alleyways within the boundary are included in BID services.

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 projecting future service 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 is made up of a high concentration of industrial, manufacturing, commercial, residential and creative uses. Zone 1 has higher pedestrian traffic than Zone 2 and a higher demand for clean and safe services because of the high level of usage. The west boundary for Zone 1 is Central Avenue including parcels west of Central Avenue along Pico Boulevard and 14th Street just before Paloma Street. The north boundary is Olympic Boulevard. The east boundary is

McGarry Street and Long Beach Avenue and the south boundary is 15th Street and 16th Street. Zone 1 has higher pedestrian traffic than Zone 2 and a higher demand for clean and safe services because of the high level of usage. Therefore, property owners in Zone One will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

Zone 2:

Zone 2 is made up primarily of large parcels with buildings that are fenced and house only one business and employee parking lots that are completely fenced. The west boundary for Zone 2 is Central Avenue. The north boundary is 12th Street. The east boundary is Hooper Street and the south boundary is Newton Street. Zone 2 has lower pedestrian traffic than Zone 1 and a lower demand for clean and safe services than Zone 1. Therefore, property owners in Zone 2 will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

District Boundary Rationale

The property uses within the general boundaries of the Hooper Commons Business Improvement District are a mix of industrial, manufacturing, commercial, residential, and creative parcels. Services and improvements provided by the District are designed to provide special benefits to parcels that contain industrial, manufacturing, commercial, residential, and creative 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 encouraging commerce that provide a special benefit to industrial, manufacturing, commercial, residential, and creative 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: The northern boundary of the Hooper Commons Business Improvement District on Olympic Boulevard abuts the boundary of the Downtown Industrial Business Improvement District. This district provides improvements and activities similar to the services provided by the Hooper Commons Business Improvement District. Additionally, State Law indicates that proposed districts, such as the Hooper Commons Business Improvement District cannot expand into existing, established Property-Based BID district boundaries, such as the adjacent Downtown Industrial Business Improvement District. Improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

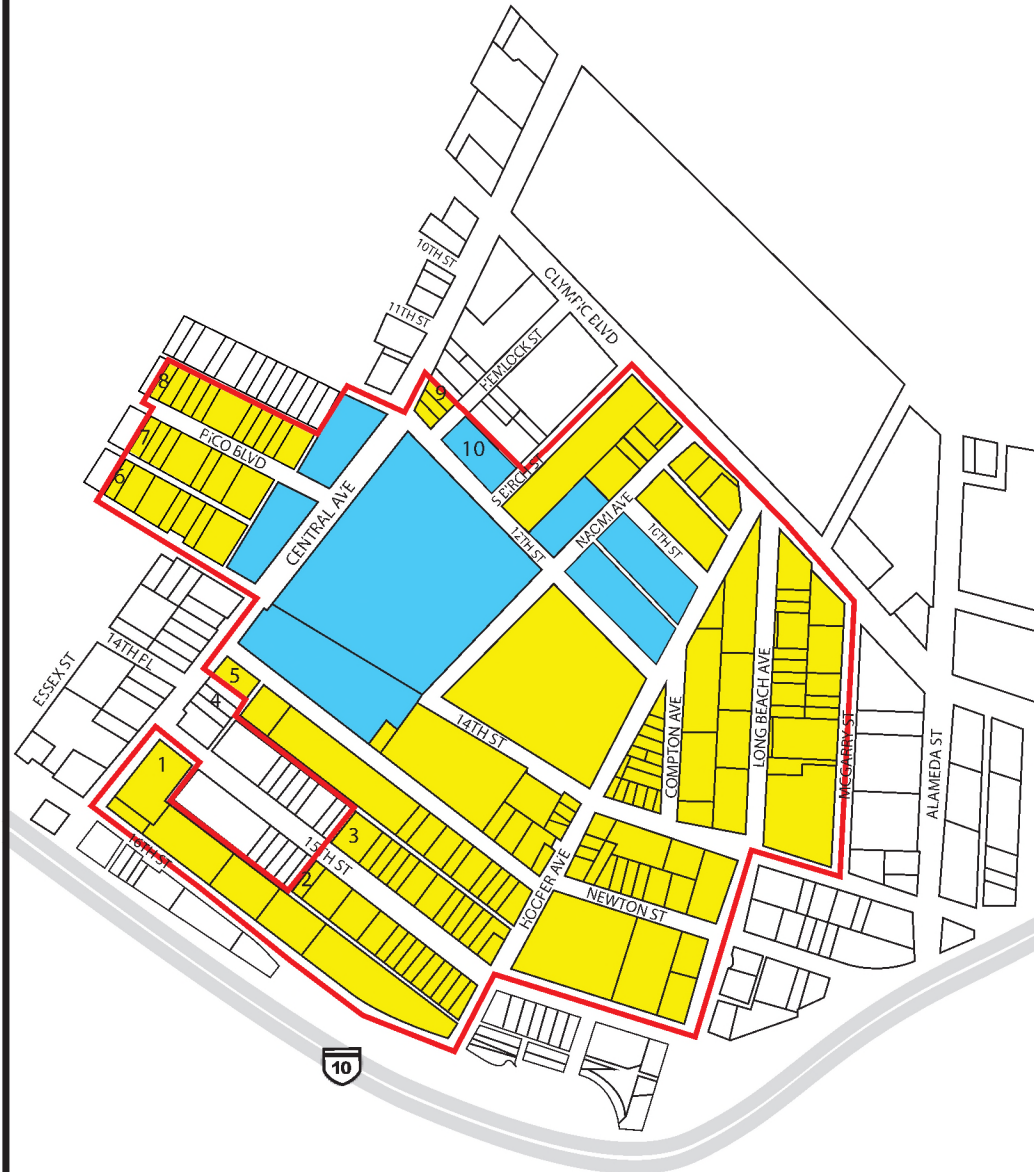
Eastern Boundary: The eastern boundary of the Hooper Commons Business Improvement District is McGarry Street and Long Beach Avenue. Properties on the east side of McGarry Street and Long Beach Avenue act as a natural barrier to separate the west side with numerous shipping and receiving points that draws truck traffic to those streets. 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 within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Southern Boundary: The southern boundary of the Hooper Commons Business Improvement District abuts portions of the 10 Freeway forming a natural barrier to separate the District from property on the south side of the 10 Freeway from parcels outside of the District. 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 within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Western Boundary: The western boundary of the Hooper Commons Business Improvement District from 14th Street to Pico Street abuts the Fashion District Business Improvement District one parcel east of Paloma and provides improvements and activities similar to the services provided by the Hooper Commons Business Improvement District. Parcels within the District are different from those property uses west of the District in that they are primarily industrial, manufacturing, commercial, residential and creative uses. Property uses west of the District's western border are primarily wholesale, fashion related office, and small retail candy, party supply, candy, piñata stores, automotive and electronics. These uses are different from the industrial, manufacturing, commercial, residential, and creative uses within the District and will not benefit from the services and programs that are designed to provide special benefit to the industrial, manufacturing, commercial, residential and creative uses within the Hooper Commons Business Improvement District. 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 within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Hooper Commons Business Improvement District Proposed Boundaries



LEGEND

- District Boundary
 - Zone 1
 - Zone 2
- APN:
- | | |
|-----------------|------------------|
| 1= 5130-014-025 | 8= 5132-016-035 |
| 2= 5130-014-010 | 9= 5130-001-028 |
| 3= 5130-011-036 | 10= 5130-002-055 |
| 4= 5130-011-003 | |
| 5= 5130-011-906 | |
| 6= 5132-017-005 | |
| 7= 5132-017-004 | |



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 Hooper Commons Business Improvement District is Parcel Square Footage and Building Square Footage as the two 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.

Services and improvements provided by the District are designed to provide special benefits to the mix of industrial, manufacturing, commercial and creative parcels. The use of each parcel's Parcel Square Footage and Building Square 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, 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 and Building Square Footage in Zones 1 and Zone 2 to every other parcel's Parcel Square Footage and Building Square 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. Eighty percent (80%) of the Zone 1 and 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 percent (20%) of the Zone 1 and Zone 2 budget are allocated to building square footage.

Based on the Special Benefit Factors and Benefit Zones 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:

Assessable Footage	Zone 1	Zone 2
Parcel Sq.Ft.	2,245,720	817,393
Building Sq.Ft.	1,720,066	383,674

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 XIID 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.”⁷

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

⁷ 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 Hooper Commons 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 and Safe

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.”⁸ 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 and Safe 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

⁸ “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.”⁹

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

Marketing

The marketing 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.

Administration/City Fees/Reserve

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.

⁹ “Benefits of Sidewalks”, Iowa Healthiest State Initiative, November 1, 2017

General Benefit Defined

As required by the State Constitution Article XIIID 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

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 Hooper Commons PBID, we assigned 2%, or \$25,460.00 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 Hooper Commons PBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Hooper Commons 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	Zone 2	TOTAL BUDGET
Clean and Safe	\$940,176.00	\$120,000.00	\$1,060,176.00
Marketing	\$59,744.00	\$10,000.00	\$69,744.00
Admininstration/City Fees/Reserve	\$123,080.00	\$20,000.00	\$143,080.00
Total Expenditures	\$1,123,000.00	\$150,000.00	\$1,273,000.00
REVENUES			
Assessment Revenues	\$1,100,540.00	\$147,000.00	\$1,247,540.00
Other Revenues	\$22,460.00	\$3,000.00	\$25,460.00
Total Revenues	\$1,123,000.00	\$150,000.00	\$1,273,000.00

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. 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 as carryover funds. 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 and Parcel Square Footage. The table below indicates the assessable footage for each.

Assessable Footage	Zone 1	Zone 2
Parcel Sq.Ft.	2,245,720	817,393
Building Sq.Ft.	1,720,066	383,674

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.	\$0.3920	\$0.1439
Building Sq.Ft.	\$0.1280	\$0.0766

Assessment Rate Calculation

The assessment rate for each benefit zone is determined by the following calculation, assessment rates are rounded to the fourth decimal place:

Zone 1 Assessment Budget = \$1,100,540.00

Assessment Budget allocated to Parcel Square Footage @ 80% = \$880,432.00

Assessment Budget allocated to Building Square Footage @ 20% = \$220,108.00

Zone 1 Parcel Square Footage Assessment Rate-

Assessment Budget \$880,432.00 / 2,245,720 Parcel Sq Ft = \$0.3920

Zone 1 Building Square Footage Assessment Rate-

Assessment Budget \$220,108.00 / 1,720,066 Building Sq Ft = \$0.1280

Zone 1 Sample Parcel Assessment

To calculate the assessment for a parcel with 10,000 square feet of parcel footage and 10,000 square feet of building, multiply the Parcel Square Footage (10,000) by the Assessment Rate (\$0.3920) = (\$3,920) + multiple the Building Square Footage (10,000) by the Assessment Rate (\$0.1280) = (\$1,280) = Initial Annual Parcel Assessment (\$5,200.00).

Zone 2 Assessment Budget = \$147,000.00
 Assessment Budget allocated to Parcel Square Footage @ 80% = \$117,600.00
 Assessment Budget allocated to Building Square Footage @ 20% = \$29,400.00

Zone 2 Parcel Square Footage Assessment Rate-
 Assessment Budget \$117,600.00 / 817,393 Parcel Sq Ft = \$0.1439
Zone 2 Building Square Footage Assessment Rate-
 Assessment Budget \$29,400.00 / 383,674 Building Sq Ft = \$0.0766

Zone 2 Sample Parcel Assessment

To calculate the assessment for a parcel with 10,000 square feet of parcel footage and 10,000 square feet of building, multiply the Parcel Square Footage (10,000) by the Assessment Rate (\$0.1439) = (\$1,439) + multiple the Building Square Footage (10,000) by the Assessment Rate (\$0.0766) = (\$766) = Initial Annual Parcel Assessment (\$2,205.00).

Public Property Assessments

There are 3 Los Angeles Unified School District parcels in the PBID, both of which are identified as assessable and for which special benefit services will be provided.

All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Article XIIIID 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	Site Address	APN	Owner Name	2027 Asmt	%
1		5130-006-900	L A Unified School Dist	\$118,580.84	9.51%
1		5130-010-907	L A Unified School Dist	\$48,463.52	3.88%
1	1330 Newton St	5130-011-905	L A Unified School Dist	\$30,644.27	2.46%
				\$197,708.63	15.85%

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 7% in any given year. The maximum increase for any given year cannot exceed 7% 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 7% annual increase for all assessment rates. Maximum Assessment Table, figures are rounded to the fourth decimal place.

	2027	2028	2029	2030	2031
Zone 1 Parcel Sq Ft Rate	\$0.3920	\$0.4195	\$0.4489	\$0.4803	\$0.5139
Zone 1 Building Sq Ft Rate	\$0.1280	\$0.1369	\$0.1465	\$0.1568	\$0.1677
Zone 2 Parcel Sq Ft Rate	\$0.1439	\$0.1539	\$0.1647	\$0.1762	\$0.1886
Zone 2 Building Sq Ft Rate	\$0.0766	\$0.0820	\$0.0877	\$0.0939	\$0.1004

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 1st 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

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 \$1,247,540, apportioned to each individual assessed parcel is included in Section 7 of the attached Management District Plan.

Zone	Site Address	APN	Owner Name	2027 Asmt	%
1		5130-006-900	L A Unified School Dist	\$118,580.84	9.51%
1		5130-010-907	L A Unified School Dist	\$48,463.52	3.88%
1	1330 Newton St	5130-011-905	L A Unified School Dist	\$30,664.27	2.46%
				\$197,708.63	15.85%

Zone	APN	2027 Asmt	%
1	5130-001-028	\$1,986.61	0.16%
1	5130-001-029	\$1,591.21	0.13%
1	5130-001-030	\$2,648.55	0.21%
2	5130-002-055	\$4,382.34	0.35%
1	5130-003-041	\$5,639.24	0.45%
1	5130-003-042	\$1,334.57	0.11%
1	5130-003-054	\$2,597.32	0.21%
1	5130-003-055	\$1,862.23	0.15%
2	5130-003-058	\$7,377.71	0.59%
1	5130-003-059	\$36,209.53	2.90%
1	5130-003-060	\$8,557.62	0.69%
1	5130-004-008	\$20,617.76	1.65%
1	5130-004-013	\$4,707.88	0.38%
1	5130-004-015	\$4,769.89	0.38%
1	5130-004-016	\$8,751.37	0.70%
2	5130-005-014	\$9,489.55	0.76%
2	5130-005-015	\$8,946.90	0.72%
2	5130-008-045	\$77,368.43	6.20%
1	5130-010-024	\$2,600.07	0.21%
1	5130-010-037	\$4,797.18	0.38%
1	5130-010-038	\$3,218.88	0.26%
1	5130-010-039	\$5,920.76	0.47%
1	5130-010-040	\$1,540.75	0.12%
1	5130-010-041	\$9,444.95	0.76%
1	5130-010-042	\$1,071.95	0.09%
1	5130-010-043	\$1,100.42	0.09%
1	5130-010-044	\$1,165.72	0.09%
1	5130-010-045	\$1,128.12	0.09%
2	5130-010-048	\$26,010.09	2.08%
1	5130-011-036	\$8,275.56	0.66%

1	5130-011-906	\$4,390.95	0.35%
1	5130-011-907	\$8,416.33	0.67%
1	5130-012-002	\$2,654.23	0.21%
1	5130-012-003	\$2,195.47	0.18%
1	5130-012-004	\$2,814.82	0.23%
1	5130-012-005	\$2,195.47	0.18%
1	5130-012-011	\$3,027.25	0.24%
1	5130-012-012	\$3,027.25	0.24%
1	5130-012-013	\$3,027.25	0.24%
1	5130-012-018	\$3,914.37	0.31%
1	5130-012-019	\$2,400.82	0.19%
1	5130-012-020	\$2,541.58	0.20%
1	5130-012-021	\$2,633.72	0.21%
1	5130-012-024	\$2,556.94	0.20%
1	5130-012-025	\$5,362.13	0.43%
1	5130-012-032	\$5,335.33	0.43%
1	5130-012-033	\$5,523.18	0.44%
1	5130-012-034	\$4,592.71	0.37%
1	5130-012-035	\$3,087.98	0.25%
1	5130-012-037	\$3,419.56	0.27%
1	5130-012-038	\$2,588.75	0.21%
1	5130-012-040	\$2,439.39	0.20%
1	5130-012-041	\$6,258.26	0.50%
1	5130-013-021	\$2,195.47	0.18%
1	5130-013-022	\$2,803.56	0.22%
1	5130-013-023	\$2,656.15	0.21%
1	5130-013-039	\$8,408.64	0.67%
1	5130-013-041	\$5,330.34	0.43%
1	5130-013-042	\$4,907.26	0.39%
1	5130-013-043	\$2,117.06	0.17%
1	5130-013-044	\$2,117.06	0.17%
1	5130-013-045	\$2,117.06	0.17%
1	5130-013-046	\$2,117.06	0.17%
1	5130-013-047	\$2,117.06	0.17%
1	5130-013-049	\$31,482.64	2.52%
1	5130-014-010	\$2,819.94	0.23%
1	5130-014-025	\$20,575.90	1.65%
1	5130-014-026	\$4,466.33	0.36%
1	5130-014-028	\$18,230.40	1.46%
1	5130-014-030	\$8,060.29	0.65%
1	5130-014-032	\$12,991.44	1.04%
1	5130-014-034	\$12,061.64	0.97%
1	5130-019-031	\$65,376.64	5.24%
1	5130-019-032	\$24,864.87	1.99%

1	5130-019-036	\$8,593.05	0.69%
1	5130-019-037	\$6,471.71	0.52%
1	5130-019-801	\$98.01	0.01%
1	5130-020-001	\$2,509.11	0.20%
1	5130-020-003	\$1,350.53	0.11%
1	5130-020-004	\$1,368.19	0.11%
1	5130-020-006	\$3,229.56	0.26%
1	5130-020-008	\$1,790.49	0.14%
1	5130-020-009	\$1,881.83	0.15%
1	5130-020-010	\$1,881.83	0.15%
1	5130-020-011	\$3,110.30	0.25%
1	5130-020-012	\$4,992.13	0.40%
1	5130-020-013	\$6,210.36	0.50%
1	5130-020-014	\$9,121.03	0.73%
1	5130-020-018	\$11,927.20	0.96%
1	5130-020-019	\$2,545.15	0.20%
1	5130-020-021	\$15,917.32	1.28%
1	5130-023-010	\$2,470.47	0.20%
1	5130-023-011	\$4,992.13	0.40%
1	5130-023-012	\$2,466.63	0.20%
1	5130-023-013	\$2,470.47	0.20%
1	5130-023-014	\$2,470.47	0.20%
1	5130-023-018	\$1,881.83	0.15%
1	5130-023-019	\$2,496.07	0.20%
1	5130-023-020	\$9,442.25	0.76%
1	5130-023-031	\$2,283.64	0.18%
1	5130-023-032	\$2,279.17	0.18%
1	5130-023-043	\$8,415.15	0.67%
1	5130-023-045	\$43,319.41	3.47%
1	5130-023-046	\$3,763.67	0.30%
1	5130-023-048	\$4,591.60	0.37%
1	5130-023-049	\$8,924.71	0.72%
1	5130-023-050	\$15,890.77	1.27%
1	5130-023-053	\$6,289.40	0.50%
1	5130-024-001	\$3,904.81	0.31%
1	5130-024-002	\$13,913.90	1.12%
1	5130-024-005	\$18,329.00	1.47%
1	5130-024-008	\$3,517.78	0.28%
1	5130-024-009	\$928.56	0.07%
1	5130-024-010	\$1,035.01	0.08%
1	5130-024-011	\$1,409.69	0.11%
1	5130-024-012	\$3,168.21	0.25%
1	5130-024-013	\$2,212.14	0.18%
1	5130-024-014	\$964.44	0.08%

1	5130-024-015	\$1,082.68	0.09%
1	5130-024-016	\$2,180.14	0.17%
1	5130-024-017	\$1,356.49	0.11%
1	5130-024-018	\$1,066.37	0.09%
1	5130-024-019	\$1,906.51	0.15%
1	5130-024-020	\$1,834.81	0.15%
1	5130-024-021	\$1,213.28	0.10%
1	5130-024-022	\$983.16	0.08%
1	5130-024-026	\$13,009.34	1.04%
1	5130-024-027	\$18,825.61	1.51%
1	5130-024-028	\$12,295.81	0.99%
1	5130-024-029	\$12,295.81	0.99%
1	5132-016-012	\$2,834.05	0.23%
1	5132-016-014	\$3,057.68	0.25%
1	5132-016-016	\$3,038.06	0.24%
1	5132-016-018	\$3,031.78	0.24%
1	5132-016-026	\$2,881.35	0.23%
1	5132-016-035	\$2,368.87	0.19%
1	5132-016-039	\$5,603.50	0.45%
1	5132-016-040	\$8,356.05	0.67%
1	5132-016-041	\$2,898.42	0.23%
1	5132-016-042	\$2,887.03	0.23%
1	5132-016-043	\$3,404.68	0.27%
2	5132-016-048	\$6,683.14	0.54%
1	5132-017-004	\$2,851.32	0.23%
1	5132-017-005	\$2,930.73	0.23%
1	5132-017-006	\$2,870.54	0.23%
1	5132-017-008	\$3,120.08	0.25%
1	5132-017-011	\$9,808.50	0.79%
1	5132-017-013	\$2,952.76	0.24%
1	5132-017-014	\$3,115.03	0.25%
1	5132-017-016	\$4,033.08	0.32%
1	5132-017-018	\$3,381.18	0.27%
1	5132-017-022	\$10,445.92	0.84%
1	5132-017-031	\$7,176.66	0.58%
1	5132-017-032	\$5,947.94	0.48%
1	5132-017-033	\$6,023.93	0.48%
1	5132-017-034	\$9,174.31	0.74%
2	5132-017-035	\$6,741.84	0.54%
	Total Private Parcels	\$1,049,831.37	84.15%
	Total Publicly Owned Parcels	\$197,708.63	15.85%
	Total All Parcels	\$1,247,540.00	100.00%