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ANTONIO R. VILLARAIGOSA
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OFFICE OF THE
CITY CLERK

ADMINISTRATIVE SERVICES
SPECIAL ASSESSMENTS SECTION

200 N. SPRING STREET, ROOM 224
LOS ANGELES, CA 90012
TEL: (213) 978-1099
FAX: (213) 978-1130

MIRANDA PASTER
ACTING CHIEF

June 7, 2012

Honorable Members of the City Council
City Hall, Room 395
200 North Spring Street
Los Angeles, California 90012

Council District 11

REGARDING: BRENTWOOD VILLAGE (PROPERTY BASED) BUSINESS
IMPROVEMENT DISTRICT RENEWAL

Honorable Members:

The City Clerk has received materials from the owners association relative to the formation of a proposed property and business improvement district to be called the Brentwood Village Business Improvement District ("District"). The District would be formed pursuant to the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California).

This report shall serve as the Preliminary Report of the City Clerk. Attached to this report are: 1) the Management District Plan, which details the improvements and activities to be provided and serves as the framing document for the proposed District; 2) a detailed Engineer's Report prepared by a registered professional Engineer certified by the State of California, which supports the assessment contained in the Management District Plan; and 3) a draft Ordinance of Intention, approved as to form and legality by the City Attorney's Office.

BACKGROUND

The District originally established through adoption of City Ordinance 174872 on October 2, 2002 and reestablished through adoption of City Ordinance 179161 on August 15, 2007 and is set to expire on December 31, 2012. The District is being established in accordance with the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California)("State Law"), which allows for the establishment of a district in which operations would be supported by revenue collected from property owners in the district.

The proposed District programs include, but are not limited to the following: Sidewalk Services, Beautification Program and Administration Operations.

PRELIMINARY PETITIONS

In order to proceed with the establishment process under the State Law, the proponent group needed to secure written support for the project in the form of petitions signed by property owners who will pay more than 50 percent of the assessments proposed to be levied. The proponent group for the proposed District, the Brentwood Village Business Association, has presented to the Office of the City Clerk a set of petitions that support the formation of the proposed District. This Office has verified the validity of the petitions using various City and County of Los Angeles sources. In addition, this Office has verified the accuracy of the assessment calculations.

The petitions received indicate affirmative financial support of the project in an amount equivalent to \$43,048.01. This represents 57.40 percent (57.4%) of the proposed District's projected first year revenue of \$75,000. Because the more than 50 percent threshold of preliminary support has been achieved, the formal business improvement district establishment process, including a public hearing before the City Council, may be initiated.

PROPOSED DISTRICT BOUNDARIES

The boundaries of the proposed District are detailed in the Management District Plan. A general description of the area within the boundaries of the proposed District is as follows: The new proposed District area boundaries will remain the same as the current Brentwood Village PBID area, which consists of approximately seven blocks in the Brentwood commercial district in west Los Angeles, including all properties along Barrington Place, Barrington Court, and Barrington Avenue between Sunset Boulevard and Barrington Place.

There are 29 parcels owned by 19 stakeholders in the District. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

DISTRICT ESTABLISHMENT AND PROPOSITION 218 COMPLIANCE

Article XIID of the California Constitution (Proposition 218) requires, among other things, that: 1) the City Council identify all parcels that will have a special benefit conferred upon them and upon which assessments will be imposed; 2) the City Council not impose an assessment on a parcel which exceeds the reasonable cost of the proportional benefit conferred on that parcel; 3) the City Council separate the general benefits from the special benefits conferred on a parcel; and 4) all assessments be supported by a detailed Engineer's Report prepared by a registered professional Engineer certified by the State of California. The Engineer's Report included herewith supports the assessments contained in the Management District Plan and, in addition, includes facts, which would support City Council findings relative to items 1 through 3 above.

Proposition 218 also includes certain notice, protest and hearing requirements. Those requirements are codified in the Proposition 218 Omnibus Implementation Act ("Act")(California Government Code Section 53750 et seq.). This report recommends that the City Council direct the City Clerk to comply with the Act. Establishment of the proposed District is contingent upon the City's receipt of a weighted majority of financially supportive ballots as submitted by the affected property owners. The City Clerk will tabulate the ballot returns and will report the results to the City Council.

EXEMPTION UNDER PROPOSITION 26

On November 2, 2010, voters in the State of California passed Proposition 26, which broadened the definition of taxes and which require approval by two-thirds of each house of the Legislature or by local voter approval. However, Article XIII C §1(e)(7) of the California Constitution states that "assessments and property-related fees imposed in accordance with the provisions of Article XIID are exempt." As previously stated, the proposed District is being established in accordance with Article XIID of the California Constitution and is therefore exempt from Proposition 26.

PROPOSED IMPROVEMENTS AND PROGRAMS

The District is expected to generate \$75,000 annually over a five-year period with a maximum five percent (5%) increase per year. The revenue will be utilized to fund the proposed District's improvements and activities that include, but are not limited to: Sidewalk Services, Beautification Program and Administration Operations.

Improvements and activities are services which will be provided to supplement the services already provided by the City of Los Angeles and will not supplant City services. The Owners Association may contract with third party vendors to perform and complete District improvements and activities and uphold to City and State regulations where applicable. The proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles and the City is not involved with selection of the Districts' vendors.

ASSESSMENT FORMULA AND DISBURSEMENTS

The District's proposed assessment formula will be based solely on ground floor building square footage two (2) Benefit Zones within the proposed new District. Assessments within these 'benefit zones' vary according to the concentration and frequency of services that will be delivered to each of the respective areas as described in the Management District Plan.

The City Clerk will arrange to have the proposed District's assessments included as a line item on the property tax bills prepared and distributed by the County of Los Angeles. If necessary, this Office will directly bill property owners or entities that do not appear on the tax roll. The County will subsequently transfer assessment revenue to the City.

Assessment revenue will be held in trust by the City and will be disbursed through installments to the District to support authorized District improvements and activities.

CONTRACTING WITH OWNERS' ASSOCIATION

Upon the establishment of the District, State law requires that the City enter into an agreement with an Owners' Association for the administration of the District. City policy dictates that competitive bidding requirements are to be met when contracting. However, Charter sections 371(e)(2) and 371(e)(10) provide exceptions to the competitive bidding requirements, and states, in relevant part, that the competitive bidding process does not apply to contracts "for the performance of professional, scientific, expert, technical, or other special services of a temporary and occasional character" and "where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements."

The Brentwood Village Business Association has administered the Brentwood Village Business Improvement District since the District was originally established, overseeing expenditures, managing and implementing the District's improvements and activities. The Brentwood Village Business Association possesses the unique knowledge and expertise relative to the administration of the District and has a vested interest in the success of the District. Therefore, it would be impractical, not advantageous and undesirable to comply with the competitive bidding requirements or to select another entity to administer the District, if the District is renewed.

ASSESSABLE CITY PROPERTY

There are no City-owned parcels within the District.

FISCAL IMPACT

There are no assessments for City-owned properties within the BID, therefore there is no impact on the General Fund.

RECOMMENDATIONS

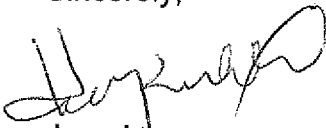
1. FIND that the petitions submitted on behalf of the proponents of the proposed Brentwood Village Business Improvement District are signed by property owners who will pay more than fifty (50) percent of the assessments proposed to be levied.
2. FIND that all parcels that will have a special benefit conferred upon them and upon which an assessment would be imposed are those as identified in the Management District Plan.
3. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the

assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.

4. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, there are *de minimis* general benefits to be separated from the special benefits conferred on each parcel within the proposed District.
5. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, no assessment imposed on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
6. FIND that the assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIIC §1(e).
7. FIND that the services to be provided by the Owners' Association, Brentwood Village Business Association, are in the nature of professional, expert, technical or other special services, that the services are of a temporary and occasional character, and that the use of competitive bidding would be impractical, not advantageous, undesirable or where the common law otherwise excuses compliance with competitive bidding requirements.
8. FIND that the proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
9. APPROVE the Brentwood Village Business Association to serve as the Owners' Association to administer the Brentwood Village Business Improvement District.
10. ADOPT the Preliminary Report of the City Clerk.
11. ADOPT the attached Management District Plan.
12. ADOPT the attached Engineer's Report.
13. ADOPT the attached Ordinance of Intention to establish the Brentwood Village Business Improvement District.
14. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute and administer a contract between the City of Los Angeles and the Brentwood Village Business Association, a non-profit corporation, for the administration of the District's programs upon adoption of the ordinance establishing the District.

15. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 et seq.).
16. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an enabling Ordinance establishing the Brentwood Village Business Improvement District for City Council consideration at the conclusion of the required public hearing.

Sincerely,



June Lagmay
City Clerk

JL:HLW:MCP:RMH:PM:rks

Attachments:

Draft Ordinance of Intention
Management District Plan
Engineer's Report

**BRENTWOOD VILLAGE
PROPERTY AND BUSINESS IMPROVEMENT
DISTRICT
MANAGEMENT DISTRICT PLAN
2013-2022**

*Being renewed pursuant to Section 36600 et seq.
of the California Streets and Highways Code -
The Property and Business Improvement District Law of 1994*

PLAN SUBMITTED BY:

**BRENTWOOD VILLAGE PROPERTY OWNER'S ASSOCIATION
WITH ASSISTANCE FROM EDWARD HENNING & ASSOCIATES**

APRIL 23, 2012

**THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (BID)
MANAGEMENT DISTRICT PLAN**

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APPENDIX A - LIST OF PARCELS – 2013 ASSESSMENTS

ATTACHMENT 1 - ENGINEER'S REPORT

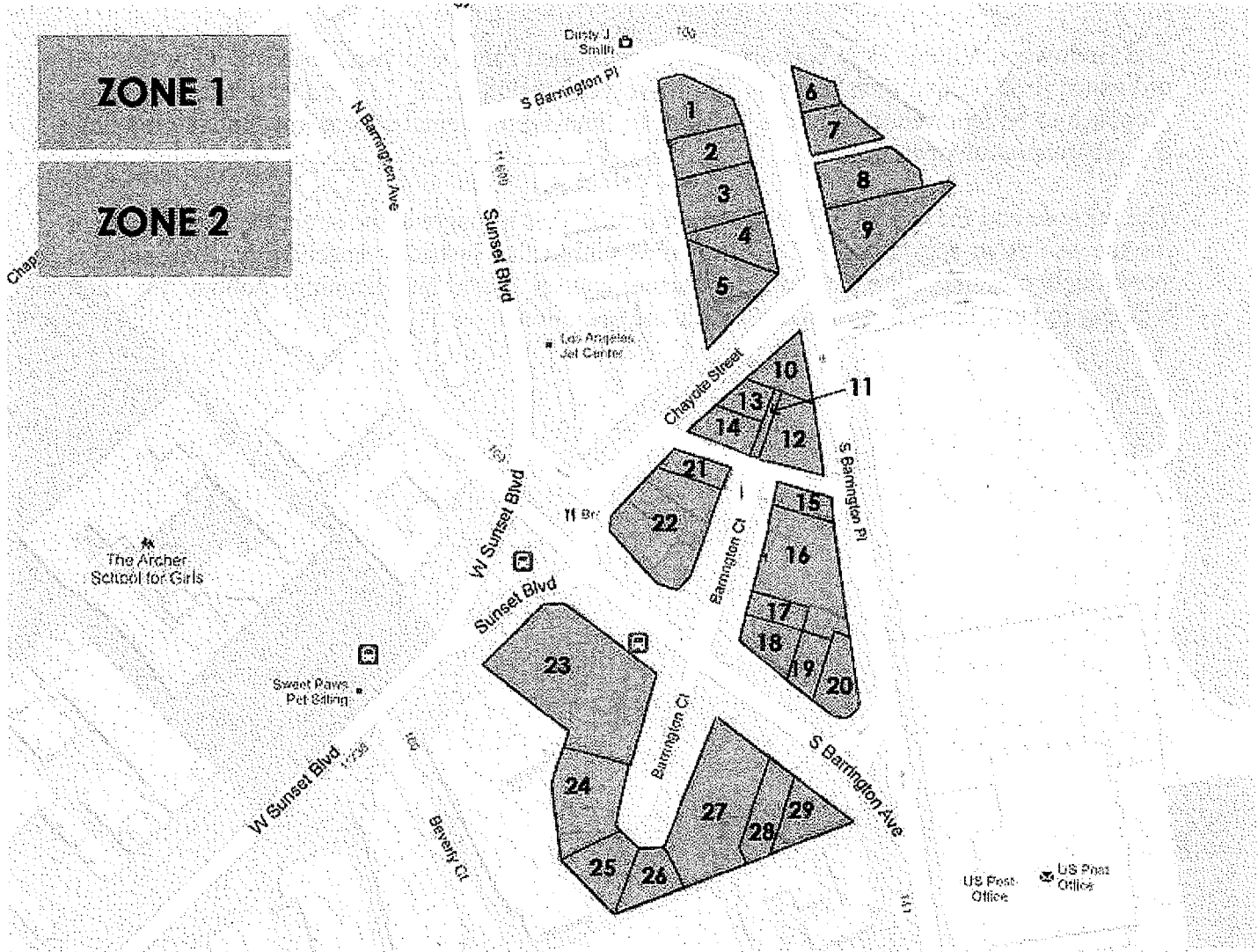
A. INTRODUCTION

The Brentwood Village Property and Business Improvement District (Brentwood Village BID) is located along Barrington Avenue and Barrington Place within the heart of the community of Brentwood in West Los Angeles.

The Brentwood Village BID was originally established for a five year period by City Council ordinance in 2002 and then renewed for a five year period in 2007. The District is now being proposed to be renewed for another 10 years to fund supplemental streetscape, holiday lighting, and administration/operations.

The purpose and focus of the Brentwood Village BID is to upgrade the streetscape environment for the exclusive special benefit of properties within the District. Specifically, this includes streetscape cleaning, litter pickup, landscape upkeep, trash bin cleaning, holiday tree and building lighting and related administration and operations.

B. MAP OF DISTRICT AND PARCELS AFFECTED



Brentwood Village BID Map Legend

Map #	APN	Street Address
1	4402-008-010	125 S. BARRINGTON PL
2	4402-008-011	131 S. BARRINGTON PL
3	4402-008-012	137 S. BARRINGTON PL
4	4402-008-013	11605 CHAYOTE ST
5	4402-008-014	11605 CHAYOTE ST
6	4365-004-031	124 S. BARRINGTON PL
7	4365-004-030	132 S. BARRINGTON PL
8	4365-004-029	138 S. BARRINGTON PL
9	4365-004-034	150 S. BARRINGTON PL
10	4401-006-006	151 S. BARRINGTON PL
11	4401-006-019	BARRINGTON WALK
12	4401-006-018	155 S. BARRINGTON PL
13	4401-006-005	11608 CHAYOTE ST
14	4401-006-004	100 BARRINGTON WALK
15	4401-006-009	11620 BARRINGTON COURT
16	4401-006-012	11628 BARRINGTON COURT
17	4401-006-013	11636 BARRINGTON COURT
18	4401-006-014	134 S. BARRINGTON AVE
19	4401-006-010	140 S. BARRINGTON AVE
20	4401-006-011	146 S. BARRINGTON AVE
21	4401-006-003	11621 BARRINGTON COURT
22	4401-006-020	100 S. BARRINGTON AVE
23	4401-007-016	115 S. BARRINGTON AVE
24	4401-007-008	11741 BARRINGTON COURT
25	4401-007-007	11735 BARRINGTON COURT
26	4401-007-006	11734 BARRINGTON COURT
27	4401-007-018	11702 BARRINGTON COURT
28	4401-007-017	131 S. BARRINGTON AVE
29	4401-007-001	141 S. BARRINGTON AVE

C. NAME OF DISTRICT

The name of this renewed district is The Brentwood Village Property and Business Improvement District.

D. DESCRIPTION OF BOUNDARIES AND BENEFIT ZONES

The Brentwood Village BID includes the area described as follows:

- East and West Barrington Court
- Barrington Ave - Sunset Blvd. on the north to the intersection with Barrington Pl. on the south
- Barrington Walk – between Chayote St. and Barrington Pl.
- Barrington Place - Barrington Ave. on the south to Sunset Blvd. on the north
- Chayote Street - Barrington Ave. on the west to Barrington Place on the east

This area represents one of the core commercial districts in the community of Brentwood, and is unique in its combination and intensity of retail, restaurant and service/office uses.

There are a total of 29 commercially zoned parcels within the District of which 26 are identified assessed parcels to receive special benefits. It is noted that the three commercial parcels not “identified” within the District contain no buildings on them and, thus, are not assessed in accordance with the applicable assessment methodology in effect for this District and described later in this Plan.

There are two identified parcels within the BID that have mixed zoning designations (i.e. commercial – LAC2 and residential – LAR3). These parcels are APN 4401-006-020 (100 S Barrington Ave/11636 Chayote St) and APN 4401-007-016 (115 S Barrington Ave/11700 W Sunset Blvd). Of note, the residential zoned portions of each parcel are developed only with surface parking lots and, in accordance with the assessment methodology in effect for this BID, do not factor into the assessment calculation levied on these two mixed zoning parcels.

There are two benefit zones in the renewed district. All BID parcels south of Sunset Boulevard/Chayote Street are located within Benefit Zone 1 and present the highest level for demand for services and will be assessed at the highest assessment rate. All BID parcels north of Sunset Boulevard/Chayote Street are within Benefit Zone 2 and present a moderate level for demand for services due to lower intensity land uses and will be assessed at a lower assessment rate than Zone 1 parcels.

The northern BID boundary is defined by Sunset Boulevard and the east/west portion of Barrington Place. The area north of the east/west portion of Barrington Place is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. All parcels fronting on Sunset Boulevard not in the BID are zoned residential (LAR3) and developed with either high-density apartments or residential condominiums. Pursuant to State Law, parcels zoned solely

residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. Thus, parcels fronting Sunset Boulevard are not included in the BID. No services from the existing BID are provided north of Sunset Boulevard or the east/west portion of Barrington Place and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The southern BID boundary (west of Barrington Avenue) is defined by a change of zoning (LAR3) and land use to high-density apartments. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided south of the southern BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The western BID boundary is defined by a change of zoning (LAR3) and land use to high-density apartments and residential condominiums. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided west of the western BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The eastern BID boundary south of Chayote Street is the centerline of Barrington Place. All properties on the east side of Barrington Place south of Chayote Street are outside of the City of Los Angeles city limits and part of unincorporated County of Los Angeles. The City of Los Angeles cannot include parcels outside of the city limits in a City established BID. The eastern BID boundary north of Chayote Street is defined by a change of zoning and land use and is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. No services from the existing BID are provided east of the eastern BID boundary and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

All identified parcels within the above-mentioned boundaries are being assessed to fund special benefit services for the special benefit of each assessed parcel within the District as outlined in this plan. Services are provided to each assessed parcel within the District and no services are provided outside the district boundaries. Each assessed parcel within the District will receive special benefits from District funded programs, services and improvements.

E. LIST OF IMPROVEMENTS AND ACTIVITIES FOR EACH YEAR OF OPERATION - 2013-2022

The proposed assessment levy for the first year of the proposed renewal (assessment year 2013) will be \$75,000 in order to fund streetscape services, beautification, and administration/operations. The market rate for programs may vary and the budget categories may require adjustments up or down to continue the intended level of services and programs. The Property Owner's Association may make such adjustments, not to exceed 10% annually. Accrued interest or delinquent payments may be expended in any budget category.

Any funds remaining after the tenth year of operation will be rolled over into the renewal budget or returned to property owners. Also, costs for renewal may be expended if funds are available in the ninth or tenth year of operations. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners in accordance with State BID law.

As stipulated by Proposition 218, assessment district programs and activities may confer a combination of general and special benefits to properties, but the only program benefits which can be funded through assessments are those attributed to special property related benefits. For the purposes of this analysis, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied." "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

Base level City services are enhanced, not replaced or duplicated, by BID funded services.

A DESCRIPTION OF IMPROVEMENTS IS AS FOLLOWS:

Improvements and Activities: The following are the improvements and activities funded by the Brentwood Village BID:

1) **Streetscape Services (cleaning, litter pickup, landscape upkeep, trash bin cleaning):** This program element funds various supplemental streetscape services performed by subcontract vendors within the streetscape areas adjacent to each assessed parcel to benefit each assessed parcel. Included are regular disposal of trash in streetscape bins; pick up excessive litter and debris in streetscape area; pressure washing of trash bin and streetscape areas; and, landscape upkeep on an "as needed" basis. The following describes the projected frequencies of regular streetscape services:

1. One time per month, clean and cultivate, as needed, all tree well planters, stand alone planters and single round planters.
2. Install new plant materials in all streetscape planter areas up to 3 times per year plus a special planting during the year end Holiday season.
3. Weekly cleaning of the Village fountain and periodic water changes.

4. Up to 5 times per week, trash bins will be emptied and bags replaced. Also at this time the area around the receptacles will be cleaned of all trash and debris.
5. Pressure washing of all streetscape areas up to 11 times per year and pressure washing of trash bins as needed, up to 6 times per year.
6. Pickup excessive litter and debris in streetscape areas, as needed.
7. Replace and repair trash can hardware, fountain parts and remove graffiti, as needed
8. Trim and prune landscaping, as needed

It is noted that while the programmed frequency of services is generally the same within both Benefit Zones 1 and 2, the concentration and quantity of trash, debris, landscaping and corresponding demand for streetscape services within Zone 2 has been found to be less than Zone 1 and thus the expense of providing these services to parcels in Zone 2 is less than for parcels in Zone 1. In turn, the assessment rate for Zone 2 is set at 75% of the Zone 1 assessment rate to reflect the actual reduced cost of providing special services for the direct benefit of Zone 2 parcels.

These supplemental streetscape services directly benefit each assessed parcel within the BID by creating positive perceptions of each assessed parcel within the Brentwood Village District as attractive, pedestrian-friendly shopping, dining and service businesses. Regular and professional streetscape care presents a clean and caring appearance of a well managed and successful business center for the direct and special benefit of each parcel within the BID.

Each supplemental streetscape service assists in beautifying the public areas adjacent to each parcel within the BID and enhances the image of this commercial core and the public streetscape areas adjacent to each assessed parcel within it. This activity is designed to increase commerce through increased customers, clients and sales and attract and attract and retain businesses for the benefit of each assessed parcel within the BID. These supplemental streetscape services will only be provided within the BID boundaries for the direct benefit of each assessed parcel within the BID; therefore these services constitute "special benefits" to each assessed parcel.

The cost of providing supplemental streetscape services for 2013 is estimated at \$54,000, or 72.0% of the 2013 budget.

2) Beautification: This program element will include holiday lighting on street trees and buildings within the BID. These amenities are intended to enhance the appeal and attraction of each parcel within the BID during the year end holiday season which is usually the busiest and most profitable part of the year for many Brentwood Village businesses. It is noted that BID funds may be further supplemented by annual holiday decoration grants from the Los Angeles Department of Water and Power.

Any BID funded amenities will only be provided within the BID boundaries and only for the direct benefit of each identified assessed parcel within the BID; therefore funding these amenities constitute "special benefits" to each assessed parcel.

The cost of funding amenities for 2013 is estimated at \$8,500, or 11.3% of the 2013 Budget.

3) Administration/Operations: This program element funds the costs for day to day contract management, preparation of regular BID related reports, office expenses, legal fees, City/County assessment district fees, accounting/bookkeeping fees, Directors & Officers and General Liability insurance and a contingency fund for unforeseen expenses and unpaid assessments.

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities which are intended to benefit each assessed parcel within the BID through increased commerce through increased customers, clients and sales and the attraction and retention of businesses. Because this program exists only for the direct benefit of each parcel within the BID and will only be provided for matters occurring within the BID boundaries, this program constitutes a "special benefit" to each assessed parcel.

The cost of providing administration for 2013 is estimated at \$12,500, or 16.7% of the 2013 Budget.

Each of these programs and activities work together to create a more pleasing environment adjacent to each assessed parcel within the district that is conducive to strengthening the current and future economic vitality of each assessed parcel within the BID through the attraction and retention of new business and increased commerce. The programs, improvements and services are designed to specifically benefit each and every assessed parcel within the BID boundaries. The BID assessments are only levied on parcels within the BID boundaries and assessment revenues are spent to deliver services to each assessed parcel that provide a direct and special benefit to each assessed parcel and to improve the economic vitality of each assessed parcel. Refer to the Engineer's Report included as Attachment 1 to this Plan for more analysis and discussion of the special benefits conveyed to each assessed parcel within the District. Inasmuch as no services are provided outside of the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

Projected 2013 BID Work Plan and Budget

Estimated BID Assessment Revenues

2013 Assessments **\$75,000**

Estimated BID Assessment Expenditures

Streetscape:	TOTAL	ZONE 1	ZONE 2
Landscaping	\$12,600	\$9,833	\$2,767
Planting	\$7,000	\$5,463	\$1,537
Tree Trimming	\$3,000	\$2,341	\$659
Fountain Cleaning	\$1,500	\$1,171	\$329
Replacement/Repair	\$500	\$390	\$110
Sidewalk Cleaning	\$13,500	\$10,535	\$2,965
Trash Pick-Up	\$15,000	\$11,706	\$3,294
Trash Can Cleaning	<u>\$900</u>	<u>\$702</u>	<u>\$198</u>
SUBTOTAL	\$54,000	\$42,142	\$11,858
Beautification:			
Holiday Lights	<u>\$8,500</u>	<u>\$6,633</u>	<u>\$1,867</u>
SUBTOTAL	\$8,500	\$6,633	\$1,867
Administration/Operations			
Brentwood Village BID Insurance	\$2,700	\$2,107	\$593
City/County Collection Costs	\$3,600	\$2,809	\$791
Contingency	\$1,000	\$780	\$220
Accounting Services	\$4,000	\$3,122	\$878
Bookkeeping Services	<u>\$1,200</u>	<u>\$936</u>	<u>\$264</u>
SUBTOTAL	\$12,500	\$9,755	\$2,745
Total Estimated Assessment Expenditures	\$75,000	\$58,530	\$16,470

Projected Major Program and Activity Costs (2013-2022)
(includes up to 5% increase per year)

Assessment Year	Streetscape Services	Beautification	Administration - Operations	TOTAL
2013	\$54,000	\$8,500	\$12,500	\$75,000
2014	\$56,700	\$8,925	\$13,125	\$78,750
2015	\$59,535	\$9,371	\$13,781	\$82,687
2016	\$62,512	\$9,840	\$14,470	\$86,822
2017	\$65,637	\$10,332	\$15,194	\$91,163
2018	\$68,919	\$10,848	\$15,954	\$95,721
2019	\$72,365	\$11,391	\$16,751	\$100,507
2020	\$75,983	\$11,960	\$17,589	\$105,533
2021	\$79,783	\$12,558	\$18,468	\$110,809
2022	\$83,772	\$13,186	\$19,392	\$116,350

Note: Interest accrued or delinquent payments may be expended in the above categories. The market rate for programs may vary and the budget categories may require adjustments up or down to continue the intended level of services and programs. The Property Owner's Association may make such adjustments, not to exceed 10% annually. Accrued interest or delinquent payments may be expended in any budget category.

F. TOTAL ANNUAL AMOUNT FOR IMPROVEMENTS, SERVICES AND OPERATIONS FOR EACH YEAR OF OPERATION

The total cost to fund improvements, services and operations for 2013 is \$75,000. An annual assessment rate increase of up to five (5) percent is allowed per year. This increase may be imposed at the discretion of the Property Owners' Association. The Owners' Association will notify the City annually as to whether or not any adjustments to the previous year's assessment rates are to be made.

The BID has two benefit zones. The assessment for each parcel is based 100% on the ground floor building area (footprint). The Zone 1 assessment rate for the first year of the renewed District, Assessment Year 2013, is \$0.8430826 per square foot of ground floor building area while the Zone 2 rate is set at 75% of the Zone 1 rate or \$0.632312 per square foot of ground floor building area.

The projected 10 year program costs for Zones 1 and 2 are shown on the tables below, based on a maximum annual increase of 5%.

Projected Zone 1 - 10 Year Costs

Streetscape:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Landscaping	\$9,833	\$10,325	\$10,841	\$11,383	\$11,952	\$12,550	\$13,177	\$13,836	\$14,528	\$15,254
Planting	\$5,463	\$5,736	\$6,023	\$6,324	\$6,640	\$6,972	\$7,321	\$7,687	\$8,071	\$8,475
Tree Trimming	\$2,341	\$2,458	\$2,581	\$2,710	\$2,846	\$2,988	\$3,137	\$3,294	\$3,459	\$3,632
Fountain Cleaning	\$1,171	\$1,229	\$1,291	\$1,355	\$1,423	\$1,494	\$1,569	\$1,647	\$1,730	\$1,816
Replacement/Repair	\$390	\$410	\$430	\$452	\$474	\$498	\$523	\$549	\$577	\$605
Sidewalk Cleaning	\$10,535	\$11,062	\$11,615	\$12,196	\$12,806	\$13,446	\$14,118	\$14,824	\$15,566	\$16,344
Trash Pick-Up	\$11,706	\$12,291	\$12,906	\$13,551	\$14,229	\$14,940	\$15,687	\$16,472	\$17,295	\$18,160
Trash Can Cleaning	<u>\$702</u>	<u>\$737</u>	<u>\$774</u>	<u>\$813</u>	<u>\$854</u>	<u>\$896</u>	<u>\$941</u>	<u>\$988</u>	<u>\$1,038</u>	<u>\$1,090</u>
SUBTOTAL	\$42,142	\$44,249	\$46,461	\$48,784	\$51,224	\$53,785	\$56,474	\$59,298	\$62,263	\$65,376

Beautification:

Holiday Lights	<u>\$6,633</u>	<u>\$6,965</u>	<u>\$7,313</u>	<u>\$7,679</u>	<u>\$8,063</u>	<u>\$8,466</u>	<u>\$8,889</u>	<u>\$9,334</u>	<u>\$9,801</u>	<u>\$10,291</u>
SUBTOTAL	\$6,633	\$6,965	\$7,313	\$7,679	\$8,063	\$8,466	\$8,889	\$9,334	\$9,801	\$10,291

Admin/Ops:

BID Insurance	\$2,107	\$2,212	\$2,323	\$2,439	\$2,561	\$2,689	\$2,824	\$2,965	\$3,113	\$3,269
City/County Coll. Costs	\$2,809	\$2,950	\$3,097	\$3,252	\$3,415	\$3,586	\$3,765	\$3,953	\$4,151	\$4,358
Contingency	\$780	\$819	\$860	\$903	\$949	\$996	\$1,046	\$1,098	\$1,153	\$1,211
Accounting Services	\$3,122	\$3,278	\$3,442	\$3,614	\$3,794	\$3,984	\$4,183	\$4,392	\$4,612	\$4,843
Bookkeeping Services	<u>\$936</u>	<u>\$983</u>	<u>\$1,032</u>	<u>\$1,084</u>	<u>\$1,138</u>	<u>\$1,195</u>	<u>\$1,255</u>	<u>\$1,318</u>	<u>\$1,384</u>	<u>\$1,453</u>
SUBTOTAL	\$9,755	\$10,243	\$10,755	\$11,293	\$11,857	\$12,450	\$13,073	\$13,726	\$14,413	\$15,133

Projected Zone 1 - 10 Yr Costs

\$58,530	\$61,457	\$64,529	\$67,756	\$71,144	\$74,701	\$78,436	\$82,358	\$86,475	\$90,799
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Projected Zone 2 - 10 Year Expenditures

Streetscape:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Landscaping	\$2,767	\$2,905	\$3,051	\$3,203	\$3,363	\$3,531	\$3,708	\$3,893	\$4,088	\$4,292
Planting	\$1,537	\$1,614	\$1,695	\$1,779	\$1,868	\$1,962	\$2,060	\$2,163	\$2,271	\$2,385
Tree Trimming	\$659	\$692	\$726	\$763	\$801	\$841	\$883	\$927	\$973	\$1,022
Fountain Cleaning	\$329	\$346	\$363	\$381	\$400	\$420	\$441	\$463	\$487	\$511
Replacement/Repair	\$110	\$115	\$121	\$127	\$133	\$140	\$147	\$154	\$162	\$170
Sidewalk Cleaning	\$2,965	\$3,113	\$3,268	\$3,432	\$3,603	\$3,784	\$3,973	\$4,171	\$4,380	\$4,599
Trash Pick-Up	\$3,294	\$3,459	\$3,632	\$3,813	\$4,004	\$4,204	\$4,414	\$4,635	\$4,867	\$5,110
Trash Can Cleaning	<u>\$198</u>	<u>\$208</u>	<u>\$218</u>	<u>\$229</u>	<u>\$240</u>	<u>\$252</u>	<u>\$265</u>	<u>\$278</u>	<u>\$292</u>	<u>\$307</u>
SUBTOTAL	\$11,858	\$12,451	\$13,074	\$13,727	\$14,414	\$15,135	\$15,891	\$16,686	\$17,520	\$18,396
Beautification:										
Holiday Lights	<u>\$1,867</u>	<u>\$1,960</u>	<u>\$2,058</u>	<u>\$2,161</u>	<u>\$2,269</u>	<u>\$2,382</u>	<u>\$2,501</u>	<u>\$2,626</u>	<u>\$2,758</u>	<u>\$2,896</u>
SUBTOTAL	\$1,867	\$1,960	\$2,058	\$2,161	\$2,269	\$2,382	\$2,501	\$2,626	\$2,758	\$2,896
Admin/Ops:										
BID Insurance	\$593	\$623	\$654	\$686	\$721	\$757	\$795	\$834	\$876	\$920
City/County Coll. Costs	\$791	\$830	\$872	\$915	\$961	\$1,009	\$1,059	\$1,112	\$1,168	\$1,226
Contingency	\$220	\$231	\$242	\$254	\$267	\$280	\$294	\$309	\$324	\$341
Accounting Services	\$878	\$922	\$968	\$1,017	\$1,068	\$1,121	\$1,177	\$1,236	\$1,298	\$1,363
Bookkeeping Services	<u>\$264</u>	<u>\$277</u>	<u>\$291</u>	<u>\$305</u>	<u>\$320</u>	<u>\$336</u>	<u>\$353</u>	<u>\$371</u>	<u>\$389</u>	<u>\$409</u>
SUBTOTAL	\$2,745	\$2,882	\$3,026	\$3,178	\$3,337	\$3,503	\$3,679	\$3,862	\$4,056	\$4,258
Projected Zone 2 - 10 Year Total Expenditures	\$16,470	\$17,294	\$18,158	\$19,066	\$20,019	\$21,020	\$22,071	\$23,175	\$24,334	\$25,550

G. PROPOSED SOURCE OF FINANCING, LEVYING OF ASSESSMENT IN SUFFICIENT DETAIL TO ALLOW EACH PROPERTY OWNER TO CALCULATE THE AMOUNT OF THE ASSESSMENT AGAINST THEIR PROPERTY

This method of financing the special services is based upon the levy of assessments on real property that receive special benefits from proposed improvements and activities. The assessments for the BID are based solely on ground floor building area (footprint). This variable was determined as the most appropriate property factor for equitably apportioning the special benefit assessments by the District Assessment Engineer in the Engineer’s Report (See Attachment 1). Total building areas were first obtained from Los Angeles County Assessor records and then adjusted for actual ground floor building areas based upon a survey and verification by each property owner as to the assessable building areas on each identified parcel.

BID Assessable Quantities:

Zone	Assessment Factor	Total Quantity (Sq Ft)
1	Ground floor bldg area	69,424
2	Ground floor bldg area	26,047
	TOTAL	95,471

2013-2022 Maximum District Assessment Rates and Projected Assessment Revenue

(assumes maximum 5% increase over prior year rates)

Assessment Year	Zone 1 Rate (\$/SF)	Zone 2 Rate (\$/SF)	Projected Zone 1 Assessment Revenue	Projected Zone 2 Assessment Revenue	Total Projected Assessment Revenue
2013	\$0.8430826	\$0.6323120	\$58,530	\$16,470	\$75,000
2014	\$0.8852367	\$0.6639276	\$61,457	\$17,293	\$78,750
2015	\$0.9294986	\$0.6971240	\$64,530	\$18,158	\$82,687
2016	\$0.9759735	\$0.7319802	\$67,756	\$19,066	\$86,822
2017	\$1.0247722	\$0.7685792	\$71,144	\$20,019	\$91,163
2018	\$1.0760108	\$0.8070081	\$74,701	\$21,020	\$95,721
2019	\$1.1298113	\$0.8473586	\$78,436	\$22,071	\$100,507
2020	\$1.1863019	\$0.8897265	\$82,358	\$23,175	\$105,533
2021	\$1.2456170	\$0.9342128	\$86,476	\$24,333	\$110,809
2022	\$1.3078978	\$0.9809234	\$90,799	\$25,550	\$116,350

Assessment Formula:

Ground floor building area x 2013 rate per linear foot = 2013 assessment

Zone 1 Sample Assessment Calculation

2,130 sq ft x \$0.8430826 = \$1,795.77

Zone 2 Sample Assessment Calculation

2,962 sq ft x \$0.6323120= \$1,872.91

Future Development

As future new development and building construction occurs within the District, current ground floor building measurements and configurations may also change. Any such modifications will result in recalculation of assessments for new and/or modified building areas based on the assessment rate in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Report. In the case of future multi-floor commercial condominium development or conversion, only ground floor units would be subject to assessments and for their respective building pad area. Any ground floor residential condominium development would not be subject to assessments.

It is noted that any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Proposition 218 ballot procedure in order to approve any such changes.

H. SPECIFY THE TIME AND MANNER OF COLLECTING ASSESSMENTS

Time and Manner for Collecting Assessments:

The assessments are collected at the same time and in the same manner as for any Ad Valorem property tax paid to the County of Los Angeles. These assessments provide for the same lien priority and penalties for delinquent payment as is provided for the Ad Valorem property tax. As necessary, the Los Angeles City Clerk's Office directly bills property owners or entities that do not appear on the direct billing of the property tax roll provided by the Los Angeles County. The BID assessment appears as a separate line item on the annual property tax bills prepared by the County of Los Angeles. Property tax bills are generally distributed to property owners in the fall, and payment is expected by lump sum or in two installments. The County of Los Angeles distributes the collected assessments to the City, which in turn, forwards the assessments to the Owners' Association pursuant to the authorization of this plan. Existing laws for enforcement of property taxes apply to the District's assessments.

The "property owner" of the Ad Valorem interest is the person/entity shown as the owner/taxpayer on the last equalized Ad Valorem interest assessment roll or otherwise known to be the owner/taxpayer by the City.

Publicly Owned Parcels and Government Assessments:

There are currently no publicly owned parcels in the BID

I. TYPE OF BID, (NEW VS. RENEWAL), SPECIFIC NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED

The BID is a renewal district. The BID will have a duration of ten (10) years. The operation years commence on January 1, 2013 and terminate on December 31, 2022. The BID assessments will be levied for Assessment Years 2013 through 2022.

Assessments for the care and upkeep of improvements constructed by the BID, if any, shall continue to be levied on each parcel of land within the district for a period of time equal to the useful life of the improvement, as determined by the City, regardless of whether the district is disestablished or the term of the original levy has expired.

J. PROPOSED TIME FOR IMPLEMENTATION AND COMPLETION OF MANAGEMENT DISTRICT PLAN

<i>Task to be Completed</i>	<i>Estimated Date of Completion</i>
Completion and approval of Management District Plan by the Owners' Association	March 2012
Send complete Management District Plan to City Clerk for approval	March 2012
Complete petition drive reflecting support of property owners in the proposed district who will pay more than fifty (50) percent of the assessment proposed to be levied	April 2012
Submit completed petitions to City Clerk	April 2012
Ordinance by City Council triggering assessment ballot proceeding	May 2012
Submit ballots to City Clerk	May 2012
Public Hearing/Counting of returned ballots, consideration of ordinance by Los Angeles City Council establishing the district	July 2012

K. Proposed rules and Regulations to be applied to the District

There are no specific rules or regulations applied to this district.

L. LIST OF ASSESSED PROPERTIES - See Appendix "A"

M. OTHER ITEMS

No bonds will be issued for any BID funded projects within this District.

N. MANAGEMENT PLAN AUTHOR

The Management District Plan's author is Edward Henning and the Plan was produced by Edward Henning & Associates.

O. PUBLICLY OWNED PARCEL(S) - None

APPENDIX A

LIST OF PARCELS INCLUDED IN THE DISTRICT – 2013 ASSESSMENTS

APN	2013 Assessment
4401-006-003	\$1,643.17
4401-006-004	\$2,185.27
4401-006-005	\$1,547.06
4401-006-006	\$2,650.65
4401-006-009	\$1,681.95
4401-006-010	\$1,534.41
4401-006-011	\$2,887.56
4401-006-012	\$8,749.51
4401-006-013	\$1,795.77
4401-006-014	\$2,815.90
4401-006-018	\$3,957.43
4401-006-019	\$0.00
4401-006-020	\$4,532.41
4401-007-001	\$2,860.58
4401-007-006	\$2,573.09
4401-007-007	\$2,100.12
4401-007-008	\$4,518.92
4401-007-016	\$1,770.47
4401-007-017	\$0.00
4401-007-018	\$8,725.90
4365-004-029	\$2,423.02
4365-004-030	\$1,872.91
4365-004-031	\$1,063.55
4365-004-034	\$1,264.62
4402-008-010	\$2,891.56
4402-008-011	\$2,024.03
4402-008-012	\$2,806.20
4402-008-013	\$2,123.94
4402-008-014	\$0.00
	\$75,000.00

ATTACHMENT 1
ENGINEER'S REPORT

**THE BRENTWOOD VILLAGE
PROPERTY AND BUSINESS IMPROVEMENT
DISTRICT**

2013-2022

*District being renewed pursuant to Section 36600 et seq.
of the California Streets and Highways Code
The Property and Business Improvement District Law of 1994*

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

ATTACHMENT 1

*Report Prepared by
Edward V. Henning,
California Registered Professional Engineer # 26549
Edward Henning & Associates*

April 23, 2012

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting parcels located within the renewed Brentwood Village Property Business Improvement District ("Brentwood Village BID") will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the assessment is proportional to, and no greater than the benefits conferred on each respective parcel.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549



A handwritten signature in black ink, appearing to read "Edward V. Henning", written over a horizontal line.

RPE #26549 April 23, 2012

Edward V. Henning

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments levied within the Brentwood Village BID in the City of Los Angeles, California being renewed for a 10 year period. The discussion and analysis contained within constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by properties within the Brentwood Village BID.

NOTE: The terminology "identified benefiting parcel" or "property" is used throughout this report pursuant to SB 919 - "Proposition 218 Omnibus Implementation Act" which clarified portions of Prop 218. It provides the Engineer and District Consultant with the ability to actually identify individual parcels which specially benefit directly either in whole or in part from the District funded programs and improvements and does not imply that all parcels receive assessable benefits.

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THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

Background

The Brentwood Village BID is a property-based benefit assessment type district being renewed for a 10 year period pursuant to Section 36600 et seq. of the California Streets and Highways Code, also known as the Property and Business Improvement District Law of 1994 (the "Act").

Due to the benefit assessment nature of assessments levied within a BID, district program costs are to be distributed amongst each and every identified benefiting parcel within the BID based on the proportional amount of program special benefit each parcel is expected to derive from the assessments levied. Within the Act, frequent references are made to the concept of relative "benefit" received from BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

The method used to determine special benefits derived by each identified parcel within a BID begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Brentwood Village BID, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the BID in order to determine any levels of diminished benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the BID.

The method and basis of spreading program costs varies from one BID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District.

Supplemental Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Brentwood Village BID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the assessment formula for the Brentwood Village BID, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Brentwood Village BID complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”

There are a total of 29 commercially zoned parcels within the District of which 26 are identified assessed parcels to receive special benefits. It is noted that the three commercial parcels not “identified” within the District contain no buildings on them and, thus, are not assessed in accordance with the applicable assessment methodology in effect for this District and described later in this Report. It is further noted that there are a number of parcels with either residential, institutional or government uses adjacent to the boundary description below which are also not “identified” parcels by virtue of land use and thus, are not included in the BID nor assessed in accordance with the applicable assessment methodology in effect for this District.

The benefits within the BID are special and unique only to the identified parcels within the District because programs and services (i.e. streetscape services; beautification; administration-operations) are only provided directly for the

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

special benefit of identified parcels. These identified benefiting parcels are located within the BID perimeter boundary which is shown on the Boundary Map included in the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number. Any future land building construction or modification within the term of the renewed District will adhere to the assessment rate structure described herein.

The Brentwood Village BID includes the area described as follows:

- East and West Barrington Court
- Barrington Ave - Sunset Blvd. on the north to the intersection with Barrington Pl. on the south
- Barrington Walk – between Chayote St. and Barrington Pl.
- Barrington Place - Barrington Ave. on the south to Sunset Blvd. on the north
- Chayote Street - Barrington Ave. on the west to Barrington Place on the east

This area represents one of the core commercial districts in the community of Brentwood, and is unique in its combination and intensity of retail, restaurant and service/office uses.

There are two benefit zones in the renewed district. All BID parcels south of Sunset Boulevard/Chayote Street are located within Benefit Zone 1 and present the highest level for demand for services and will be assessed at the highest assessment rate. All BID parcels north of Sunset Boulevard/Chayote Street are within Benefit Zone 2 and present a moderate level for demand for services due to lower intensity land uses and will be assessed at a lower assessment rate than Zone 1 parcels.

There are two identified parcels within the BID that have mixed zoning designations (i.e. commercial – LAC2 and residential – LAR3). These parcels are APN 4401-006-020 (100 S Barrington Ave/11636 Chayote St) and APN 4401-007-016 (115 S Barrington Ave/11700 W Sunset Blvd). Of note, the residential zoned portions of each parcel are developed only with surface parking lots and, in accordance with the assessment methodology in effect for this BID, do not factor into the assessment calculation levied on these two mixed zoning parcels.

The northern BID boundary is defined by Sunset Boulevard and the east/west portion of Barrington Place. The area north of the east/west portion of Barrington Place is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. All parcels fronting on Sunset Boulevard not in the BID are zoned residential (LAR3) and developed with either high-density apartments or residential condominiums. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. Thus, parcels fronting Sunset Boulevard are not included in the BID. No services from the existing BID are provided north of Sunset Boulevard or the east/west portion of Barrington Place and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

The southern BID boundary (west of Barrington Avenue) is defined by a change of zoning (LAR3) and land use to high-density apartments. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided south of the southern BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The western BID boundary is defined by a change of zoning (LAR3) and land use to high-density apartments and residential condominiums. Pursuant to State Law, parcels zoned solely residential are conclusively presumed not to benefit from the improvements and service funded through these assessments. No services from the existing BID are provided west of the western BID boundary line and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

The eastern BID boundary south of Chayote Street is the centerline of Barrington Place. All properties on the east side of Barrington Place south of Chayote Street are owned by the US Government (Post Office and VA Hospital complex and parking lots. These government owned and occupied parcels are deemed not to benefit from BID funded programs and activities and are thus, not included in the BID. The eastern BID boundary north of Chayote Street is defined by a change of zoning and land use and is part of the sprawling private Brentwood School property. This land use is deemed not to benefit from BID funded programs and activities and thus, is not included in the BID. No services from the existing BID are provided east of the eastern BID boundary and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

All identified parcels within the above-described boundaries are assessed to fund special benefit services, programs and improvements as outlined in this report and the Management District Plan. BID funded activities are only provided to properties inside the District boundaries -- none outside. Each parcel within the District will receive special benefits from District funded programs, services and improvements.

No services from the existing BID are provided to the non-commercial neighborhoods to the north, south, east or west of the BID boundaries and, in turn, no special benefits are derived from BID funded services and programs by parcels lying outside the BID. General benefits, if any, are unintentional and unquantifiable.

Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

As stipulated by Proposition 218, assessment District programs and activities may confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the identified parcels. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the

THE BRENTWOOD VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The property uses within the boundaries of the Brentwood Village BID which receive special benefits from BID funded programs and services are currently a mix of retail, restaurant, service, office and parking. Services, programs and improvements provided by the District are primarily designed to provide special benefits to identified commercial parcels within the boundaries of the district.

Existing City of Los Angeles services are enhanced, not replaced or duplicated, by BID services. In the case of the Brentwood Village BID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services within the BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, programs and improvements, are designed to enhance each identified parcel, increase tenancy and marketing of each identified parcel in the BID and improve the aesthetic appearance of streetscape areas adjacent to each identified parcel within the BID. All benefits derived from the assessments levied on parcels within the BID are for services, programs and improvements directly benefiting each parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased property rental income and improved identity. No services are provided beyond the BID boundaries.

Improvements and Activities: The following are the improvements and activities funded by the Brentwood Village Business Improvement District:

1) **Streetscape Services (cleaning, litter pickup, landscape upkeep, trash bin cleaning):** This program element funds various supplemental streetscape services performed by subcontract vendors within the streetscape areas within the BID. Included are regular disposal of trash in streetscape bins; pick up excessive litter and debris in streetscape area; pressure washing of trash bin and streetscape areas; and, landscape upkeep on an “as needed” basis. The following describes the projected frequencies of regular streetscape services:

1. One time per month, clean and cultivate, as needed, all tree well planters, stand alone planters and single round planters.
2. Install new plant materials in all streetscape planter areas up to 3 times per year plus a special planting during the year end Holiday season.
3. Weekly cleaning of the Village fountain and periodic water changes.
4. Up to 5 times per week, trash bins will be emptied and bags replaced. Also at this time the area around the

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receptacles will be cleaned of all trash and debris.

5. Pressure washing of all streetscape areas up to 11 times per year and pressure washing of trash bins as needed, up to 6 times per year.
6. Pickup excessive litter and debris in streetscape areas, as needed.
7. Replace and repair trash can hardware, fountain parts and remove graffiti, as needed
8. Trim and prune landscaping, as needed

It is noted that while the programmed frequency of services is generally the same within both Benefit Zones 1 and 2, the concentration and quantity of trash and debris and demand for streetscape services within Zone 2 has been found to be less than Zone 1 and thus the expense of providing these services to parcels in Zone 2 is less than for parcels in Zone 1. In turn, the special benefits provided to Zone 2 parcels are less than Zone 1 parcels and in the opinion of this Assessment Engineer, the assessment rate is thus, reduced by 25% or set at 75% of the Zone 1 assessment rate.

These supplemental streetscape services directly benefit each parcel within the BID by creating positive perceptions of the Brentwood Village District as an attractive and pedestrian-friendly shopping and dining area. Regular and professional streetscape care presents a clean and caring appearance of a well managed and successful business center for the direct and special benefit of each parcel within the BID.

Each supplemental streetscape service assists in beautifying the BID areas adjacent to each parcel within the BID and enhances the image of this commercial core and the public streetscape areas adjacent to each parcel within it. This activity is designed to increase commerce through increased customers, clients and sales and attract and attract and retain businesses for the benefit of each parcel within the BID. These supplemental streetscape services will only be provided within the BID boundaries for the direct benefit of each parcel within the BID; therefore these services constitute "special benefits" to each assessed parcel.

The cost of providing supplemental streetscape services for 2013 is estimated at \$54,000, or 72.0% of the 2013 budget.

2) Beautification: This program element will include holiday lighting on street trees and buildings within the BID. These amenities are intended to enhance the appeal and attraction of each parcel within the BID during the year end holiday season which is usually the busiest and most profitable part of the year for many Brentwood Village businesses. It is noted that BID funds may be further supplemented by annual holiday decoration grants from the Los Angeles Department of Water and Power.

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Any BID funded amenities will only be provided within the BID boundaries and only for the direct benefit of each identified parcel within the BID; therefore funding these amenities constitute "special benefits" to each assessed parcel.

The cost of funding amenities for 2013 is estimated at \$8,500, or 11.3% of the 2013 Budget.

3) Administration/Operations: This program element funds the costs for day to day contract management, preparation of regular BID related reports, office expenses, legal fees, City/County assessment district fees, accounting/bookkeeping fees, Directors & Officers and General Liability insurance and a contingency fund for unforeseen expenses and unpaid assessments.

This component is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities which are intended to benefit each parcel within the BID through increased commerce through increased customers, clients and sales and the attraction and retention of businesses. Because this program exists only for the direct benefit of each parcel within the BID and will only be provided for matters occurring within the BID boundaries, this program constitutes a "special benefit" to each assessed parcel.

The cost of providing administration for 2013 is estimated at \$12,500, or 16.7% of the 2013 Budget.

Each of these programs and activities work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this commercial core through the attraction and retention of new business and increased commerce for the benefit of each identified District parcel. The programs, improvements and services are designed to specifically benefit properties within the BID boundaries. The BID assessments are only levied on identified properties within the BID boundaries and assessment revenues are spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services are provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

Estimated 2013 BID Assessment Expenditures

Streetscape:

Landscaping	12,600
Planting	7,000
Tree Trimming	3,000
Fountain Cleaning	1,500
Replacement/Repair	500
Sidewalk Cleaning	13,500
Trash Pick-Up	15,000
Trash Can Cleaning	900
<u>SUBTOTAL: \$54,000</u>	

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Beautification:

Holiday Lights	8,500
<u>SUBTOTAL: \$8,500</u>	

Administration/Operations

Brentwood Village BID Insurance	2,700
City/County Collection Costs	3,600
Contingency	1,000
Accounting Services	4,000
Bookkeeping Services	1,200
<u>SUBTOTAL: \$12,500</u>	

Total Estimated Assessment Expenditures	\$75,000
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Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified parcel within the district is assessed based on a property characteristic (ground floor building area) unique only to that parcel. The calculated assessment rate is applied to the actual measured parameter of each parcel and thereby is proportional to each and every other identified parcel within the district as a whole. Parcels with larger ground floor building areas impact the demand for services and programs to a greater extent than smaller ones and thus are assigned a higher proportionate degree of assessment program and service costs.

The proportionate special benefit cost for each parcel has been calculated based on the adopted assessment formula and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which is possible through the Brentwood Village BID, they are also considerably less than other options considered by the Brentwood Village BID proponent group. The actual assessment rate for each parcel within the BID directly relate to the level of special benefit service to be provided to each identified parcel within the District based on the respective measurement of Brentwood Boulevard street frontage of each parcel.

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Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

There are no publicly owned parcels at this time within the Brentwood Village BID. Should any BID parcel be acquired by a government entity in the future, such entity would have to provide clear and convincing evidence that they receive no or diminished special benefit from BID funded improvements and activities in order to be assessed differently than privately owned parcels.

Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments levied within the Brentwood Village BID.

Finding 7. From Section 4(c): “The amount of the (proposed) assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the (proposed) assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to the Management District Plan and this Report. The District and resultant assessment payments will continue for 10 years and may be renewed again at that time. The reasons (purposes) for the assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the assessment is attributed 100% to the amount of ground floor building area. There are two benefit zones.

Assessment Formula Methodology

Step 1. Select “Basic Benefit Unit(s)”

BID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors. Separate benefit zones may be identified for varying levels of special benefits provided to District parcels.

Based on the specific needs and corresponding nature of the program activities funded by the Brentwood Village BID (i.e. streetscape services; beautification; administration-operations), it is the opinion of this Assessment Engineer that the assessment factor on which to base assessment rates relate directly to the proportionate amount of ground floor building

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area, if any, on each parcel. Using a single assessment factor like ground floor building area is an appropriate application in a commercial area like Brentwood Village where the development density is fairly homogeneous with one and two story buildings.

Ground floor building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on BID funded activities such as streetscape services; beautification; administration-operations. In the opinion of this Assessment Engineer, the targeted weight of this factor, ground floor building area, should generate 100% of the total BID revenue

The application of ground floor building area quantities is a proven method of fairly and equitably spreading special benefit costs to the primary beneficiaries of BID funded services, programs and improvements. This factor directly relates to the degree of special benefit each parcel receives from BID funded activities.

The “Basic Benefit Unit” will be expressed as a function of ground floor building area (Benefit Unit “A”). Based on the shape of the Brentwood Village BID, as well as the nature of the District program elements, it is determined that all identified commercial parcels will gain a direct and proportionate degree of benefit based on the respective amount of ground floor building area within two benefit zones.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties and their respective assessable benefit units, there are 95,471 square feet of ground floor building area within the BID (Benefit Units A). Of this total, 69,424 sq ft are located in Zone 1 (Benefit Units A-1) and 26,047 sq ft are located in Zone 2 (Benefit Units A-2).

Assessable Quantities

Zone	Assessment Factor	Total Quantity (Sq Ft)
1	Ground floor bldg area	69,424
2	Ground floor bldg area	26,047
	TOTAL	95,471

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the Brentwood Village BID was computed from data extracted from Los Angeles County Assessor records and individual property owner surveys. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land

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subdivision maps, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data used for assessment computations has been provided to each property owner in the BID for their review and verification. All known or reported discrepancies, errors or misinformation have been corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Brentwood Village BID assessments are to be based on ground floor building area within two benefit zones. In the opinion of this Assessment Engineer, the Zone 2 rate is to be set at 75% of the Zone 1 rate. The targeted assessment formula component weight is: 100% for Benefit Units A-1 and A-2 – ground floor building area.

Computing Assessment Formula Unit Costs (2013):

Zone 1: A-1 Unit Cost

$$[(69,424) \times (A-1)] + [(26,047) \times (A-1) \times (0.75)] = \$75,000$$

$$(69,424 + 19,535.25) \times A-1 = \$75,000$$

$$88,859.25 \times A-1 = \$75,000$$

$$A-1 = \$75,000/88,859.25 \text{ units}$$

$$A-1 = \$0.8430826 \text{ per sq ft of ground floor building area}$$

Zone 2: A-2 Unit Cost

$$A-2 = 0.75 \times \text{Zone 1 rate} = \$0.8430826 \times 0.75$$

$$A-2 = \$0.632312 \text{ per sq ft of ground floor building area}$$

2013 Assessment Rate Schedule and Application:

The assessment formula for Zone 1 parcels is:

$$[\text{Ground floor building area (square feet)} \times \$0.8430826 \text{ per sq ft of ground floor building area}]$$

The assessment formula for Zone 2 parcels is:

$$[\text{Ground floor building area (square feet)} \times \$0.632312 \text{ per sq ft of ground floor building area}]$$

Future Development

As future new development occurs within the District, current property characteristics and building areas may also change. This may occur due to various land and building related modifications such as new subdivisions, lot line adjustments, reversions to acreage, parcel consolidations, new building construction, additions and demolitions. In

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turn, individual ground floor building area measurements may also change. Any such modifications will result in recalculation of assessments for new and/or modified parcels and/or buildings based on the assessment rate in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Report. In the case of any multi-floor commercial condominium development or conversion, only ground floor units would be assessed and for their respective ground floor building pad areas. Residential condominiums would not be assessed in that it is presumed that such a land use would not benefit from BID funded improvements and activities.

It is noted that any change in assessment formula methodology or rates other than as stipulated in this Report would require a new Proposition 218 ballot procedure in order to approve any such changes.

Step 5. Estimate Total District Costs

The total District projected costs for 2013-2022 are shown below in Table 1.

TABLE 1
Projected Major Program and Activity Costs 2013-2022
(assume 5% increase over prior year)

Assessment Year	Streetscape Services	Beautification	Administration - Operations	TOTAL
2013	\$54,000	\$8,500	\$12,500	\$75,000
2014	\$56,700	\$8,925	\$13,125	\$78,750
2015	\$59,535	\$9,371	\$13,781	\$82,687
2016	\$62,512	\$9,840	\$14,470	\$86,822
2017	\$65,637	\$10,332	\$15,194	\$91,163
2018	\$68,919	\$10,848	\$15,954	\$95,721
2019	\$72,365	\$11,391	\$16,751	\$100,507
2020	\$75,983	\$11,960	\$17,589	\$105,533
2021	\$79,783	\$12,558	\$18,468	\$110,809
2022	\$83,772	\$13,186	\$19,392	\$116,350

Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)

All benefits derived from the assessments outlined in the Management District Plan and this Report are for supplemental services, programs and improvements directly benefiting the identified properties within the BID. All BID funded activities are provided solely to properties within the Brentwood Village BID. All services are delivered only within the boundaries and designed only for the direct special benefit of the identified assessed properties in the BID. No services are provided to non-assessed parcels outside the BID boundaries. Any potential spill over effect is unquantifiable as previously discussed in this report. Thus, all general benefits (if any) within or outside of the BID,

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are inadvertent, intangible and immeasurable. Total 2013 District revenues are shown below in Table 2.

TABLE 2
Total 2013 District Revenues

Funding Source	Revenue	% of Total
BID Assessments	\$75,000	100.00%
TOTAL DISTRICT REVENUE	\$75,000	100.00%

Step 7. Calculate “Basic Unit Cost”

With a 2013 budget of \$75,000 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the BID is being renewed for a 10 year term, maximum assessments for future years (2014-2022) must be set at the renewal point of the BID. *An annual flat inflationary assessment rate increase of up to 5% either may be imposed each year for Years 2014-2022*, on approval by the BID Property Owner’s Association. The maximum assessment rates for 2013-2022 are shown below in Table 3.

TABLE 3
Year 1-10 Maximum and Projected District Assessment Rates

Zone 1 Rate (\$/SF)	Zone 2 Rate (\$/SF)	Projected Zone 1 Assessment Revenue	Projected Zone 2 Assessment Revenue	Total Projected Assessment Revenue
\$0.8430826	\$0.6323120	\$58,530	\$16,470	\$75,000
\$0.8852367	\$0.6639276	\$61,457	\$17,293	\$78,750
\$0.9294986	\$0.6971240	\$64,530	\$18,158	\$82,687
\$0.9759735	\$0.7319802	\$67,756	\$19,066	\$86,822
\$1.0247722	\$0.7685792	\$71,144	\$20,019	\$91,163
\$1.0760108	\$0.8070081	\$74,701	\$21,020	\$95,721
\$1.1298113	\$0.8473586	\$78,436	\$22,071	\$100,507
\$1.1863019	\$0.8897265	\$82,358	\$23,175	\$105,533
\$1.2456170	\$0.9342128	\$86,476	\$24,333	\$110,809
\$1.3078978	\$0.9809234	\$90,799	\$25,550	\$116,350

(assumes maximum 5% increase over prior year rates)

Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the BID are shown in the Management District Plan and were determined by applying the District assessment formula to each identified benefiting parcel.

APPENDIX 1

YEAR 2013
ASSESSMENT ROLL

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YEAR 2013 ASSESSMENT ROLL

APN	2013 Assessment
4401-006-003	\$1,643.17
4401-006-004	\$2,185.27
4401-006-005	\$1,547.06
4401-006-006	\$2,650.65
4401-006-009	\$1,681.95
4401-006-010	\$1,534.41
4401-006-011	\$2,887.56
4401-006-012	\$8,749.51
4401-006-013	\$1,795.77
4401-006-014	\$2,815.90
4401-006-018	\$3,957.43
4401-006-019	\$0.00
4401-006-020	\$4,532.41
4401-007-001	\$2,860.58
4401-007-006	\$2,573.09
4401-007-007	\$2,100.12
4401-007-008	\$4,518.92
4401-007-016	\$1,770.47
4401-007-017	\$0.00
4401-007-018	\$8,725.90
4365-004-029	\$2,423.02
4365-004-030	\$1,872.91
4365-004-031	\$1,063.55
4365-004-034	\$1,264.62
4402-008-010	\$2,891.56
4402-008-011	\$2,024.03
4402-008-012	\$2,806.20
4402-008-013	\$2,123.94
4402-008-014	\$0.00
	\$75,000.00

ORDINANCE NO. _____

An Ordinance of Intention to establish a Property and Business Improvement District to be known as the "Brentwood Village Business Improvement District" pursuant to the Provisions of the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California) and to levy assessments.

WHEREAS, the Property and Business Improvement District Law of 1994 authorizes cities to establish Property and Business Improvement Districts for the purpose of levying assessments on real property for certain purposes; and

WHEREAS, property owners in the Brentwood Village business community who will pay more than 50 percent of the total amount of assessments to be levied, have filed written petitions requesting that the City Council establish a district to be named the Brentwood Village Business Improvement District.

NOW THEREFORE,

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. DECLARATION. Pursuant to the provisions of Property and Business Improvement District Law of 1994, Section 36600 *et seq.*, of the Streets and Highways Code (Act), the City Council declares its intention to consider the establishment of a Property and Business Improvement District to be named the Brentwood Village Business Improvement District (District).

Sec. 2. ADOPTION OF ENGINEER'S REPORT AND MANAGEMENT DISTRICT PLAN. The City Council hereby adopts, approves and confirms the Engineer's Report and the Management District Plan included in Council File No. _____.

Sec. 3. PARCELS WITHIN THE DISTRICT. The City Council hereby affirms its finding that all parcels, which will have a special benefit conferred upon them and upon which an assessment will be imposed, are identified in the Management District Plan.

Sec. 4. PROPORTIONAL BENEFIT. The City Council hereby reaffirms that the assessment proposed to be imposed on each parcel does not exceed the reasonable cost of the proportional benefit conferred on that parcel.

Sec. 5. SEPARATION OF GENERAL AND SPECIAL BENEFITS. The City Council hereby affirms that it has separated the general benefits, if any, from the special benefits conferred on each parcel.

Sec. 6. ASSESSMENTS SUPPORTED BY ENGINEER'S REPORT. The City Council hereby affirms that all proposed assessments are supported by a detailed engineer's report prepared by a registered professional engineer certified by the state of California.

Sec. 7. DISTRICT BOUNDARIES. The City Council hereby declares that the boundaries of the proposed District are as detailed in the Management District Plan. The proposed Brentwood Village area consists of seven blocks in the Brentwood commercial district in west Los Angeles, including all properties along Barrington Place, Barrington Court, and Barrington Avenue between Sunset Boulevard and Barrington Place. All property within the approximate boundaries described above are included in the proposed District.

There are 29 parcels owned by 19 stakeholders in the proposed District. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

Sec. 8. IMPROVEMENTS AND ACTIVITIES. The City Council hereby declares that the proposed activities and improvements to be funded by the levy of assessments on property within the District are detailed in the Management District Plan. They include, but are not limited to, Sidewalk Services, Beautification Program and Administration Operations.

Sec. 9. ANNUAL ASSESSMENTS AND DURATION. The District's total assessment for ten (10) years is estimated to be \$943,342.00. The District's total annual assessment for the first year is estimated to be \$75,000.00. Annual assessments for subsequent years may be adjusted by a flat percentage rate to be determined by the Owners' Association, not to exceed five percent of the previous year's rate. It is proposed that the District be established for a ten (10) year period. The District will not issue bonds.

Sec. 10. COLLECTION OF ASSESSMENTS. The City Council hereby declares that to the extent possible, assessments shall be collected at the same time and in the same manner as County ad valorem property taxes and shall be subject to all laws providing for the collection and enforcement of assessments. For properties that do not appear on the County tax rolls or for assessments for any years in which the City is unable to transmit the assessment information to the County in sufficient time for the County to collect the assessments with the County ad valorem property taxes, the City Clerk may bill and collect the assessments by mailing assessment notices (Statement of Assessment Due) to each property owner within the District at the address shown on City records. Assessments billed by the City Clerk are due 45 calendar days after the Statement of Assessment Due.

Sec. 11. NOTICE, PROTESTS AND HEARING PROCEDURES. The City Clerk

shall follow the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 *et seq.*).

Sec. 12. PUBLIC HEARING. The City Council will hold a public hearing to determine whether to establish the District and levy assessments on _____ at 10:00 a.m., or as soon thereafter as City Council business permits, and on any hours and days for continued hearing as ordered by the City Council, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012. At the hearing, all interested persons will be permitted to present written or oral testimony, and the City Council will consider all objections or protests to the proposed assessment.

Sec. 13. NOTICE TO RECORD OWNERS. The City Clerk shall give notice of the public hearing, in the manner specified in Government Code Section 53753, to the record owner of each parcel subject to the levy of an assessment. The notice shall be given at least 45 days before the public hearing date and shall specify that the public hearing will be to determine whether the City Council will establish the District and levy assessments.

Sec. 14. TABULATION OF ASSESSMENT BALLOTS. At the conclusion of the public hearing, the City Clerk shall tabulate all assessment ballots that have been submitted and not withdrawn. To be included in the tabulation, assessment ballots must be received by the City Clerk either at the address indicated in the notice required by Government Code Section 53753 or at the site of the public hearing prior to the conclusion of the public hearing. The City Clerk will certify the results of the tabulation to the City Council during its meeting on _____ at 10:00 a.m., or as soon thereafter as City Council business permits, in the John Ferraro Council Chamber, Room 340, City Hall, 200 North Spring Street, Los Angeles, California 90012.

Sec. 15. MAJORITY PROTEST. If there is a majority protest against the imposition of the assessment, the City Council will not impose the assessment. A majority protest will exist if the assessment ballots submitted, and not withdrawn, in opposition to the proposed assessment exceed the assessment ballots submitted, and not withdrawn, in its favor, weighting those assessment ballots by the amount of the proposed assessment to be imposed upon the identified parcel for which each assessment ballot was submitted.

Sec. 16. AMENDMENT TO ENABLING STATUTE. The properties and businesses within the District established by this Ordinance shall be subject to any amendments to the Property and Business Improvement District Law of 1994 (Division 18, Part 7, Streets and Highways Code, State of California).

Sec. 17. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

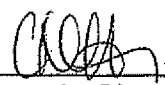
By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By  **CHRISTY NUMANO**
Deputy City Attorney

Date 6-7-12

File No. CF _____