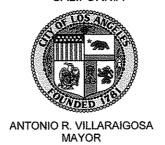
JUNE LAGMAY
CITY CLERK
---HOLLY L. WOLCOTT
EXECUTIVE OFFICER

City of Los Angeles

CALIFORNIA



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) 978-1107

MIRANDA PASTER
ACTING DIVISION HEAD

June 5, 2013

Honorable Members of the City Council City Hall, Room 395 200 North Spring Street Los Angeles, California 90012 Council District 5

REGARDING:

MELROSE BUSINESS IMPROVEMENT DISTRICT (PROPERTY

BASED)

Honorable Members:

The City Clerk has received materials relative to the formation of a proposed property and business improvement district to be called the Melrose Property 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 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: ambassador/security services; landscaping, sanitation and beautification; marketing and promotions; new business attraction; policy development, district management and

administration; office, insurance, accounting and other; and uncollected assessment reserve.

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 consulting firm for the proposed District, Duckworth Consulting, 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 \$257,395.05. This represents 52.95 percent of the proposed District's projected first year revenue of \$486,072. 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 Melrose area are as detailed in the Management District Plan. A general description of the boundaries of the proposed District is as follows: Melrose Avenue, between Fairfax Avenue on the west and Highland Avenue on the east. All property within the approximate boundaries described above are included in the proposed District.

There are 180 parcels owned by 156 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.

DISTRICT RENEWAL AND PROPOSITION 218 COMPLIANCE

Article XIIID 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 XIIIC §1(e)(7) of the California Constitution states that "assessments and property-related fees imposed in accordance with the provisions of Article XIIID are exempt." As previously stated, the proposed District is being established in accordance with Article XIIID of the California Constitution and is therefore exempt from Proposition 26.

PROPOSED IMPROVEMENTS AND PROGRAMS

The District is expected to generate \$517,098.00 annually over a five-year period with a maximum three percent (3%) increase per year. Any adjustment will be included in the Annual Planning Report submitted for Council consideration. The revenue will be utilized to fund the proposed District's improvements and activities that include, but are not limited to: ambassador/security services; landscaping, sanitation and beautification; marketing and promotions; new business attraction; policy development, district management and administration; office, insurance, accounting and other; and uncollected assessment reserve.

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 is an allocation of program costs as described in the attached Management District Plan based upon two zones of benefit and a calculation of assessable footage. Three property assessment variables, lot square footage, building square footage and linear front footage will be used in the assessment calculation.

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 section 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 "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."

Upon establishment of the District, the City Clerk will contract with a non-profit corporation to manage the District on a day-to-day basis.

ASSESSABLE CITY PROPERTY

There are currently no City-owned properties located within the District.

FISCAL IMPACT

Proposition 218 requires the separation of general benefits from the special benefits. The general benefit portion for the Melrose Property Business Improvement District is \$31,026 for the first year. Surplus funds may be available in the BID Trust Fund 659 for the first year of operation. However, funds other than assessment revenue must be budgeted annually for the general benefit expense for the remaining years of the BID's five-year term.

RECOMMENDATIONS

- 1. FIND that the petitions submitted on behalf of the proponents of the proposed Melrose Property 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 XIIID 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 XIIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the Engineer has separated the general from special benefits. The Engineer's Report identified general benefits in the amount of 6.00% to be separated from the special benefits conferred on parcels within the proposed District. The yearly general benefits cost must be paid from funds other than the assessments collected for the Melrose Property Business Improvement District. The general benefit cost for first year of operation is \$31,026.
- 5. FIND that in accordance with Article XIIID 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 XIIIC §1(e).
- 7. FIND that the proposed improvements and activities are completely separate from the day to day operations of the City of Los Angeles.
- 8. ADOPT the Preliminary Report of the City Clerk.
- 9. ADOPT the attached Management District Plan.
- ADOPT the attached Engineer's Report.
- 11. ADOPT the attached Ordinance of Intention to establish the Melrose Property Business Improvement District.
- 12. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute and administer a contract between the City of Los Angeles and a non-profit corporation for the administration of the District's programs.
- 13. 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.).
- 14. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an enabling Ordinance establishing the Melrose Property Business Improvement District for Council consideration at the conclusion of the required public hearing.

Sincerely,

Jyhe Lagmay

Oity Clerk

JL:HLW:MCP:RMH:ev

Attachments:

Management District Plan

Engineer's Report

Draft Ordinance of Intention

Management District Plan

FOR THE

Formation

OF THE

MELROSE

PROPERTY BUSINESS IMPROVEMENT DISTRICT

SAS 'JUN 0 6 2013

Prepared May 2013 pursuant to the State of California
Property and Business Improvement District Law of 1994
to Form a

Management District in the Melrose area, a community within the
City of Los Angeles
by the

Melrose Property Owners Association
and
Duckworth Consulting, Its Consultants

"Melrose" Property Business Improvement District Management District Plan

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I. OVERVIEW OF THE MELROSE PROPERTY BUSINESS IMPROVEMENT DISTRICT

<u>Introduction</u>: A growing coalition of property and business owners, and members of the community, are proposing formation of the Melrose Property Business Improvement District (hereinafter "District") pursuant to the Property and Business Improvement District Law of 1994 (Streets & Highways Code Section 36600 *et seq.*; hereinafter the "State Law"). This document is the Management District Plan required by Section 36622 of the State Law. It proposes improvements, activities, and services that revitalize and enhance the area and convey special benefits to properties located within the boundaries of the Melrose District.

Name: "Melrose Property Business Improvement District."

Location: The proposed District is a well known commercial area in the City of Los Angeles, located south of Hollywood and centered along Melrose Avenue between Highland Avenue on the east and Fairfax Avenue on the west. It is a commercial strip that abuts a residential neighborhood and is generally one parcel deep to both the north and the south. It includes Fairfax High School and Melrose Elementary School. Refer to the boundary description and map in the "Boundaries / Maps" section of this document for a more complete description of the District's boundaries.

<u>Services</u>: The proposed District will fund improvements, activities, and services authorized under the State Law. Specifically, the District will provide improvements, activities, and services in the following program areas: (i) security / ambassador services; (ii) landscaping, sanitation and beautification; (iii) marketing and promotions; (iv) new business attraction; and, (v) policy development, district management, and administration. These services will be provided differently in two separate zones as described below:

- Zone 1 consists of all commercially zoned properties in the District. All District Services will be provided to these properties, which experience the highest level of vehicle and pedestrian traffic and commercial density, and, thus demand for Services among the two (2) zones of benefit. These Services include: ambassador / security services; landscaping, sanitation, and beautification services; marketing and promotions; new business attraction; policy development, management, and administration; and, office, insurance, accounting, and other overhead costs. The particular and distinct special benefits conveyed to each Zone 1 parcel are described in the Engineer's Report for the District, which is incorporated herein by reference, and included as Appendix 2 of this document.
- Zone 2 consists of all "PF" zoned properties in the District used as public school sites by the Los Angeles Unified School District (LAUSD). There are two (2) such parcels: Melrose Elementary School (APN 5525-010-900) and Fairfax High School (APN 5527-021-900). Because of their use as schools whose use is governed by law, these parcels experience a different type of vehicle and pedestrian traffic and no commercial use, which translates into less demand for District services than Zone 1 parcels. Only ambassador / security services;

landscaping, sanitation, and beautification services; and the organizational overhead resources needed to support them (policy development, district management, and administration; and, office, insurance, accounting, and other costs) will provide a special benefit to these properties. (Marketing and promotions and new business attraction services will not benefit these Zone 2 parcels.) Also these services will be provided to Zone 2 parcels less frequently than provided to Zone 1 properties; and, only on frontage that is directly across from other street frontage that receives District Services. The particular and distinct special benefits conveyed to each Zone 2 parcel are described in the Engineer's Report for the District.

The purpose of the proposed District is to provide improvements, activities, and services as described in this Management District Plan to specially and individually benefit parcels in the District by: improving the safety and comfort of each individually assessed parcel within the District; improving the cleanliness and beauty of each individual assessed parcel within the District; increasing building occupancy and lease rates; encouraging new business development; and, attracting ancillary businesses and services for parcels within the District. No improvements, activities, or services will be provided outside District boundaries.

See the "Service Plan / Budget" section of this document for a more specific description of the improvements, activities, and services planned for the District.

Method of Financing: The improvements, activities, and services will be funded through a benefit assessment against real property in the District. The assessment formula has been designed to ensure that no parcel will be assessed an amount that exceeds the cost of the proportional special benefit that parcel derives from the improvements, activities, and services provided by the District. Each parcel in Zone 1 of the District will be assessed \$0.1437 per square foot of lot size, \$0.1853 per square foot of improvement size, and \$8.6876 per linear foot of street frontage. Also, each parcel in Zone 2 of the District will be assessed \$0.0088 per square foot of lot size, \$0.0259 per square foot of improvement size, and \$5.910 per linear foot of street frontage. Zone 2 parcels are zoned "PF" and used as public schools and by their nature are extraordinarily large relative to other District parcels. Therefore, such parcels will be assessed for linear foot of street frontage on Melrose or other street frontage that is directly across from street frontage that is in the District and no other frontage. Parcel assessments are described in greater detail in Section IV of this Management District Plan.

The Engineer's Report for the District has found that the general benefits (i.e. benefits to the general public or surrounding parcels) of the proposed improvements, activities and services could represent as much as six percent (6%) of the total benefits generated by the improvements activities and services. Accordingly, six percent (6%) of the total District budget will be funded annually by non-assessment revenues.

Assessments for the Fiscal Year beginning January 1, 2014 and assessments for subsequent fiscal years, through and including the Fiscal Year ending December 31, 2018 will be collected at the same time and in the same manner as ad valorem taxes paid to the County of

Los Angeles. The Los Angeles City Clerk's Office is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

District assessments may be adjusted annually as approved by the Owner's Association to reflect inflation at a rate not to exceed three percent (3%) and submitted to the City of Los Angeles with the District's Annual Planning Report in accordance with Streets and Highways Code Section 36650.

During the five-year term of the District, it is likely that the improvements on some parcels in the District will change. The assessment against each parcel for any year will be based on the improvements actually present on the parcel as of the beginning of that year. Pursuant to Government Code Section 53750(h)(3), a change in the assessment against a parcel that results solely from changes to the parcel does not constitute an assessment "increase" requiring the conduct of a new Proposition 218 ballot proceeding.

See the "Assessment Formula" section of this document for additional details.

<u>Budget:</u> The proposed District budget is included in the "Service Plan" section of this document.

Bonds: The District will not issue bonds.

<u>City Services:</u> The base line services of the City of Los Angeles are not affected by the District's improvements, activities and services, which are only supplemental in nature to those services. The Melrose BID is being established to provide enhanced (or otherwise unavailable) improvements, activities, and services to assessed parcels within the boundaries of the District.

<u>Duration:</u> As required by State Law, the District will have a set term. The District's term will be January 1, 2014 through December 31, 2018. At the end of this period, the District may be renewed as permitted by law.

II. BUSINESS IMPROVEMENT DISTRICT BOUNDARIES

The Melrose Business Improvement District is centered along Melrose Avenue. The boundaries of the District are shown on the map that follows this Section of this Plan. A list of the Los Angeles County Assessor's Parcel Numbers and addresses of each included parcel is provided in Appendix 1 of this document. Additional information regarding these boundaries, and a database of each included parcel, is provided in the Engineer's Report for the District, which is incorporated herein by reference, and included as Appendix 2 of this document.

The District includes all non-solely residentially zoned parcels that lie between N. Fairfax Avenue and N. Highland Avenue and encompasses a unique area historically well known simply as "Melrose," which is a relatively compact area that attracts pedestrians and features commercial uses that tend to function in a complimentary economic manner. Customers and employees of Melrose tend to drive to the area, park once, and then walk to their commercial destinations or partake in the activities along Melrose Avenue and its commercial side streets. The north and south boundaries of the District run along the alleys immediately behind the rows of commercial lots except for two places where the boundaries jog north or south to include the entirety of school parcels that front on Melrose Avenue. On the other side of these alleys lie residential neighborhoods except at the three locations where Melrose Avenue is bisected by regional traffic collector streets that function as regional, auto oriented commercial corridors: N. Fairfax Avenue, N. La Brea Avenue and N. Highland Avenue. The District's improvements, activities, and services are not designed for these residential neighborhoods and no improvements, activities, and services will be provided in these residential neighborhoods. N. Fairfax Avenue, N. La Brea Avenue and N. Highland Avenue are commercially developed, as is Melrose Avenue to the East and West of the District. However, these commercial strips are part of the Fairfax, West Hollywood, Hollywood or Hancock Park commercial corridors, rather than part of Melrose. These commercial corridors also generally consist of larger businesses, serving a regional market that are often more auto oriented than the more pedestrian-oriented Melrose businesses. No improvements, activities, or services will be provided by the District to parcels that don't front on Melrose that are on these commercial collector streets.

As a supplement to the referenced District map, the boundaries of the proposed District are described below.

Northern Boundary:

• The northern boundary of the District begins at the intersection of the centerline of N. Fairfax Avenue with the centerline of the public alley north of parcel 5527-011-005 (the parcel at the northeast corner of N. Fairfax Avenue and Melrose Avenue). From that point, the District boundary follows the centerline of the public alley east approximately 1 mile to the centerline of N. Formosa Avenue. At the point at which the public alley centerline intersects with the centerline of Poinsettia Place, the boundary follows the Poinsettia Place centerline to transition

from 15 ft. wide public alley width to the west and 20 ft. wide public alley to the east and then continues east along the public alley centerline. Continuing at the point of intersection of the center of the public alley and the centerline of N. Formosa Avenue, the District boundary runs north along the centerline of N. Formosa Avenue to its intersection with the centerline of Waring Avenue, then east along the centerline of Waring Avenue to its intersection with N. Detroit Street, then south along the centerline of N. Detroit Street to its intersection with the centerline of the public alley to the north of parcel 5525-009-022 (the parcel located at the northeast corner of N. Detroit Street and Melrose Avenue). From that point, the District boundary continues east along the centerline of the public alley to the centerline of the public alley to the east of that parcel 5525-009-022, then along that centerline to its intersection with the north parcel boundary of parcel 5525-009-024 at which point it continues east across N. La Brea Avenue to the centerline of the public alley to the north of parcel 5525-008-032 (the parcel located at the northeast corner of N. La Brea Avenue and Melrose Avenue). From that point, the District boundary continues east along the centerline of the public alley to its intersection with the centerline of the N. Citrus Avenue then, south along that centerline to its intersection with the centerline of Melrose Avenue, then along that centerline to its intersection with the centerline of Highland Avenue. This boundary was chosen to include all of the complimentary functioning non-residential parcels that compose the unique, historically identified, compact, area that attracts pedestrians known as "Melrose," to the south between N. Fairfax Avenue and N. Highland Avenue and exclude all solely residential parcels located to the north of the alley that runs behind the Melrose Avenue business strip. Solely residential parcels are presumed by State Law to not benefit from District improvements, activities, or services. The area to the north of the alley is residential, except along N. Fairfax Avenue, N. La Brea Avenue, and N. Highland Avenue (each of which constitutes a distinct business corridor). The commercially zoned parcels that front on N. Fairfax Avenue or N. La Brea Avenue are excluded from the District because they are oriented to provide services to those major commercial collector streets and would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians and its commercial uses that share a different marketplace demographic orientation. The commercially zoned parcels that front N. Highland Avenue are excluded from the District because they are included within the boundaries of the Hollywood Media District BID and, therefore, prohibited by State Law from being included in the District. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services. No improvements, activities, or services will be provided outside of the District's boundaries.

Eastern Boundary:

• The eastern boundary of the District begins at the intersection of the centerline of Melrose Avenue and its intersection with the centerline of N. Highland Avenue

and extends south along that centerline to its intersection with the centerline of the public alley south of parcel 5524-017-001. This boundary was chosen to include all of the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians to the west that functions as an economic unit with a shared marketplace demographic orientation. This boundary also excludes from the District commercially zoned parcels that front on N. Highland Avenue and are located within the Hollywood Media District BID and precluded by State Law from being included within the Melrose BID boundaries. Solely residentially zoned parcels that front on N. Highland Avenue are excluded from the District because they are presumed by State Law to not benefit from District improvements, activities, or services. The auto maintenance commercial use located at Highland Avenue is oriented to provide services as part of the extended commercial corridor located along that major arterial street and that would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians and a different marketplace demographic. Parcels located east of N. Highland Avenue on Melrose Avenue are either zoned solely residential and presumed by State Law to not benefit from improvements, services, and activities provided by the District or are commercial parcels that are oriented to providing services to the surrounding residential neighborhood and are also excluded from the District because they would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, shopping / office district fronting on Melrose Avenue that attracts pedestrians of a different marketplace demographic orientation. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services of the District. No improvements, activities, or services will be provided outside of the District's boundaries.

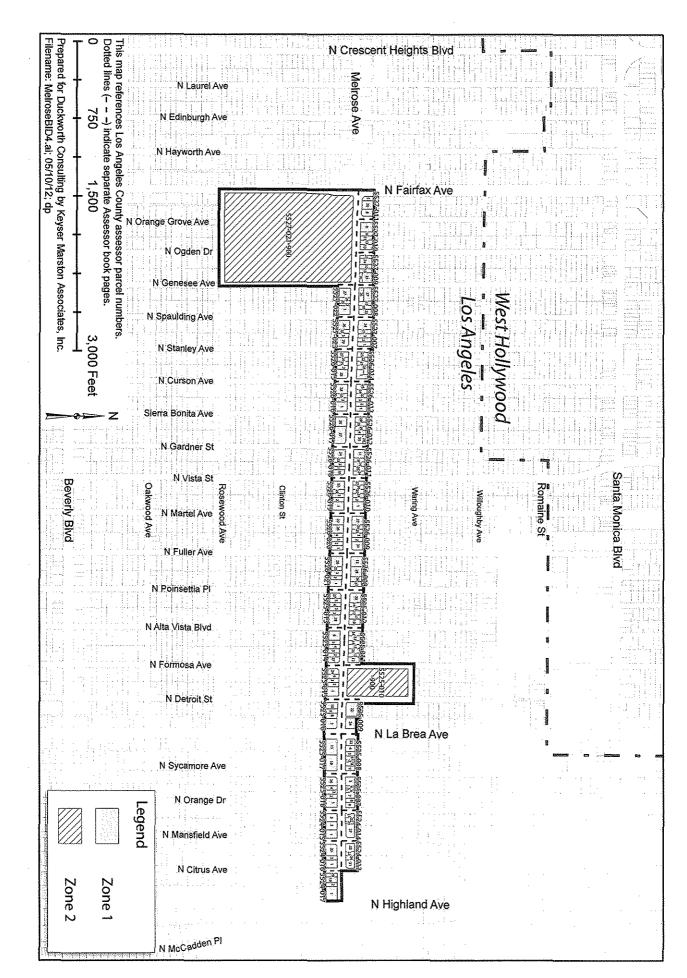
Southern Boundary

The southern boundary of the District continues west from the intersection of the centerline of N. Highland Avenue with the centerline of the public alley south of parcel 5524-017-001 (the parcel located at the southwest corner of N. Highland Avenue and Melrose Avenue). From that point, the District boundary follows the centerline of the public alley west approximately 1 mile to the centerline of N. Genesee Avenue. At that point, to include the Fairfax High School parcel 5527-021-900 that fronts on Melrose Avenue, the District boundary runs south along the centerline of N. Genesee Avenue to its intersection with the centerline of Rosewood Avenue, then west along the centerline of Rosewood Avenue to its intersection with the centerline of N. Fairfax Avenue. This boundary was chosen to include all of the of the commercial parcels that compose the unique. historically identified, compact, area known as "Melrose" that attracts pedestrians with a shared marketplace demographic orientation to the north and excludes those to the south that are zoned solely residential and presumed by State Law to not benefit from District improvements, activities, or services. Also excluded from the District were commercially zoned parcels that front on N. Fairfax

Avenue, or N. La Brea Avenue (each of which constitute a distinct business corridor). These extended, regional commercial corridors are oriented to provide services to automobile traffic on those major arterial streets and would not benefit from the improvements, activities, or services provided for the shopping / office district fronting on Melrose Avenue that attracts pedestrians. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services. No improvements, activities, or services will be provided outside of the District's boundaries.

Western Boundary:

The western boundary of the District continues north along the centerline of N. Fairfax Avenue from its intersection with the centerline of Rosewood Avenue south of parcel 5527-021-900 (the parcel located at the southeast corner of N. Fairfax Avenue and Melrose Avenue), and extends to its intersection with the centerline of the public alley north of parcel 5527-011-005, which is the point of beginning for this boundary description. This boundary was chosen to include the entire unique, historically identified, compact area known as "Melrose" that attracts pedestrians with a distinct and shared marketplace demographic. Fairfax High School breaks the pedestrian customer activity flow from those parcels to the east; and, the clientele and type of commercial activity on the commercially zoned parcels to the west are different from that of the Melrose area. This boundary also excludes from the District commercially zoned parcels that front on N. Fairfax Avenue that are a part of the extended commercial corridor located along that major arterial street and oriented to provide services to automobile traffic on it and that would not benefit from the services provided for the shopping / office district fronting on Melrose Avenue that attracts pedestrians. Parcels located west of N. Fairfax Avenue that are zoned solely residential and presumed by State Law to not benefit from District improvements, activities, or services are also excluded from the District. Commercial parcels located west of N. Fairfax Avenue that are oriented to providing services to adjacent residential neighborhoods or to a different customer market segment, are excluded from the District because they would not benefit from the improvements, activities, or services provided for the shopping / office district fronting on Melrose Avenue that is known to attract pedestrians. Also excluded from the District are commercial parcels located west of N. Fairfax Avenue that are a part of non-Melrose shopping areas and would not benefit from the improvements, services. and activities directed to that unique, historically identified, compact, area known as "Melrose" that attracts pedestrians to the west that serve a shared marketplace demographic. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services of the District. No improvements, activities, or services will be provided outside of the District's boundaries.



III. PROPOSED DISTRICT SERVICE PLAN / BUDGET 2014 - 2018

District budget cost estimates have been established based upon the following factors: (i) historical costs of similar improvements, activities, and services provided in other business improvement district organizations and municipal agencies in the Greater Los Angeles area; (ii) estimates of anticipated marketplace costs for needed goods and services; and, (iii) analysis of the improvements, activities, and services, the optional frequencies with which they might be provided, and the impact of District geography upon them as required to efficiently and effectively achieve the desired results of District formation.

The District will provide the following improvements, activities, and services as consistent with the provisions of the State Law: (i) ambassador / security services; (ii) landscaping, sanitation, and beautification; (iii) marketing and promotions; (iv) new business attraction; and, (v) policy development, district management, and administration. In addition, overhead resources to support those direct improvements, activities, and services will be provided through office, insurance, accounting, and other costs line items and an uncollected assessment reserve line item. These services are described in greater detail below.

The District will operate on a fiscal year that begins on January 1 and ends on December 31 of each calendar year. In years in which annual District assessments do not fully fund all of its costs, funds from its contingency and cash flow reserves may be expended to close the gap. The contingency and cash flow reserve is maintained to accommodate the timing lag, if any, between the time that the District incurs costs and the time that it receives funds. The District may also carryover uncompleted projects or unexpended assessment revenues from prior fiscal years. Such carryover funds may be re-budgeted for any District improvements, activities, and services as approved by the Owner's Association and permitted by State Law and the terms and conditions of the contract with the City of Los Angeles. Accumulated interest or delinquent assessment payments may also be expended as approved by the Owner's Association and permitted by State Law and the terms and conditions of the contract with the City of Los Angeles.

The Owners' Association will have the responsibility to enter contracts with service providers and consultants, hire staff, and manage the day-to-day affairs of the District. The Owner's Association will have the discretion to make adjustments of up to 10% to the budget categories established in this Management District Plan to accommodate market cost fluctuations for goods and services purchased by the District or the needs of the District, as submitted in its Annual Planning Report to the City and in accordance with State Law (section 36650 of the Streets and Highways Code).

<u>District Dissolution</u>. In the event that the Melrose District ends either because it is not renewed in 2018 or as a result of the disestablishment process, then funds may be set aside from the District in its final year of operation to remove landscaping, equipment, street furniture, trash receptacles, and other District improvements and property for which a future caretaker would not exist. The purpose of this provision is to avoid the creation

of future damage and maintenance liabilities in the public right of way. All remaining funds shall be returned to the existing parcel owners as provided in State Law and the City's contract with the Owner's Association.

All of the improvements, activities, and services described below are provided only within the boundaries of the District and provide a special benefit to each individually assessed parcel located within the proposed District. No improvements, activities, or services will be provided outside District boundaries. "Special benefit" is defined in "Finding 2" of the attached Engineer's Report.

The following are the key expenditure categories or program areas of the District service plan / budget:

A. AMBASSADOR / SECURITY SERVICES

The purpose of the Ambassador / Security Services Program, which is described below, is to provide a readily identifiable, uniformed presence serving each individually assessed parcel by observing and responding to needs of those parcels. Ambassadors / security officers will create the appearance of safety of each individually assessed parcel, which will enhance the comfort level of customers, employees, visitors, owners and tenants as they enter, move through, leave, and travel between those parcels, thereby stimulating the quality of their shopping / business experience and contributing to an improved business climate and economic vitality that specially and individually benefits those parcels. This standard of service is higher than would exist with only baseline City services.

Ambassadors / security officers may operate via foot patrols, bicycle, or vehicle, as deemed appropriate by the Owner's Association. These personnel provide directions or assistance; serve as a liaison to the City's police, City Attorney, and other services; coordinate the provision of homeless services; warn and advise trespassers; and, respond to visitor inquiries. Ambassadors will be deployed at such times and in such a manner as the District deems most effective and efficient to achieve their purpose. This practice will allow for cost savings when service needs are diminished or not present. For the purpose of establishing a budget estimate, 60 hours per week of a single unarmed contract ambassador / security officer has been projected.

The Melrose business improvement district may contract for the provision of parking management services or the coordination of such services in order to achieve Ambassador / Security Program purposes.

The Melrose business improvement district may also contract for the provision of services or the coordination of services for the homeless in order to achieve Ambassador / Security Program purposes. The District could contract with a greater Los Angeles area non-profit organization, People Assisting the Homeless (PATH), to achieve this goal. For the purpose of establishing a budget estimate, a

\$7,500 annual contract for such services has been projected.

Ambassador / Security Program services will specially and individually benefit each assessed parcel in the District in a particular and distinct manner because services will be provided for each such parcel. No improvements, activities, or services will be provided outside of the District's boundaries (or north of the alley north of Melrose Avenue or south of the alley south of Melrose Avenue).

B. LANDSCAPING, SANITATION, AND BEAUTIFICATION

The purpose of the Landscaping, Sanitation, and Beautification Services Program, which is described below, is to clean the sidewalks and public rights of way, and to provide public landscaping adjacent to each individually assessed parcel to create a highly attractive appearance for each such parcel. Clean, well-serviced, and attractive parcels draw customers, employees, visitors, owners, and tenants and enhance the quality of their shopping and business experience in the District thereby contributing to an improved business climate and economic vitality that specially and individually benefits those parcels. This standard of service is greater than would exist with only baseline City services.

These services may be provided by either staff working for the District or by contractor (s) to the District, or a combination of both. These activities may include, but are not necessarily limited to, the following: street sweeping; sidewalk sweeping; public alley sweeping; sidewalk pressure washing; graffiti removal; sticker removal; street litter pick-up; planting of new or replacement trees; and, irrigation and operation of landscaping, trees, public art, signage, lighting, and other improvements that may be installed by the District, the City, or other entities. For the purpose of establishing budget estimates, historical cost experience in providing such services in other business improvement districts in the greater Los Angeles area have been projected.

Monies may be set aside in any year to pay for special capital improvements (e.g. street tree lights, street furniture, one-time streetscape repair, holiday decorations, or other similar improvements). These improvements will specially and individually benefit only the assessment paying parcels in the District by improving the area in a manner that attracts business and customers. These are improvements, activities, or services not otherwise provided by the City of Los Angeles.

The District Owner's Association will endeavor to obtain available public or private funding to leverage (or magnify) its assessment revenues for the installation of streetscape, landscape, sanitation, beautification, or other improvements, activities, or programs within the District. The District may provide funding for urban design, planning, economics, grant preparation, or other support services, or grant matching funds to accomplish such ends.

Landscaping, Sanitation, and Beautification Program services will specially and individually benefit each assessed parcel in the District in a particular and distinct manner because services will be provided at or contiguous to each such parcel and / or in the parking areas serving parcels. No improvements, activities, or services will be provided outside of the District's boundaries (or north of the alley north of Melrose Avenue or south of the alley south of Melrose Avenue).

C. MARKETING AND PROMOTIONS

The purpose of the Marketing and Promotions Program, which is described below, is to create and disseminate information and awareness about Melrose's identity, brand, and business sales opportunities to convey a positive image of each individually assessed parcel to customers, employees, visitors, owners, tenants, and investors. Marketing, promotions, and public relations initiatives will promote the business activities and opportunities occurring on assessed parcels in the District, thereby benefiting those parcels by contributing to an improved business climate and economic vitality that specially and individually benefits all assessed parcels in the District in a particular and distinct manner. These services would not be available within the City's baseline level of services.

Marketing and Promotions Services might include, but are not limited to, the following: street banners; holiday decorations; a website; a property owner newsletter; special printing, graphics or advertising; public relations activities; special events or activities; placement of promotional materials in various media; creation and operation of "shop local" incentive programs; etc. The District may use any available effective media for these initiatives.

Marketing and Promotions Program services will specially and individually benefit each assessed parcel in the District in a particular and distinct manner because they will promote the business activities and opportunities occurring on these parcels. The District will not market or promote activities and opportunities that take place outside of the District's boundaries. Marketing & Promotions Program services will not benefit Zone 2 "PF" zoned parcels because of the nature of their public schools use for which attendance is legally determined.

D. NEW BUSINESS ATTRACTION

The purpose of the New Business Attraction Program, which is described below, is to develop, present, distribute, and advocate location and development opportunities on District parcels in order to expand existing tenancies, attract new tenants, or general future growth that positively affects the District and each individual parcel in the District by contributing to an improved business climate and economic vitality. Research has shown that new business tenants and commercial growth tend to increase the business volumes, sales, and property values of other immediately adjacent existing businesses and properties. These services are not available within the City's baseline level of services.

These services may be provided by either staff working for the District or by contractor (s) to the District, or a combination of both. The services may include, but are not necessarily limited to, the following: preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District's best interested as approved by the Owner's Association.

New Business Attraction Program services will specially and individually benefit each assessed parcel in the District in a particular and distinct manner, by promoting the expansion of existing tenants of such parcels, attracting new tenants to such parcels, or attracting new growth, thereby helping to maintain a high occupancy rate in the District. The District will not provide any New Business Attraction services to parcels outside the District. New Business Attraction Program services have no affect on Zone 2 "PF" zoned parcels, do not benefit them, and they will not be assessed for them, because of the nature of their public schools use.

E. POLICY DEVELOPMENT, DISTRICT MANAGEMENT, AND ADMINISTRATION

The purpose of the Policy Development, Management, and Administration Program is to create a well managed District that optimizes the use of the assessment funds through effective vendor selection and contract management, excellent communications with stakeholders, effective advocacy on behalf of parcel interests, effective board and committee coordination, and sound fiscal management. As a result the District's direct services provided to and for the benefit of each parcel will be efficient, effective, and successful and the Policy Development, District Management, and Administration Program will have contributed to an improved business climate and economic vitality that specially and individually benefits each such parcel. These services are not available within the City's baseline level of services.

This budget category collects District costs for implementing the other identified direct services provided to District property and business owners. In addition to managing and administering all affairs of the Owner's Association and complying with all contractual obligations to the City for District operations, this program serves as a "voice" of the parcel owner community to the media and governmental policy makers. Development of policies that seek to promote Melrose business, and effective and efficient District management / administration are the products of these services. Such efforts may produce changes that enhance business at a number of levels: within the business improvement district organization; within other community based organizations; at City Hall and its various departments; or at other levels of government.

The District will seek grant funding and non-assessment financial support through

these services. It will also seek "co-partnerships" with governmental, non-profit, and private sector organizations through these services

The District will be managed / administered by an Owner's Association that may hire a professional manager who may utilize administrative and technical support as needed that would be provided by this budget item. Positions that may be hired by the District may include, but are not limited to, the following: an executive director, clerical assistance, or field maintenance assistance. These positions may be either District employees or contract service providers as determined to be the best interests of the District by the Owner's Association.

Policy Development, District Management, and Administration services will specially and individually benefit each assessment-paying parcel located within the District. No improvements, activities, or services will be provided outside of the District's boundaries.

F. OFFICE, INSURANCE, ACCOUNTING, AND OTHER

The purpose of the Office, Insurance, Accounting, and Other budget item is to fund the various administrative costs associated with providing the District's services to each assessed parcel. As a result the District's direct services provided to and for the benefit of each assessed parcel will be efficient, effective, and successful and the Office, Insurance, Accounting, and Other Program will have contributed to an improved business climate and economic vitality that specially and individually benefits each such parcel. These services and administrative needs are not available within the City's baseline level of services.

District office supply, material, insurance, accounting, bookkeeping service, rental, telephone, meeting expense, database, computer, furnishing, equipment, and other necessary expenses are included in this budget category. These items serve to implement all other District improvements, activities, and services.

Office, Insurance, Accounting, and Other expenses are incurred only when associated with the provision of improvements, activities, and services that specially and individually benefit each assessed parcel in the District in a particular and distinct manner. No improvements, activities, or services will be provided outside of the District's boundaries.

G. UNCOLLECTED ASSESSMENT RESERVE

The purpose of the Uncollected Assessment Reserve is to provide an accounting cushion for the revenue shortfall that might be created in any particular year for assessments that are not paid timely through the City or County of Los Angeles. This is a temporary reserve that has been established to offset such temporary revenue shortfalls. Use of these funds is incurred only when associated with the provision of improvements, activities, and services that specially and individually

benefit each assessed parcel in the District in a particular and distinct manner. No improvements, activities, or services will be provided outside of the District's boundaries.

MELROSE PBID MULTI YEAR BUDGET / SERVICE PLAN 2014 - 2018

GRAND TOTAL PBID BUDGET	Sub Total	TOTAL BUDGET BY ZONE	F. Uncollected Assessment Reserve Sub Total	E. Office, Insurance, Accounting & Other	D. Policy Dev, Management & Administration	Sub Total	D. New Business Attraction	C. Marketing & Promotions	 B. Landscaping, Sanitiation, & Beautification 	A. Ambassador / Security Services	ANNUAL BUDGET COSTS		Item	
	\$486,072	\$466,179	\$10,000 \$126,687	\$43,345	\$73,342	\$339,492	\$15,000	\$114,000	\$145,695	\$64,797		Zone 1 SP Ass'mts		
\$517,098	072	\$19,893	\$0 \$3,316	\$1,658	\$1,658	\$16,577	\$0	\$0	\$11,474	\$5,103		Zone 2 Non Ass'mt ¹ SP Ass'mts	2014	Year#1
) 9 8		\$31,026	\$638 \$8,298	\$2,873	\$4,787	\$22,728	\$957	\$7,277	\$10,032	\$4,462		lon Ass'mt	4	**
		\$517,098	\$138,301	\$47,876	\$79,787	\$378,797	\$15,957	\$121,277	\$167,201	\$74,362		Totals		
	\$500,654	\$480,164	\$130,487	\$44,645	\$75,542	\$349,677	\$15,450	\$117,420	\$150,066	\$66,741		Zone 1 SP Ass'mts		
\$532,611	654	\$20,490	\$3,416	\$1,708	\$1,708	\$17,074	\$0	\$0	\$11,818	\$5,256		Zone 2 SP Ass'mts	2015	Year #2
31		\$31,957	\$8,547	\$2,959	\$4,931	\$23,410	\$986	\$7,495	\$10,333	\$4,596		Non Ass'mt ¹	Oi.	#2
		\$532,611	\$10,95/	\$49,312	\$82,181	\$390,161	\$16,436	\$124,915	\$172,217	\$76,593		Totals		
	\$515,674	\$494,569	\$10,609 \$134,401	\$45,984	\$77,808	\$360,168	\$15,914	\$120,943	\$154,568	\$68,743		Zone 1 Zone 2 Non Ass'mt ¹ SP Ass'mts SP Ass'mts		
\$548,589	574	\$21,105	\$0 \$3,518	\$1,759	\$1,759	\$17,587	\$0	\$0	\$12,173	\$5,414		Zone 2 SP Ass'mts N	2016	Year#3
89		\$32,915		\$3,047		\$24,112	\$1,016	\$7,720	\$10,643	\$4,733		on Ass'mt1		ಡ
		\$548,589	\$11,286 \$146,722	\$50,790	\$84,646	\$401,867	\$16,930	\$128,663	\$177,384	\$78,890		Totals		

^{1.} Non-assessment revenues of at least 6% to cover the cost associated with general benefits from District improvements, activities, and services.

GENERAL NOTE: The District will endeavor to reduce and/or supplement budgeted expenditures through donations and prudent management practices. Some shifting of actual expenditures between the above budget categories may occur. Unexpended assessments, incompleted projects, accumulated interest, or delinquent payments from any fiscal year may be carried forward and rebudgeted for subsequent fiscal years or renewal term for any approved District purpose. Contingency and cash flow reserve funds may be used in any fiscal year. There shall be no change in service levels established by this Management District Plan pursuant to Streets and Highways Code section 36650. All District assessments are subject to inflationary increases based upon movement in the Los Angeles – Orange - Riverside Consumer Price Index for All Urban Consumers, not to exceed three per cent (3%) per fiscal year. The maximum assessment level is assummed above. The District Fiscal Year will be January 1 through December 31 of each calendar year.

	ş	\$509,405	\$138,433	\$10,927	\$47,364	\$80,142	\$370,972	\$16,391	\$124,571	\$159,205	\$70,805	Zone 1 SP Ass'm		
\$56	\$531,143	105 \$21,738	33 \$3,624		64 \$1,812	42 \$1,812	172 \$18,114		71 \$0			Zone 1 Zone 2 SP Ass'mts SP Ass'mts Non Ass'mt	N	Ϋ́e
\$565,046	ı	\$33,903	\$9,068		\$3,139	\$5,231	\$24,835		_			Non Ass'mt ¹	2017	Year #4
		\$565,046	\$151,125	\$11,625	\$52,315	\$87,185	\$413,921	\$17,438	\$132,522	\$182,705	\$81,256	Totals		
	\$547,077	\$524,687	\$142,586	\$11,255	\$48,785	\$82,546	\$382,101	\$16,883	\$128,308	\$163,981	\$72,929	Zone 1 SP Ass'mts		
\$581,997	,077	\$22,390	\$3,733	\$0	\$1,867	\$1,866	\$18,657	\$0	\$0	\$12,914	\$5,743	Zone 1 Zone 2 SP Ass'mts SP Ass'mts	2018	Year #5
997		\$34,920	\$9,339	\$717	\$3,233	\$5,389	\$25,581	\$1,078	\$8,190	\$11,291	\$5,022	Non Ass'mt	8	##
		\$581,997	\$155,658	\$11,972	\$53,885	\$89,801	\$426,339	\$17,961	\$136,498	\$188,186	\$83,694	Totals		
	\$2,580,620	\$2,475,004	\$672,594	\$53,091	\$230,123	\$389,380	\$1,802,410	\$79,638	\$605,242	\$773,515	\$344,015	Zone 1 SP Ass'mts		
\$2,745,34	,620	\$105,616	\$17,607	\$0	\$8,804	\$8,803	\$88,009	\$0	90	\$60,917	\$27,092	Zone 2 SP Ass'mts	Totals	5 Years
3,341		\$164,721	\$44,055	\$3,387	\$15,251	\$25,417	\$120,666	\$5,084	\$38,633	\$53,261	\$23,688	Non Ass'mt1	¥s	ars
		\$164,721 \$2,745,341	\$734,256	\$56,478	\$254,178	\$423,600	\$2,011,085	\$84,722	\$643,875	\$887,693	\$394,795	Totals		

IV. PROPOSED MANAGEMENT DISTRICT ASSESSMENT FORMULA

Revenues to fund District Service Plan costs will be generated by an annual special assessment against each parcel in the District; and, an annual non-special assessment contribution to cover the costs associated with any general benefit from services. The amount of the special assessment against each assessed parcel reflects the relative special benefit that parcel will derive from District services.

Two levels of benefit will be provided within the District. Zone 1 consists of all commercially zoned parcels within the District that will benefit from all of the services provided. The annual rate of the assessment in Zone 1 will be \$0.1437 per square foot of lot size; \$0.1853 per square foot of improvement size; and, \$8.6876 per linear foot of street frontage. Zone 2 consists of all "PF" zoned properties in the District used as public school sites by the LAUSD. Only security / ambassador services; landscaping, sanitation, and beautification services; and the organizational overhead resources needed to support them (policy development, district management, and administration; and, office, insurance, accounting, and other costs) will be provided to these properties. These services for Zone 2 parcels will also only be provided on street frontage that is directly across from other street frontage that receives District services, and will be provided less frequently than similar services provided to Zone 1 properties. That is, all of the "PF" zoned parcels frontage will not receive services. The annual rate of the assessment in Zone 2 will be \$0.0088 per square foot of lot size; \$0.0259 per square foot of improvement size; and, \$5.9100 per linear foot of street frontage that is directly across from other frontage included within the District.

Assessment rates may be adjusted annually by the Owner's Association according to the change in the Consumer Price Index for Los Angeles-Orange-Riverside for All Urban Consumers, but this adjustment will not exceed three per cent (3%) per fiscal year. Any such CPU adjustment shall be submitted to the City of Los Angeles with the District's Annual Planning Report in accordance with Streets and Highways Code Section 36650.

The Los Angeles City Clerk's Office is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

These assessment rates were designed so that one-third (33.33%) of the total assessment will be based on lot size, one-third (33.33%) will be based on improvement size, and one-third (33.33%) based on street frontage. These three factors, taken together, better reflect the benefits derived by different types of land uses and parcels than would any single factor. Refer to the Engineer's Report for the District, which is incorporated herein by reference, and included in Appendix 2 of this document, for greater elaboration regarding the District assessment formula.

District services for Marketing and Promotions; New Business Attraction; and that portion of Policy Development, Management, and Administration not solely directed to

supporting administering Ambassador / Security and Landscaping, Sanitation, and Beautification services are intended to increase commerce and foot traffic in the District. Public schools, by their nature, do not benefit from these services as do other uses. Therefore, parcels zoned "PF" and used as public schools by the Los Angeles Unified School District (LAUSD) require special analysis in order to avoid overstating the benefits they receive and will not be assessed for these services from which they do not benefit. Moreover, services to these "PF" zoned parcels will only be provided along the linear street frontage of Melrose Avenue and other streets located in the District only for the length of street frontage that is directly across from other street frontage that is in the District. LAUSD parcels will benefit from the direct delivery of Landscaping, Sanitation, and Beautification; and, Ambassador / Security services along their Melrose Avenue and other street frontage that is directly across from street frontage that is in the District. The adjusted assessment also recognizes that school parcels by their nature are disproportionately large as compared to other parcels located within the District.

A list of the parcels to be included in the District is provided in Appendix 1 of this document. The Engineer's Report provides a full database including the proposed 2014 assessments for each parcel included within the District.

For a more complete description of the methodology used to determine these rates, refer to the Engineer's Report for the District, which is incorporated herein by reference, and included in Appendix 2 of this document.

During the five-year effective term of the District, it is likely that some of the improvements on some parcels within the District will change, will be developed with additional commercial improvements, or will see the demolition of existing improvements. The assessment against each parcel for any year will be based on the improvements actually present on the parcel at of the beginning of that year. The assessment against such parcels shall be recalculated beginning with the assessment for the first year following the construction or demolition of improvements. The new assessment against such a parcel shall be calculated pursuant to the formula set forth in the Engineer's Report (see Step 5 on Page ER-13). Pursuant to Government Code Section 53750(h)(3), a change in the assessment against a parcel that results solely from changes to the parcel does not constitute an assessment "increase" requiring the conduct of a new Proposition 218 ballot proceeding. Such a proceeding will be required if the assessment formula itself is changed.

V. CONTINUATION OF CITY SERVICES / CITYWIDE BASE LEVELS of SERVICE

The base line services of the City of Los Angeles are not affected by the District's improvements, activities and services, which are only supplemental in nature to those services. The Melrose business improvement district is being formed to provide enhanced or otherwise unavailable improvements, activities, and services for each individual assessed parcel located within the boundaries of the District.

VI. PUBLICLY OWNED PARCELS

The State Law requires that all publicly owned parcels within the District be assessed as any other similarly situated private parcel unless the affected public agency demonstrates by clear and convincing evidence that those publicly owned parcels, in fact, receive no special benefit. The publicly owned parcels and their respective annualized assessment amounts for 2012 are shown below:

LOS ANGELES UNIFIED SCHOOL DISTRICT (LAUSD)

	APN#	Description	Owner	PBID Assessment	% of Total
1	5525-010-900	Melrose Elementary School	LAUSD	\$4,738.50	0.98%
2	5527-021-900	Fairfax High School	LAUSD	\$15,154.50	3.12%
		Total LAUSD		\$19,893.00	4.10%

See the Engineer's Report for additional information about the publically owned parcels.

VII. PROPOSED IMPLEMENTATION TIMETABLE

The following timetable is proposed for the Melrose business improvement district formation:

DATE	<u>ACTIVITY</u>
December 2011	1 st draft Management District Plan / Engineer's Report.
May 2012	Approval of Management District Plan / Engineer's Report by City Clerk's Office.
May 2012	Petitions circulated to all property owners.
March 2013	Signed petitions submitted to City Clerk's Office & City Council.
June 2013	City Council adoption of Ordinance of Intention to Form BID.
July 2013	Proposition 218 ballot election.
July 2013	Final City Council hearing and ballot counting.
August 2013	Melrose BID assessments filed with L. A. County.
October 2013	Approval of new City Contract for BID administration. City Clerk initiates PBID assessment collection process for initial year.
January 2014	Melrose BID begins operations.

As provided by State Law, the new Melrose business improvement district will have a set term. The District's term will be January 1, 2014 through December 31, 2018. At the end of that period, the District may be renewed as permitted by State Law. If the District is not renewed or is otherwise terminated for any reason, all unexpended assessment funds will be returned to property owners as required by State Law following the removal of all District improvements and property from the public right of way as described Service Plan Budget section of this Management District Plan.

VIII. DISTRICT GOVERNANCE

State Law establishes a framework for District governance with City Council oversight and local, private sector management as described below:

A. Owner's Association

The City will enter into a contract with a private, non-profit entity designated as an "owner's association" to administer and implement improvements, activities, and services described in the Management District Plan. The owner's association may be an existing or newly formed nonprofit entity. The owner's association will be a private entity, governed by a Board of Directors and created pursuant to its adopted Bylaws. Notwithstanding this, the owner's association will observe the requirements of the Ralph M. Brown Act that establishes standards for public meetings and the California Public Records Act that establishes standards for maintaining public records concerning District operations. Among its other responsibilities, the Owner's Association will prepare an annual report with respect to District operations as required by Section 36650 of the State Law. The Owner's Association may consider appeals of parcel assessments for appropriate adjustment.

B. Professional Staff

The Board of Directors of the owner's association will employ an Executive Director whose duty it is to implement all of the improvements, services, and activities; and, to supervise all subordinate District staff on a day-to-day basis. The Executive Director is responsible to the Board of Directors through their policy direction and budgets.

C. Staff Neutrality

The professional staff is charged by the Board of Directors with a mission of performing administrative functions in the most efficient and effective manner possible. At times, District assessment payers may have conflicting needs or desires that may not be clearly determined by the Board. In such circumstances, staff should refer such choices to the Board of Directors for decision.

Appendix 1:

District Parcel List

MELROSE PBID AREA PROPERTY INFORMATION AND ASSESSMENTS FOR 2013

#	APN	PROPERTY OWNER	SITE ADDRESS	TOTAL ASSESSMENT	
Ц				2012	1

					2017
_		Zone 1 Fairfax to La Brea			
H					
1	5525-009-022	7111 MELROSE PARTNERS LLC	7119 MELROSE AVE		\$5,628.21
2	5525-009-024	LAROSE LLC	7101 MELROSE AVE		\$3,658.02
3 4	5525-011-012 5525-011-013	MACCULLOCH PARTNERS LIMITED HAGER DAVID AND JUDITH	7201 MELROSE AVE		\$3,928.21
5	5525-011-015 5525-011-015	HARKHAM MELROSE LLC & STERN MIKE & DENISE	7207 MELROSE AVE 7217 MELROSE AVE		\$1,832.23 \$1,400.87
6	5525-011-016	HARKHAM MELROSE LLC & STERN MIKE & DENISE	7219 MELROSE AVE		\$1,400.87
7	5525-011-033	DALEY LAWRENCE M TRUST LAWRENCE M DALEY TRUST	7225 MELROSE AVE		\$1,821.82
8	5525-011-034	KREGLER ETELKA M TRUST ETELKA M KREGLER TRUST	7229 MELROSE AVE		\$2,401.63
9	5525-011-035	7213 MELROSE LLC	7213 MELROSE AVE		\$1,400.87
10	5525-012-010	LA BREA GARDENS PROPERTY LLC	7253 MELROSE AVE		\$4,547.71
1.1 12	5525-012-011 5525-012-012	KESSLER FRED AND HELEN AND ROBERT 7261 MELROSE AVENUE LLC	7257 MELROSE AVE 7261 MELROSE AVE		\$1,508.89 \$1,703.26
13	5525-012-012	KONIALIAN JIRAIR	7265 MELROSE AVE		\$1,703.28
14	5525-012-014	FRIEDMAN LORU B TR ET AL 7 & GOLSTEAIN V TR & GOLDIE WERDOW DECI	1		\$1,721.05
15	5525-012-029	BEHNU LP	7275 MELROSE AVE		\$3,858.69
16	5525-013-002	1040 N WESTERN LLC	7260 MELROSE AVE		\$1,765.52
17	5525-013-003	CHICHA PHILIPPE AND ROBERT	7266 MELROSE AVE		\$1,572.82
18	5525-013-004	CHICHA PHILIPPE AND ROBERT	7268 MELROSE AVE		\$2,093.12
19 20	5525-013-005 5525-013-027	HAGER DAVID AND JUDITH AND MILSZTEIN TUVIA & GUILAT FRITAG MELROSE LLC	7274 MELROSE AVE 7280 MELROSE AVE		\$1,703.26
21	5525-013-027 5525-013-028	ALTA VISTA HOLDINGS LP	7250 MELROSE AVE		\$3,062.72 \$5,305.77
22	5525-014-002	DOWD LINDA C TRUST LINDA DOWD TRUST	7206 MELROSE AVE		\$1,360.48
23	5525-014-003	DADESINC	7210 MELROSE AVE		\$1,365.48
24	5525-014-004	LES LEON AND ESTELLE TRUST LEON AND ESTELLE LES TRUST	7214 MELROSE AVE		\$1,772.93
25	5525-014-005	BEZDJIAN MARY TRUST BERDJE S BEZDJIAN TRUST AND R BEZDJIAN TRUST			\$1,572.82
26	5525-014-006	JACOB EDWARD F TRUST EDWARD F JACOB TRUST	7224 MELROSE AVE		\$4,410.22
27 28	5525-014-027 5525-015-001	WOLFF LOUIS AND LINDA TRUST WOLFF FAMILY TRUST 7150 MELROSE LLC	7200 MELROSE AVE 7150 MELROSE AVE		\$3,572.32 \$4,224.68
29	5525-015-002	FADLON ASHER AND CARMELA	7160 MELROSE AVE		\$1,721.05
30	5525-015-003	TAYLOR TRUST & TAYLOR STEVE CO TR	7164 MELROSE AVE		\$2,093.12
31	5525-015-004	ONE WAY REAL ESTATE LLC	7172 MELROSE AVE		\$1,424.59
32	5525-015-024	7174 MELROSE AVENUE LLC	7174 MELROSE AVE		\$2,963.27
33	5525-016-007	MUHAMMAD SHAHID AND SAMINA TRUST SHAHID AND SAMINA TRUST	7100 MELROSE AVE		\$3,294.62
34 35	5525-016-008 5525-016-009	MUHAMMAD SHAHID AND SAMINA TRUST SHAHID AND SAMINA TRUST JORDAN EDD M	7110 MELROSE AVE		\$2,195.76
36	5525-016-009	HAKAKIAN SOLEIMAN AND SHAHLA AND REFOUA MOIS	7112 MELROSE AVE 7120 MELROSE AVE		\$1,620.81 \$3,373.41
			, 220 ()(00-(00-(1))		40,010.41
37	5526-008-012	FEHER JUDITH K TRUST FEHER TRUST	7325 MELROSE AVE		\$4,161.21
38	5526-008-025	STIGLITZ ALEX I AND ELLA H	705 N POINSETTIA PL		\$3,379.83
39	5526-008-026	GROUNDLINGS	7307 MELROSE AVE		\$2,109.87
40 41	5526-008-028 5526-009-002	MELROSE ASPIRATIONS LLC BAILES LEONARD B COMPANY TRUST BAILES FAMILY TRUST	7311 MELROSE AVE 7361 MELROSE AVE		\$4,366.78
42	5526-009-003	COOLEY LAUREN K TR & ROSENTHAL MEYER COMPANY - TRUST M AND S RI			\$2,136.10 \$1,528.35
43	5526-009-025	COLABELLA PROPERTIES	7369 MELROSE AVE		\$1,691.40
44	5526-009-026	NOVIAN FAMILY PARTNERSHIP AND AZIZZIAN ISAAC	7373 MELROSE AVE		\$1,580.23
45	5526-009-027	WINETT DON D ET AL & WINETT KENNETH R	7377 MELROSE AVE		\$4,520.11
46	5526-009-031	REFOUA MOIS AND	7351 MELROSE AVE		\$4,008.35
47	5526-010-001 5526-010-002	JEBEJIAN SUSAN TRUST ET AL & SKINNER J TR & PARIS CLARK TRUST	7401 MELROSE AVE		\$3,893.87
48 49	5526-010-002 5526-010-024	JEBEJIAN SUSAN TRUST ET AL & SKINNER J TR & PARIS CLARK TRUST COOLEY LAUREN K TR & ROSENTHAL FAMILY TRUST & ROSENTHAL MAURIO	7409 MELROSE AVE 7415 MELROSE AVE		\$1,929.59 \$1,757.08
50	5526-010-025	BRS LLC	7419 MELROSE AVE		\$1,757.08
51	5526-010-026	HOYER ROBIN TRUST ROBIN HOYER TRUST	7427 MELROSE AVE		\$1,468.22
52	5526-010-027	C AND F MELROSE PROPERTIES LLC	7435 MELROSE AVE		\$2,230.68
53	5526-011-010	MRO ELLIOTT MANAGEMENT INC	7467 MELROSE AVE		\$1,760.05
54	5526-011-011	MRO ELLIOTT MANAGEMENT INC	7471 MELROSE AVE		\$5,535.63
55 56	5526-011-014 5526-011-024	BLITZ RICHARD AND MELINDA TRUST BLITZ FAMILY TRUST	7461 MELROSE AVE		\$1,508.71
57	5526-011-024 5526-011-025	7449 MELROSE LLC LEHOANG MIKE M AND DZUNG AND LE DUC H	7451 MELROSE AVE 7453 MELROSE AVE		\$2,637.60 \$1,789.93
58	5526-012-004	ERENBERG PHILIP R JR TRUST PATRICIA Z ERENBERG DECEASED TRUST	7509 MELROSE AVE		\$1,789.93
59	5526-012-025	OVERSTREET MONTE	7515 MELROSE AVE		\$1,300.53
60	5526-012-026	HERSON PROPERTIES LLC	7519 MELROSE AVE		\$1,971.18
61	5526-012-028	BARRY IRMA N TRUST IRMA BARRY TRUST	7525 MELROSE AVE		\$2,903.02
62	5526-012-029	MARTIN BILL Y AND SAMMI S	709 N GARDNER ST		\$1,025.34
63 64	5526-012-030 5526-013-001	L B L DEVELOPMENT COMPANY DEMIRCIFT STEVE AND ARYET TRUST DEMIRCIFT FAMILY TRUST	7501 MELROSE AVE		\$3,039.32
65	5526-013-001 5526-013-002	BLITZ RICHARD COMPANY TRUST BLITZ FAMILY TRUST	705 N SIERRA BONITA AVE 7555 MELROSE AVE		\$3,429.61 \$1,696.40
66		7561 MELROSE LLC	7561 MELROSE AVE		\$1,498.79
- '		•		. '	

	<u> </u>			ı	TOTAL
#	APN	PROPERTY OWNER	SITE ADDRESS		ASSESSMENT
67	5526-013-023	AMERICAN COMMERCIAL PROPERTIES I LLC	7565 MELROSE AVE	1	\$1,647.02
68	5526-013-024	HARRY AND MILDRED MYERS FAMILY INVESTMENTS LLC	7569 MELROSE AVE		\$1,661.93
69	5526-013-025	7575 MELROSE INVESTMENTS LLC	7575 MELROSE AVE		\$3,549.69
70 71	5526-014-001	HARKHAM FAMILY ENTERPRISES LP ET AL & HARKHAM EFREN	7601 MELROSE AVE		\$3,884.06
72	5526-014-021 5526-014-022	MELROSE PROPERTY COMPANY ILC GUTT ANDREW AND MELBA TRUST GUTT FAMILY TRUST AND	7615 MELROSE AVE 7619 MELROSE AVE		\$1,691.49 \$1,869.46
73	5526-014-023	FOTOS MARTIN AND GLORIA TRUST FOTOS TRUST	7625 MELROSE AVE		\$2,776.75
74	5526-014-025	HARKHAM FAMILY ENTERPRISES LP ET AL & 7611 MELROSE AVE. LP	7609 MELROSE AVE		\$2,016.75
75	5526-015-002	COLONIA INVESTMENT COMPANY LIMITED	7610 MELROSE AVE		\$1,684.08
76	5526-015-025	PETRULA DIANE TRUST PETRULA TRUST AND PETRULA JOHN R	7614 MELROSE AVE		\$1,424.67
77 78	5526-015-026 5526-015-027	MONTE NAPOLEONE INC HUGHES FRED C COMPANY TRUST ET AL HUGHES FAMILY TRUST AND HUGH	7618 MELROSE AVE 7624 MELROSE AVE		\$1,721.23 \$2,607.58
79	5526-015-028	WEINTRAUB SYLVIA F	7600 MELROSE AVE		\$5,668.12
80	5526-016-001	GREENBERG HERBERT AND DENISE TRUST GREENBERG TRUST	7550 MELROSE AVE		\$4,211.65
81	5526-016-002	COHN NANCY M TRUST & COHN HILMA TR COHN TR COHN TRUST	7560 MELROSE AVE		\$1,647.02
82	5526-016-025	E 12TH E 11TH EXCHANGE LLC	7564 MELROSE AVE		\$1,647.02
83	5526-016-028	E 12TH E 11TH EXCHANGE LLC	7580 MELROSE AVE	1	\$4,123.45
84 85	5526-017-026 5526-017-027	WINETT DON D ET AL & WINETT KENNETH R FRESH & EASY NEIGHBORHOOD MARKET INC	7518 MELROSE AVE		\$4,220.57
86	5526-017-027	SANKOWICH LEE D	7500 MELROSE AVE 7458 MELROSE AVE		\$7,758.34 \$1,339.86
87	5526-018-002	GUTIERREZ ANTONIO L AND YOLANDA J	7460 MELROSE AVE		\$1,337.36
88	5526-018-023	GUTIERREZ ANTONIO L AND YOLANDA J	7470 MELROSE AVE		\$1,855.99
89	5526-018-024	MESELSON ANDREW ET AL & HAINES BARBARA	7474 MELROSE AVE		\$4,075.58
90	5526-018-026	COLONIA INVESTMENT COMPANY LIMITED	7454 MELROSE AVE		\$3,091.48
91	5526-019-001	JANCSO JULIUS AND SUSAN TRUST JULIUS AND SUSAN JANCSO TRUST	7400 MELROSE AVE 7410 MELROSE AVE		\$5,214.99
92 93	5526-019-002 5526-019-003	EDMISTEN FAMILY PARTNERS LP EDMISTEN FAMILY PARTNERS LP	7410 MELROSE AVE 7414 MELROSE AVE		\$1,321.65 \$1,724.84
94	5526-019-003	EDMISTEN FAMILY PARTNERS LP	7424 MELROSE AVE		\$1,612.00
95	5526-019-032	KNOWLES DAPHNE A AND JOHN	7428 MELROSE AVE		\$4,206.27
96	5526-020-001	AMZAŁAG INVESTMENTS ŁLC	7350 MELROSE AVE		\$2,490.51
97	5526-020-002	STIGLITZ ALEX J AND ELLA H	7356 MELROSE AVE		\$1,706.23
98 99	5526-020-003	MCHUGH MICHAEL AND CATHERINE	7360 MELROSE AVE		\$1,630.26
100	5526-020-004 5526-020-026	JOHN DEASON DECD TRUST & STAFFORD JACK R TR AMERICAN COMMERCIAL PROPERTIES II LLC	7364 MELROSE AVE 7368 MELROSE AVE		\$1,685.48 \$3,071.52
101	5526-020-027	BROWN EDWARD I COTR BROWN FAMILY TRUST & BROWN ANNE ETR	7376 MELROSE AVE		\$4,247.73
102	5526-021-001	MELROSE DA LP ET AL & EASEBE PROPERTIES LLC	7300 MELROSE AVE		\$3,963.39
103	5526-021-002	BEACH PLAZA LLC	7308 MELROSE AVE		\$1,650.64
104 105	5526-021-003	WYNDERMAN MAX AND HENA TRUST & W&S EBEL TRS	7316 MELROSE AVE		\$2,108.99
106	5526-021-025 5526-021-026	A AND H MELROSE PROPERTY LP AND HARKMAN FAMILY ENTERPRISE LP UNGER MARJORIE A ET AL TRUST MARJORIE A UNGER TRUST	7318 MELROSE AVE 7320 MELROSE AVE		\$1,613.28 \$4,865.69
1	3340 021 020	THE	7020 WEEKOOL 744		34,000,00
107	5527-007-001	DONIG HENRY TRUST HENRY DONIG TRUST	7653 MELROSE AVE		\$3,099.25
1.08	5527-007-002	STERN JOSEPH M TRUST STERN FAMILY TRUST AND GAMMEL BLAKE	7657 MELROSE AVE		\$1,907.93
109	5527-007-003	7661 MELROSE ASSOCIATES LLC	7661 MELROSE AVE		\$2,441.92
110 111	5527-007-021 5527-007-024	CHICHA PHILIPPE AND CHICHA ROBERTS BUMS INC	7665 MELROSE AVE 7673 MELROSE AVE		\$1,614.50 \$3,551.22
112	5527-008-012	WINDSOR ASSOCIATES LIMITED	7711 MELROSE AVE		\$2,247.27
113	5527-008-025	CORTEZ CARMEN V TRUST CORTEZ FAMILY TRUST	7701 MELROSE AVE		\$2,813.44
1.14	5527-008-026	EISENSTEIN ESTHER TR & KRAMER J TRUST	7721 MELROSE AVE		\$3,653.45
115	5527-008-027	KRAMER MARSHALL F AND HANNAH TRUST & EISENSTEIN E TR	710 N GENESEE AVE		\$3,793.44
116		WELLS FARGO BANK NA TRUST ET AL S AND S GOLDMAN TRUST AND GOLD			\$1,347.22
117 118	5527-009-012 5527-009-013	FADLON ISACK AND AMZALEG ORNA & ELI FADLON ISACK AND AMZALEG ORNA & ELI	7765 MELROSE AVE 7761 MELROSE AVE		\$1,036,40 \$2,504.53
119	5527-009-023	HARRIS JOSEPH P TR	7777 MELROSE AVE		\$2,208.15
120	5527-009-024	ROSSETTO INVESTMENTS LLC	7769 MELROSE AVE		\$2,320.66
121	5527-009-025	HOLLYWOOD INVESTMENT PROPERTIES INC	707 N GENESEE AVE		\$3,524.87
122	5527-009-026	FADLON ASHER AND CARMELA	7751 MELROSE AVE		\$2,309.42
123	5527-010-009	ORANGE GROVE MELROSE PROPERTY LLC	706 N ORANGE GROVE AVE		\$4,726.28
124 125	5527-010-010 5527-010-011	SIMANIAN DAVID COMPANY TRUST BBJ TRUST BLUM JEAN J TRUST JEAN J BLUM TRUST	7815 MELROSE AVE 7811 MELROSE AVE		\$2,037.79 \$1,803.21
126		CHASE SANDERS AND MARY E	7809 MELROSE AVE		\$1,636.07
127		GOLBARI LLC	7801 MELROSE AVE		\$3,816.99
128	5527-011-005	MELFAX HOLDINGS LLC	700 N FAIRFAX AVE		\$2,346.37
129	5527-011-008	TROEGER VIRGINIA R TRUST ET AL	7851 MELROSE AVE		\$2,922.20
130	5527-011-020	A B AND B MELROSE LLC	7859 MELROSE AVE		\$2,118.11
131 132	5527-022-001 5527-022-002	MAZEWSKI DAVID TR ET AL & HOLTZMAN G TR K G MELROSE PROPERTIES LLC	7700 MELROSE AVE 7708 MELROSE AVE		\$4,293.35 \$806.13
133	5527-022-025	K G MELROSE PROPERTIES LLC	7710 MELROSE AVE		\$1,037.13
134	5527-022-026	K G MELROSE PROPERTIES LLC	7714 MELROSE AVE		\$1,208.99
135	5527-022-027	GTL ROBERTSON PROPERTIES LLC	7720 MELROSE AVE		\$4,275.56
136	5527-023-003	MAIMES JACK M TRUST MAIMES FAMILY TRUST AND MAMES ROSETTA TR	7660 MELROSE AVE		\$1,639.70

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MELROSE PBID AREA PROPERTY INFORMATION AND ASSESSMENTS FOR 2013

		PROPERTY OWNER	SITE ADDRESS	ASSESSMEN'
37	5527-023-025	DADESINC	7662 MELROSE AVE	2012 \$1,424.76
38	5527-023-026	YOUNG ISRAEL OF LA	660 N SPAULDING AVE	\$3,758.80
.39	5527-023-029	7650 MELROSE NAE L P	7650 MELROSE AVE	\$5,499.37
		Zone 1 E/O La Brea		
40	5524-013-022	6721 MEŁROSE PROPERTY LLC	6721 MELROSE AVE	\$3,046.86
41	5524-013-023	GAZIN CLARENCE COMPANY TRUST GAZIN TRUST	6715 MELROSE AVE	\$1,446.38
.42	5524-013-024	GAZIN CLARENCE COMPANY TRUST GAZIN TRUST	6711 MELROSE AVE	\$1,191.79
43	5524-013-031	OPENSHAW DOROTHY A EXEC OPENSHAW RULON W DECEASED ESTATE OF	6703 MELROSE AVE	\$2,874.91
.44	5524-014-021	LORCO TRUST KORY ROBERT B TR	6825 MELROSE AVE	\$2,245.10
45	5524-014-022	KORN JULIUS AND ILENE J TRUST	6819 MELROSE AVE	\$1,379.70
46	5524-014-023	MADISON RENTALS WEST LLC	6817 MELROSE AVE	\$904.79
47	5524-014-027	SARKISSIAN SARKIS M AND MARY TRUST SARKISSIAN TRUST	6801 MELROSE AVE	\$4,567.90
48	5524-015-001	CHOREBANIAN PETER P CO TR & MIAKIIAN SONIA	6800 MELROSE AVE	\$3,492.64
49	5524-015-002	NEIMAN NORMAL L TR ET AL & NEIMAN FAMILY TRUST	6808 MELROSE AVE	\$3,252.96
.50	5524-015-003	SOLANA INDUSTRIES LLC	6824 MELROSE AVE	\$4,442.07
51	5524-016-001	STUDIO UTILITY EMPLOYEES LOCAL 724	6700 MELROSE AVE	\$3,540.26
52	5524-016-002	REDDING NED R COMPANY TRUST FIRESTONE PARK TRUST	6708 MELROSE AVE	\$2,195.40
.53	5524-016-020	HOPE LUTHERAN CHURCH INC	6720 MELROSE AVE	\$6,340.65
54	5524-017-001	MELHAM LLC	641 N HIGHLAND AVE	\$6,643.15
55	5524-017-002	6614 MELROSE PARTNERS LLC	6614 MELROSE AVE	\$1,743.29
56	5524-017-019	BAGLIONI PAULINE W TRUST PAULINE W BAGLIONI TRUST	6620 MELROSE AVE	\$1,886.93
.57	5524-017-020	BOYD MELROSE LLC	6624 MELROSE AVE	\$2,338.68
58	5525-007-003	MELROSE EQUITIES LLC	6935 MELROSE AVE	\$3,054.28
59	5525-007-004	MELROSE EQUITIES LLC	6919 MELROSE AVE	\$591.27
60	5525-007-005	MELROSE EQUITIES LLC	6917 MELROSE AVE	\$578.68
61	5525-007-006	MELROSE EQUITIES LLC	6915 MELROSE AVE	\$840.68
162	5525-007-007	GOLDSTEIN MARK	6911 MELROSE AVE	\$1,964.41
63	5525-007-008	AMERICAN COMMERCIAL PROPERTIES III LLC	6907 MELROSE AVE	\$1,379.21
.64	5525-007-009	ROSENTHAL CHARLES AND CLARA	6901 MELROSE AVE	\$2,269.48
65	5525-008-004	HANS FAMILY MELROSE PROPERTIES LLC	7021 MELROSE AVE	\$2,190.73
66	5525-008-005	ALAMITOS DEVELOPMENT LLC	7019 MELROSE AVE	\$1,318.09
.67	5525-008-006	7011 MELROSE ASSOCIATES LLC	7013 MELROSE AVE	\$1,750.93
.68	5525-008-007	7011 MELROSE ASSOCIATES LLC	7011 MELROSE AVE	\$770.29
.69	5525-008-008	BROWN ANNE E TRUST ET AL & BROWN MICHAEL H CO TR	7007 MELROSE AVE	\$1,466.32
.70	5525-008-009	MELROSE TRUST & FINDLEY DAVID TR	7001 MELROSE AVE	\$2,149.13
71	5525-008-032	ALAMITOS DEVELOPMENT LLC	700 N LA BREA AVE	\$2,328.53
.72	5525-017-011	MELROSE CROSSING LLC	7024 MELROSE AVE	\$8,970.33
73	5525-017-019	MELROSE CROSSING LLC	7000 MELROSE AVE	\$5,461.47
74	5525-018-001	MORRIS ANDREW	6900 MELROSE AVE	\$4,260.03
175	5525-018-002	6910-6912 MELROSE AND LA BREA LLC	6910 MELROSE AVE	\$2,051.61
176	5525-018-003	MARCUS KENNETH C	6914 MELROSE AVE	\$1,927.47
177	5525-018-004	AGENT 99 LLC	6918 MELROSE AVE	\$2,106.46
178	5525-018-026	VISTA DEL MAR CHILD AND FAMILY SERVICES	6926 MELROSE AVE	\$4,242.06
工		Zone 1 Sub Total		\$466,178.9
		Zone 2		
.79	5525-010-900	L A UNIFIED SCHOOL DISTRICT - MELROSE ELEMENTARY	731 N DETROIT ST	\$4,738.50
180	5525-010-900	L A UNIFIED SCHOOL DISTRICT - MELROSE ELEMENT ART	7850 MELROSE AVE	\$4,738.50
	352, JEE 1700			7.0/.07.00
I		Zone 2 Sub Total		\$19,893.00

Appendix 2:

Proposition 218 Engineer's Report

Engineer's Report FOR THE FORMATION OF THE MELROSE PROPERTY BUSINESS IMPROVEMENT DISTRICT

SAS 1JUN 0 6 2013

Prepared May 2012 pursuant to the State of California Property and Business Improvement District Law of 1994 to adopt a Management District in the Melrose area, a community within the City of Los Angeles

Bv

Merit Civil Engineering, Inc. Robert Merrell, P.E. (R.C.E. #28100) 12391 Lewis Street, Suite 201 Garden Grove, CA 92840

ENGINEER'S CERTIFICATION

This Engineer's Report is prepared pursuant to the Property and Business Improvement District Law of 1994 as amended (Streets & Highways Code Section 36600 et seq.; hereinafter "State Law") and pursuant to the provisions of Article XIIID of the California Constitution (Proposition 218). It has been prepared in support of the Management District Plan for the proposed Melrose Property Business Improvement District (the "District"). That Management District Plan is incorporated herein by reference and provides a more complete description of the services, activities, improvements, and programs (referred to herein collectively as "Services") to be provided by the District.

Review of this Management District Plan and preparation of this Engineer's Report was completed by:

Robert Merrell, P. E. State of California Registered Civil Engineer No. 28100

ENGINEER'S REPORT

Introduction

This report shall serve as the "detailed engineer's report" required by Section 4(b) of Article XIIID of the California Constitution (Proposition 218) to support the benefit assessments proposed to be levied annually beginning on January 1, 2014 and through and including December 31, 2018 within the Melrose Property Business Improvement District. The assessments levied in connection with the District will be levied against parcels of real property, not businesses, and will be collected on the tax roll at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles. The Los Angeles City Clerk's Office is authorized to collect the assessments or to place them on the County property tax roll together with any accrued interest or penalties for late payment or non-payment. The assessments will fund the costs of Services provided by the District, which are distributed among all parcels specially benefiting from them, based on the proportional special benefit that each parcel receives from the Services. Only those properties expected to specially benefit from funded Services will be assessed. This means, for example, that the assessment to fund District operations for calendar year 2015 will be collected on the 2014-15 tax roll.

Background

The District is a property-based assessment district established pursuant to the Property and Business Improvement District Law of 1994 (Streets & Highways Code Section 36600 *et seq.*; hereinafter "State Law"). The State Law authorizes an assessment to fund various services, activities, improvements, and programs (referred to herein collectively as "Services"), provided in connection with a Business Improvement District. The costs of these Services are distributed among all parcels benefiting from the Services based on the proportional benefit each receives from the improvements provided. Only those properties expected to benefit from funded Services may be assessed.

This Engineer's Report was prepared in support of the Management District Plan for the District. Reference is made to the Management District Plan (which is incorporated herein by reference) for a more complete description of the improvements to be funded with the proposed assessment.

Proposition 218 Requirements

Article XIIID of the California Constitution, approved by the voters in 1996 as Proposition 218, requires that assessment methodologies meet certain requirements. Key provisions of Proposition 218 together with a description of how the District complies with each are described below.

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

There are 180 identified parcels within the District that will specially and individually benefit from its proposed Services. These parcels are shown on the boundary map of the District contained within the Management District Plan, and listed in attachments to the Management District Plan and this Engineer's Report. The lists identify these parcels by Assessor's Parcel Number, property owner name, and site address.

Parcels were identified for inclusion based upon whether or not they will specially and individually benefit from District Services. The purpose of the proposed District is to provide Services to parcels in the Melrose commercial area, located along Melrose Avenue between N. Highland Avenue on the east and N. Fairfax Avenue on the west. Like many commercial areas in Los Angeles, Melrose is a narrow strip, which is approximately one parcel deep on each side of Melrose Avenue and substantially surrounded by residential neighborhoods. Consequently, all non-residential parcels located within a block of Melrose Avenue were included in the District, while the surrounding solely residential zoned neighborhoods were not. Parcels zoned solely for residential use are excluded from the District or not assessed because, pursuant to Section 36632(c) of the Law, they "are conclusively presumed not to benefit" from District Services.

Two (2) benefit zones have been identified within the proposed District as described below:

- Zone 1 consists of all commercially zoned properties in the District. All District Services will be provided to these properties, which experience the highest level of vehicle and pedestrian traffic and commercial density, and, thus demand for Services among the two (2) zones of benefit. These Services include: ambassador / security services; landscaping, sanitation, and beautification services; marketing and promotions; new business attraction; policy development, management, and administration; and, office, insurance, accounting, and other overhead costs. The particular and distinct special benefits conveyed to each Zone 1 parcel are described below.
- Zone 2 consists of all "PF" zoned properties in the District used as public school sites by the Los Angeles Unified School District (LAUSD). There are two (2) such parcels: Melrose Elementary School (APN 5525-010-900) and Fairfax High School (APN 5527-021-900). These parcels experience no commercial use; and, a different type of vehicle and pedestrian traffic because of the nature of school attendance and schedules, and the relative intensity of their use given their disproportionately large parcel size of schools as a result of the inclusion of playing fields, quads, and similar areas, all of which translates into less demand for District services than Zone 1 parcels. Only ambassador / security services; landscaping, sanitation, and beautification services; and the organizational overhead resources needed to support them (policy development, district management, and administration; and, office, insurance, accounting, and other costs) will provide a special benefit to these properties. And these services will be provided to Zone 2 parcels less frequently than provided to Zone 1 properties; and, only on frontage that is directly across from other street

frontage that receives District Services. Furthermore, because schools use and attendance is governed by law and therefore not influenced by marketing and promotions or new business attractions services, these District services will not benefit these Zone 2 parcels and they will not be provided to them. The particular and distinct special benefits conveyed to each Zone 2 parcel are described below.

All parcels included in the District are commercial use, as defined by the Los Angeles County Assessor's Office, except for the "PF" zoned public schools use parcels. All assessed commercial use parcels, will specially and individually benefit from District Services in proportion to their relative land and improvement size and length of street frontage as described below:

- Ambassador / Security services provide a readily identifiable, uniformed service patrol that observes and responds to needs from the properties to be assessed. The impact of these services is to create the appearance of safety for each individually assessed parcel, which will enhance the comfort level of customers, employees, visitors, owners, and tenants as they travel between those parcels, thereby stimulating the quality of their shopping / business experience and contributing to an improved business climate and economic vitality that specially and individually benefits those parcels. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive these benefits. This standard of service is higher than would exist with only baseline City services.
- Landscaping, Sanitation, and Beautification services include sidewalk cleaning, street and public alley cleaning, sidewalk pressure washing, graffiti removal, sticker removal, trash removal, and landscaping at the properties that are assessed. The impact of these services upon assessed District parcels is that they attract customers, employees, tenants, and investors thereby increasing business volumes and property values. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive these benefits. This standard of service is greater than would exist with only baseline City services.
- Marketing and Promotions services include street banners, signage, holiday decorations, a website, a newsletter for property owners, branding graphics and advertising, placement of promotional materials in various media, and brochure preparation that target customers, employees, tenants, and investors either individually or as combined sub-groups to communicate the desirability of merchandise or services provided on assessed District parcels thereby increasing economic activity including sales, customer traffic, property values, and space rental. This benefit to assessed District parcels is particular and distinct because non-assessed parcels or the merchandise or services provided on them or their location will not be the subject of any District activities. These services would not be available within the City's baseline level of services.
- New Business Attraction services include preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District's best interested as approved by the Owner's Association in order to expand existing

- tenancies, attract new tenants, or general future growth that positively affects the District and each individual assessed parcel in the District by contributing to an improved business climate and economic vitality. Research has shown that new business tenants and commercial growth tend to increase the business volumes, sales, and property values of other immediately adjacent existing businesses and properties. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive these benefits. These services are not available within the City's baseline level of services.
- The District's Policy Development, Management, and Administration services provide for the efficient and effective functioning of the above described direct Services (i.e. ambassador / security; landscaping, sanitation, and beautification; marketing and promotions; and new business attraction) and the development of broader policies affecting the area that encourage economic activity and growth. These services include District vendor selection and management, property owner communications, advocacy of property interests, effective Owner's Association coordination, and sound fiscal management. The impact of these services upon assessed District parcels is that they improve the effectiveness and efficiency of District Services and facilitate the development of broader policies affecting the area that encourage economic activity and growth, both of which increase business volumes and property values. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive the benefits of its direct services or the policy initiatives it undertakes. These services are not available within the City's baseline level of services.

All "PF" zoned properties in the District used as public school sites by the Los Angeles Unified School District (LAUSD) will specially and individually benefit from the following District services: ambassador / security services; landscaping, sanitation, and beautification services; and, the organizational overhead resources needed to support them (policy development, district management, and administration; and, office, insurance, accounting, and other costs) in proportion to their relative land and improvement size and length of street frontage. There are two (2) such parcels: Melrose Elementary School (APN 5525-010-900) and Fairfax High School (APN 5527-021-900). Such public use parcels will not benefit from the following District services: marketing and promotions services; and, new business attraction services as described below:

- Ambassador / Security services include provide a readily identifiable, uniformed service patrol that observes and responds to needs from the properties to be assessed. The impact of these services is to create the appearance of safety for each individually assessed parcel, which will enhance the comfort level of students, teachers, employees, and visitors as they travel to and from those parcels, thereby stimulating the quality of their educational experience and contributing to the public school mission that specially and individually benefits those parcels. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive these benefits. This standard of service is higher than would exist with only baseline City services.
- Landscaping, Sanitation, and Beautification services include sidewalk cleaning, street cleaning, sidewalk pressure washing, graffiti removal, sticker removal, trash

- removal, and landscaping at the properties that are assessed. The impact of these services upon assessed District parcels is that they attract students, teachers, employees and visitors thereby contributing to satisfying the owner's service mission. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive these benefits. This standard of service is higher than would exist with only baseline City services.
- Marketing and Promotions services include street banners, signage, holiday decorations, a website, a newsletter for property owners, branding graphics and advertising, placement of promotional materials in various media, none of which will benefit publically owned parcels because they are addressed to commercial economic uses not school users and therefore do not benefit them. Consequently, publically owned parcels in the District will not be assessed for Marketing and Promotions costs.
- New Business Attraction Services include preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District's best interested as approved by the Owner's Association in order to expand existing tenancies, attract new tenants, or general future growth that positively affects the District, none of which will benefit publically owned parcels because they are addressed to commercial economic uses not school users and therefore do not benefit them. Consequently, publically owned parcels in the District will not be assessed for New Business Attraction costs.
- The District's Policy Development, Management, and Administration services provide for the efficient and effective functioning of the ambassador / security services; and, landscaping, sanitation, and beautification services that benefit these publically owned parcels and therefore provide a particular and distinct special benefit to them because non-assessed parcels do not receive the benefits of its direct services. These services include District vendor selection and management, property owner communications, advocacy of property interests, effective Owner's Association coordination, and sound fiscal management. The impact of these services upon assessed District parcels is that they improve the effectiveness and efficiency of District Services which benefits the owner's achievement of its service mission. This benefit to assessed District parcels is particular and distinct because non-assessed parcels do not receive the benefits of its direct services. This standard of service is higher than would exist with only baseline City services.

In order to ensure that parcels outside of the District will not specially benefit from the Services funded with the assessment, Services will only be provided within the boundaries of the District. Specifically, ambassador / security patrols, landscaping staff, sanitation personnel, and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks adjacent to individually assessed parcels within the District and will not provide services outside of District boundaries. Similarly, the District will not fund new ambassador / security patrols; landscaping, sanitation, or beautification services; marketing or promotional efforts; nor new business attraction activities directed outside of District boundaries. All

District programs are intended to promote commercial vitality, and to attract and retain new business within the District.

Parcels outside of the District that are zoned solely for residential use will not specially benefit from District Services because the Services will not be provided on the street or sidewalk fronting such parcels. Therefore, these zoned solely residential parcels will be physically remote from the Services — patrols will not go in front of such parcels and landscaping, sanitation, and beautification crews will not clean in front of such parcels. Furthermore, homes, apartments and other structures zoned solely for residential use, and outside of the commercial area encompassed by the District, will not specially benefit from the marketing and promotions; new business attraction; and, policy-making services that will be geared towards the commercial use parcels within the District. These services will be marketing the office and retail opportunities in the District, not the residential opportunities outside of it. Additionally, the State Law conclusively presumes that parcels zoned solely for residential use receive no special benefit from improvements, activities, and services funded under it. No solely residential zoned parcels are included within the District.

Parcels outside of the District that are in commercial, or other non-residential uses, will not specially benefit from District Services because these Services will not be provided on the street or sidewalk fronting such parcels. Therefore, these commercial or other non-residential use parcels will be physically remote from the services — patrols will not go in front of such parcels and landscaping, sanitation, and beautification crews will not clean in front of such parcels. Furthermore, marketing and promotions; new business attraction; and, policy-making services that will be geared towards the commercial use parcels within the District and not parcels outside the District. These commercial or other non-residential use parcels are parts of other commercial or residential Districts that surround the Melrose commercial area, not part of this District, which has a definite and unique character and different marketplace orientation from these surrounding areas.

The following narrative explains how specific boundary locations were determined.

Northern Boundary:

The northern boundary of the District begins at the intersection of the centerline of N. Fairfax Avenue with the centerline of the public alley north of parcel 5527-011-005 (the parcel at the northeast corner of N. Fairfax Avenue and Melrose Avenue). From that point, the District boundary follows the centerline of the public alley east approximately 1 mile to the centerline of N. Formosa Avenue. At the point at which the public alley centerline intersects with the centerline of Poinsettia Place, the boundary follows the Poinsettia Place centerline to transition from 15 ft. wide public alley width to the west and 20 ft. wide public alley to the east and then continues east along the public alley centerline. Continuing at the point of intersection of the center of the public alley and the centerline of N. Formosa Avenue, the District boundary runs north along the centerline of N. Formosa Avenue to its intersection with the centerline of Waring Avenue, then east along the centerline of Waring Avenue to its

intersection with N. Detroit Street, then south along the centerline of N. Detroit Street to its intersection with the centerline of the public alley to the north of parcel 5525-009-022 (the parcel located at the northeast corner of N. Detroit Street and Melrose Avenue). From that point, the District boundary continues east along the centerline of the public alley to the centerline of the public alley to the east of that parcel 5525-009-022, then along that centerline to its intersection with the north parcel boundary of parcel 5525-009-024 at which point it continues east across N. La Brea Avenue to the centerline of the public alley to the north of parcel 5525-008-032 (the parcel located at the northeast corner of N. La Brea Avenue and Melrose Avenue). From that point, the District boundary continues east along the centerline of the public alley to its intersection with the centerline of the N. Citrus Avenue then, south along that centerline to its intersection with the centerline of Melrose Avenue, then along that centerline to its intersection with the centerline of Highland Avenue. This boundary was chosen to include all of the non-residential, commercial use parcels with shared marketplace demographic orientation that compose the unique, historically identified, compact, area that attracts pedestrians known as "Melrose," to the south between N. Fairfax Avenue and N. Highland Avenue and exclude all solely residential zoned parcels located to the north of the alley that runs behind the Melrose Avenue business strip. Solely residential zoned parcels are presumed by State Law to not benefit from District improvements, activities, or services. The area to the north of the alley is zoned solely residential, except along N. Fairfax Avenue, N. La Brea Avenue, and N. Highland Avenue (each of which constitutes a distinct business corridor). The commercially zoned parcels that front on N. Fairfax Avenue or N. La Brea Avenue are excluded from the District because they are oriented to provide services to those major commercial collector streets and would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians and its commercial uses that share a different marketplace demographic orientation. The commercially zoned parcels that front N. Highland Avenue are excluded from the District because they are included within the boundaries of the Hollywood Media District BID and, therefore, prohibited by State Law from being included in the District. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services. No improvements, activities, or services will be provided outside of the District's boundaries.

Eastern Boundary:

The eastern boundary of the District begins at the intersection of the centerline of Melrose Avenue and its intersection with the centerline of N. Highland Avenue and extends south along that centerline to its intersection with the centerline of the public alley south of parcel 5524-017-001. This boundary was chosen to include all of the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians to the west that functions as an economic unit with a shared marketplace demographic orientation. This boundary also excludes from the District commercially zoned parcels that front on N. Highland Avenue and are located within the Hollywood Media District BID and precluded by State Law from being included

within the Melrose BID boundaries. Solely residentially zoned parcels that front on N. Highland Avenue are excluded from the District because they are presumed by State Law to not benefit from District improvements, activities, or services. The auto maintenance commercial use located at Highland Avenue is oriented to provide services as part of the extended commercial corridor located along that major arterial street and that would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians and a different marketplace demographic. Parcels located east of N. Highland Avenue on Melrose Avenue are either zoned solely residential and presumed by State Law to not benefit from improvements, services, and activities provided by the District or are commercial parcels that are oriented to providing services to the surrounding residential neighborhood and are also excluded from the District because they would not benefit from the improvements, activities, or services provided for the unique, historically identified, compact, shopping / office district fronting on Melrose Avenue that attracts pedestrians of a different marketplace demographic orientation. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services of the District. No improvements, activities, or services will be provided outside of the District's boundaries.

Southern Boundary:

The southern boundary of the District continues west from the intersection of the centerline of N. Highland Avenue with the centerline of the public alley south of parcel 5524-017-001 (the parcel located at the southwest corner of N. Highland Avenue and Melrose Avenue). From that point, the District boundary follows the centerline of the public alley west approximately 1 mile to the centerline of N. Genesee Avenue. At that point, to include the Fairfax High School parcel 5527-021-900 that fronts on Melrose Avenue, the District boundary runs south along the centerline of N. Genesee Avenue to its intersection with the centerline of Rosewood Avenue, then west along the centerline of Rosewood Avenue to its intersection with the centerline of N. Fairfax Avenue. This boundary was chosen to include all of the of the commercial parcels that compose the unique, historically identified, compact, area known as "Melrose" that attracts pedestrians with a shared marketplace demographic orientation to the north and excludes those to the south that are zoned solely residential and presumed by State Law to not benefit from District improvements, activities, or services. Also excluded from the District were commercially zoned parcels that front on N. Fairfax Avenue, or N. La Brea Avenue (each of which constitute a distinct business corridor). These extended, regional commercial corridors are oriented to provide services to automobile traffic on those major arterial streets and would not benefit from the improvements, activities, or services provided for the shopping / office district fronting on Melrose Avenue that attracts pedestrians. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services. No improvements, activities, or services will be provided outside of the District's

boundaries.

Western Boundary:

The western boundary of the District continues north along the centerline of N. Fairfax Avenue from its intersection with the centerline of Rosewood Avenue south of parcel 5527-021-900 (the parcel located at the southeast corner of N. Fairfax Avenue and Melrose Avenue), and extends to its intersection with the centerline of the public alley north of parcel 5527-011-005, which is the point of beginning for this boundary description. This boundary was chosen to include the entire unique, historically identified, compact area known as "Melrose" that attracts pedestrians with a distinct and shared marketplace demographic. Fairfax High School breaks the pedestrian customer activity flow from those parcels to the east; and, the clientele and type of commercial activity on the commercially zoned parcels to the west are different from that of the Melrose area. This boundary also excludes from the District commercially zoned parcels that front on N. Fairfax Avenue that are a part of the extended commercial corridor located along that major arterial street and oriented to provide services to automobile traffic on it and that would not benefit from the services provided for the shopping / office district fronting on Melrose Avenue that attracts pedestrians. Parcels located west of N. Fairfax Avenue that are zoned solely residential and presumed by State Law to not benefit from District improvements, activities, or services are also excluded from the District. Commercial parcels located west of N. Fairfax Avenue that are oriented to providing services to adjacent residential neighborhoods or to a different customer market segment, are excluded from the District because they would not benefit from the improvements, activities, or services provided for the shopping / office district fronting on Melrose Avenue that is known to attract pedestrians. Also excluded from the District are commercial parcels located west of N. Fairfax Avenue that are a part of non-Melrose shopping areas and would not benefit from the improvements, services, and activities directed to that unique, historically identified, compact, area known as "Melrose" that attracts pedestrians to the west that serve a shared marketplace demographic. All assessed parcels located within the District will specially and individually benefit from its improvements, activities, and services of the District. No improvements, activities, or services will be provided outside of the District's boundaries.

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

State Law, Proposition 218, and judicial decisions require that assessments be levied according to the estimated special benefit each assessed parcel receives from Services provided by the District. Article XIIID Section 4a of the California Constitution states, in part, that "only special benefits are assessable," which requires that general benefits, if any, be separated from special benefits provided by the District. A recent judicial decision in the Golden Hill Neighborhood Association v San Diego case further clarified that "even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."

Special Benefit

Proposition 218 defines "special benefit" to mean "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." The Services, their costs, and assessments have been carefully identified, reviewed, and allocated to confer special and individual benefits pursuant to the provisions of State Law and Proposition 218. These Services are tailored to confer special benefits on particular parcels, not the general public, and are above and beyond services available from the City of Los Angeles, which qualifies these Services as particular and distinct benefits. For example, the proposed Ambassador / Security Services Program provides a readily identifiable, uniformed presence serving each individually assessed parcel by observing and responding to needs of those parcels and in doing so creates the appearance of safety of each individually assessed parcel, which will enhance the comfort level of customers, employees, visitors, owners and tenants as they enter, move through, leave, and travel between those parcels, thereby stimulating the quality of their shopping / business experience and contributing to an improved business climate and economic vitality that specially and individually benefits those parcels. These benefits are particular and distinct in that they are not provided to non-assessed parcels outside of the District. Similarly, the proposed Landscaping, Sanitation, and Beautification Program provides sidewalk cleaning, street sweeping, pressure washing, trash removal, graffiti removal, sticker removal, and cleaning at the properties that are assessed. Parcels that receive these services attract more customers, employees, tenants, and investors thereby increasing business volumes and property values. These benefits are particular and distinct in that they are not provided to non-assessed parcels outside of the District. Also similarly, the proposed Marketing and Promotions Program provides street banners, signage, holiday decorations, a website, a newsletter for property owners, branding graphics and advertising, placement of promotional materials in various media, and brochure preparation that target tenants, employees, investors, and owners either individually or as combined sub-groups to communicate the desirability of merchandise or services provided on assessed parcels thereby increasing economic activity including sales, customer traffic, property values, and space rentals. This benefit to assessed District parcels is particular and distinct because non-assessed parcels or their residential units will not be the subject of any District marketing and promotions activities. Also similarly, New Business Attraction services provides for preparation of brochures or other communications vehicles, preparation of economic or demographic analyses, preparation of planning analyses, and representation of the District's best interested as approved by the Owner's Association in order to expand existing tenancies, attract new tenants, or general future growth that positively affects the District and each individual assessed parcel in the District by contributing to an improved business climate and economic vitality. Research has shown that new business tenants and commercial growth tend to increase the business volumes, sales, and property values of other immediately adjacent existing businesses and properties. No District services will be provided outside the District boundaries. The special and individual benefit to parcels from the proposed Services is equal to or exceeds the total amount of the proposed assessment in that each individual assessed parcel's assessment is no greater than the special and individual

benefit it receives from the Services. A quantative analysis of the special and general benefits is presented below.

The District's purpose is to fund Services that increase pedestrian traffic and business levels by providing a safer, more comfortable, better kept, cleaner, and more beautiful environment; presenting a more attractive and vibrant area; and, attracting new businesses and tenants which increase rent levels, occupancies, and the vibrancy of the area. These Services also make each individual parcel a more desirable place to live, work, or conduct business.

Pragmatically, it is well known that business decisions are based upon the quality of alternative locations. As described in an article "Accelerating Economic Growth and Vitality Through Smarter Public Safety Management" that appeared in the September 2012 IBM Global Business Services Executive Report: "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." As economic investment occurs within the District, pedestrian traffic will increase and constitute a special and distinct benefit to all parcels.

Therefore, quantification of the number of individuals engaging in any type of commerce or residing in the District as compared to those not so engaged will distinguish special from general benefits.

As a component in the preparation of this Engineer's Report, a pedestrian intercept survey was conducted within the District boundary to determine the degree to which respondents engage in any type of commercial activity (i.e. patronizing an eating establishment, shopping, visiting a professional or personal service business, or attending church or a school); or, live within that area. The Survey Response Summary and transmittal letter, which is attached to this Engineer's Report and incorporated herein by reference, includes Ph.D. Economist William H. Whitney's "statistical certification" and calculations that the likelihood that it is an accurate reflection of the total District population is 95.72%. (See Attachment 2 for detailed calculations.) The survey included 547 respondents and was conducted on May 2 and May 4, 2013 at separate random locations throughout the District. Every effort was made to include an unbiased cross section of participants. All of the respondents appropriately addressed each of the questions with a single answer, which allowed all surveys to be used in drawing conclusions.

As to survey results, as distinguished from statistical methodology, Whitney continues: "Of those 547 valid survey responses, 522 individuals or 95.43% of the total indicated that they would engage in (or intended to engage in) at least one of the described commercial activities within the District as opposed to simply 'stroll, walk around, or make a transit connection' (i.e. just pass through the District) with no business purpose."

The survey also found that: "of the 547 respondents, 453 individuals or 82.82% of the total indicated that at least one of the proposed District Services would contribute to their decision to come into the area." This response is a measure of the high level of special benefit that assessed parcels receive from District Services.

The results of this survey, taken into consideration with State Law, judicial guidance, and assessment district practice has resulted in the Engineer's conclusion that each of the proposed District Services provides a special and individual benefit to the assessed parcels within the District.

The Services (ambassador / security; landscaping, sanitation, beautification; marketing and promotions; new business attraction; and, policy development, management, and administration) to be provided by the District are designed to meet specific needs of the properties to improve business within the District area and provide special and individual benefits to each property. Improving the business environment supports the goals and objectives established by the property owners in creating the District. District Services will not supplant City of Los Angeles' police protection, maintenance services, and social services within the area.

No parcels zoned for "solely residential" use have been assessed within the District because such parcels are presumed not to benefit pursuant to State Law.

General Benefit

As discussed above, Proposition 218 requires that general benefits be quantified and separated from special benefits and deducted from the costs of any special benefit parcel assessment. General benefits are benefits from District Services that are: not special in nature, not "particular and distinct," and not over and above the benefits that other parcels receive. This analysis will identify and quantify general benefits that are provided to parcels outside District boundaries; or; that are provided to the public at large.

General Benefits to Parcels Outside the District

Services are provided to each individual assessed parcel within the District's boundaries, and no Services are provided outside of those boundaries. It is conceivable, however, to conclude that some parcels outside those boundaries may receive some "spillover benefit" from the District's Marketing and Promotions or New Business Attraction services, which are less site specific than the other Services. In the Engineer's judgment and experience, Ambassador / Security Services; Landscaping, Sanitation, and Beautification Services; or, Policy Development, Management, and Administration Services are particularly site specific and therefore not subject to providing unintended "spillover benefit" to parcels outside District boundaries. At most, the parcels that could receive such "spillover" general benefit would be those parcels that are located immediately adjacent to or immediately across the street from a parcel receiving District Marketing and Promotions or New Business Attraction services. Any parcel that is any

further from another that receives these services; or, does not directly front on a street across from another that receives those services is, in the Engineer's judgment and experience, considered to be too remote to receive any "spillover" general benefit.

In order to quantify the general benefit that parcels adjacent to the District may receive, the relative size of the District budget allocated to these possible "spillover" services in comparison to the total District budget, or "percentage (%) of the total," must be determined as shown in the table below.

Next, the relative benefit, or the weighted value of the subject services as applied to any parcels outside the District, must be established. This relative benefit factor compares the value of services as provided inside the District to the value of those services provided outside the District. Parcels inside the District receive a relative benefit of 1.0 from all services provided. Parcels outside the District do not receive "full value" of services that are by definition "spillover." There is no scientifically certain method of determining relative benefit, so the professional judgment and experience of the Civil Engineer are called upon to form a reasonable conclusion. With respect to Marketing and Promotions and New Business Attraction services, the Engineer has concluded that there would at most be a nominal benefit to each parcel outside the District weighted at one-quarter or 0.25. Promotional, website, newsletter, directory, or other materials would not specifically identify any parcel outside the District, thereby minimizing any value of these services. Similarly, no New Business Attraction would identify or consider any specific parcel outside the District, thereby minimizing any value of these services. Only the nebulous scent of a vague sense that important services were being provided to neighboring parcels might attach. Therefore, the Civil Engineer has concluded based upon his nearly 40 years as a Registered Civil Engineer and professional assessment district formation experience that positing of a 0.25 relative benefit is reasonable and provides conservative allowance for any general benefit conferred on such parcels for the subject services. Application of this relative benefit factor to the subject services is also shown in the table below.

<u>Possible General Benefits to Parcels Outside District Boundaries</u> Benefit Factor Calculation

	Budget	% of Total	x	Relative Benefit*	=	Benefit Factor
District Marketing & Promotions Budget	\$114,000	23.45%		0.25		0.0586
District New Business Attraction Budget	\$15,000	3.09%		0.25		0.0077
						0.0663
Total District Budget	\$486,072					

^{*}For purposes of this analysis, a conservative 0.25 relative benefit factor is used to weight the relative value of any general benefit "spillover" from District services to parcels outside its boundaries.

Based upon the established adjacency criteria, there are 44 commercial parcels that may receive the referenced nominal benefit from District Marketing and Promotions services or New Business Attraction services. There are also 136 parcels zoned solely residential that meet the contiguous adjacency criteria that, pursuant to State Law, are presumed to not receive any special benefit from District services. Also, no general benefit from District services is received by these zoned solely residential parcels because its Marketing and Promotions and New Business Attraction services do not address or affect residential uses in any way. Thus, the total benefit factor representing the benefit of both Marketing and Promotions services and New Business Attraction services for parcels outside the District is applied to the adjacent commercial parcels in the table below, which establishes the relative value conveyed as a general benefit to parcels outside the District.

The Benefit Factor is calculated by multiplying the Percent (%) of Total Budget for the "spillover" category by the Relative Benefit to produce a Benefit Factor. Each of the 44 parcels that might receive nominal general benefits from the District's Marketing and Promotions or New Business Attractions services is credited with 0.0663 Benefit Factor to account for this possibility. In comparison, there are 180 parcels within the District that each receives a Benefit Factor of 1.0 for these services. This comparison and the calculation of total possible general benefit to parcels outside the District for "spillover" Marketing and Promotions and New Business Attraction services is shown below:

Calculation of Possible Benefits to Parcels Outside District Boundaries

	# Parcels	Benefit	Total Benefit
		Factor	Units
# Parcels in District	180	1.00	180.00
# Parcels w/ "Spillover"	44	0.0663	2.93
Totals	224		182.93
General Benefit to Parcels			1.31%
Outside District		(2.9	93/182.93)

General Benefits to the Public At Large

Another type of general benefit is that provided to the public at large. Such general benefit is provided to people that are purposely within the District boundaries and "not at all likely" to engage in any commercial activity. Such individuals would therefore not be specially benefitted by District Services.

The previously described pedestrian intercept survey conducted as a component of the preparation of this Engineer's Report provided data to quantify the general benefits enjoyed by the public at large. It provided data that 95.43% of the population within the District had or intended to engage in at least one of the listed commercial activities (i.e.

patronizing an eating establishment, shopping, visiting a professional or personal service business, or attending church or a school). Conversely, 4.57% of the population did not intend to engage in any business and were only engaged in "walking around, strolling, or making a transit connection." These individuals "generally benefited" because they were either "very likely" or "likely" to "stroll or walk around or make a transit connection" in the District <u>and</u> "not likely at all" to "eat or drink at a restaurant, cafe, or bar;" "shop;" "conduct professional business;" "conduct personal business;" "attend church;" or "attend school." Attached to this Engineer's Report, as Attachment 2, is the Survey Response Summary, Economist's Statistical Certification, and additional details relative to this pedestrian intercept survey.

Total General Benefits

Considering both types of general benefits as presented above produces the following:

Melrose	General	Benefits	Analysis

General Benefits to Parcels Outside District	1.31%	
General Benefits to Public at Large	4.57%	
Total General Benefits (Calculated)	5.88%	
Say	6,0%	

In order to present a conservative conclusion, it is the Engineer's judgment and experience that the level of general benefits to be funded in the Melrose business improvement district budget from non-assessment sources should be 6.0%, which provides a cushion over and above the calculated general benefit value of 5.88%. The Melrose Business Improvement District budget for the 5-year term beginning January 1, 2014 would be as follows:

Melrose Budget for Special Benefit vs General Benefit Costs

Year	Special Benefit	General Benefit	Total Budget
2014	\$486,072	\$31,026	\$517,098
2015	\$500,654	\$31,957	\$532,611
2016	\$515,674	\$32,915	\$548,589
2017	\$531,143	\$33,903	\$565,046
2018	\$547,077	\$34,920	\$581,997
Totals	\$2,580,620	\$164,721	\$2,745,341

Finding 3: "[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." (From Section 4(a)).

Every assessed parcel in the District, except publically owned parcels used as school sites with respect to Marketing and Promotions and New Business Attraction services, will specially and individually benefit from the Services provided in connection with the District because these Services are designed to increase pedestrian and automobile traffic and building occupancies thereby increasing demand for and utilization of all assessed commercial properties and mission success of all public school properties within the District. Such publically owned parcels will benefit from District Ambassador / Security services, Landscaping, Sanitation, and Beautification services and the portion of District Policy Development, Management, and Administration services required to provides those services. The District will provide Services including Ambassador / Security Services; Landscaping, Sanitation, and Beautification Services; Marketing and Promotions Services; New Business Attraction Services; and, Policy Development, Management, and Administration Services including necessary administrative overhead and support. Each of these Services is designed to meet the goals and mission of the District; improve the safety and comfort of each individual assessed parcel within the District; to improve the cleanliness and beauty of each individual assessed parcel within the District; to increase building occupancy and lease rates; to encourage new business development; and, to attract ancillary businesses and services for parcels within the District.

Three (3) factors (lot size, improvement size, and street frontage) were chosen to calculate the special benefit allocable to each parcel in the District.

Lot size is a measurement both of the potential for future development on a parcel to meet customer and tenant demand, and of the present capacity of the parcel's street level areas to accommodate customers and tenants. Street level space benefits strongly from business improvement district Services because such space is more readily used for retail space, office space, lobby services, and surface parking facilities that are especially sensitive to increases in customer demand.

The size of the improvements on a parcel is a measurement of the capacity of that parcel to currently serve the demand of customers and of retail, office, commercial, residential, church and non-profit, and publically owned parcels.

Frontage is a vital measure because it indicates the amount of the parcel that is directly accessible to and visible from the street. The more frontage a parcel has, the larger the area of sidewalk is in front of the parcel to be landscaped, cleaned, or beautified in connection with District Services.

It is the Engineer's opinion that combining these three (3) factors gives a far better picture of the benefits than could be derived from just one or two of the factors alone; and, that because no one of these factors is more important than the others, and each factor is critical to the overall benefit calculation, each factor is weighted equally in quantifying the benefits any particular parcel would receive.

The Special Benefit & Assessment Analysis section of this Engineer's Report discusses the exact formula used to calculate the benefits.

Finding 4: "No assessment ...shall exceed the reasonable cost of the proportional special benefit conferred on parcel(s)." (From Section 4(a)).

The total amount to be assessed will not exceed the estimated reasonable cost of the program. Because each parcel will be assessed in proportion to its share of the total benefit created by the program, no assessment will exceed the reasonable cost of the proportional special benefit conferred on the parcel.

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

The public agency owned parcels are owned by Los Angeles Unified School District (LAUSD) and used as public school site. These parcels will be assessed for the benefits they receive from District Ambassador / Security services; Landscaping, Beautification, and Sanitation services; and, for that portion of Policy Development, Management, and Administration services including Office, Insurance, Accounting, and Other supply costs required to provide them at the same rate as private parcels of the same size, location and use. The methodology for these assessments is set forth in this Engineer's Report.

The publicly-owned parcels in the District are listed below:

LOS ANGELES UNIFIED SCHOOL DISTRICT (LAUSD)

	APN#	Dogarintian	Overmon	PBID	% of
	APN#	Description	Owner	Assessment	Total
1	5525-010-900	Melrose Elementary School	LAUSD	\$4,738.50	0.97%
2	5527-021-900	Fairfax High School	LAUSD	\$15,154.50	3.12%
		Total LAUSD		\$19,893.00	4.09%

The above described public parcels owned by the LAUSD and in use as schools and will only receive services on that frontage that is directly across the street from other street frontage that receives District Services. All such publically owned parcels will be assessed for the proportionate special benefits received.

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

This report is the "detailed engineer's report" to support the assessments proposed to be levied within the Melrose Business Improvement District.

Special Benefit & Assessment Analysis

A six (6)-step process for determining Melrose assessments has been used as delineated below.

Step 1: Select "benefit units."

Because the assessment against each parcel must reflect the special benefit that parcel derives from the District's improvements, activities and services, the first step in designing an assessment methodology was to assign "benefit units" to different parcel attributes. The assignment of benefit units reflects the relative levels of benefit discussed in "Finding 3", above.

There are three types of benefit units:

A. Lot Benefit Units:

Each parcel in the District was allocated one Lot Benefit Unit for each square foot of the parcel's surface area.

B. Improvement Benefit Units:

Each parcel fronting in the District was allocated one Improvement Benefit Unit for each square foot of improvements.

C. Frontage Benefit Units:

Each parcel in the District was allocated one Frontage Benefit Unit for each linear foot of the parcel's frontage on any street except for those parcels zoned PF and used as public schools by the LAUSD. These parcels will be allocated one Frontage Benefit Unit for each linear foot of Melrose frontage and one Frontage Benefit Unit for each linear foot of other street frontage only for the length that is directly across from other frontage that is included in the District. Fairfax High School will be assigned 816 linear feet of Melrose Avenue frontage and 110 linear feet of Genesee Avenue frontage. All other frontage of this parcel is not across the street from other frontage that receives District Services. Melrose Elementary School will be assigned 264 linear feet of Melrose frontage and 110 linear feet of Formosa Avenue frontage and 110 linear feet of Detroit Street frontage. All other frontage of this parcel is not across the street from other frontage that receives District Services. With respect to PF zoned parcels, District

Services will only be performed on these frontages and no others. District Services will be provided on all frontages of all other District parcels.

Step 2: Calculate the benefit units for each property.

The number of each type of benefit unit allocated to each identified benefiting parcel within the Melrose was determined from data obtained from the County of Los Angeles and third party real estate data service providers. These data sources provide Assessor Parcel Numbers, ownership, address, parcel size, gross building size, street front footage, and other needed information. This data provides a basis for calculating property-based assessments. All relevant data being used in assessment calculations has been provided, or attempted to be provided, to each property owner in the District for their review. All known or reported discrepancies or errors have been corrected.

Step 3: Quantify total basic benefit units.

In aggregate, for Zone 1 there are 1,081,195 Lot Benefit Units; 838,643 Improvement Benefit Units; and, 17,887 Frontage Benefit Units. For Zone 2 there are 756,912 Lot Benefit Units; 255,722 Improvement Benefit Units; and, 1,122 Frontage Benefit Units.

Step 4: Calculate "Basic Benefit Unit Cost" for special benefits.

The annualized cost of the services and improvements to be provided by the District in Zone 1 during 2013 is \$466,179 per year (before inflation adjustments). \$155,393 of these costs will be allocated based on Lot Benefit Units; \$155,393 based on Improvement Benefit Units; and \$155,393 based on Frontage Benefit Units.

The annualized cost of the services and improvements to be provided by the District in Zone 2 during 2013 is \$19,893 per year (before inflation adjustments). \$6,631 of these costs will be allocated based on Lot Benefit Units; \$6,631 based on Improvement Benefit Units; and \$6,631 based on Frontage Benefit Units.

The cost per benefit unit for Zone 1 and Zone 2, respectively, is therefore as follows:

A. Lot Benefit Units:

\$155,393 / 1,081,195 = \$0.1437 per Lot Benefit Unit in Zone 1 \$6,631 / 756,912 = \$0.0088 per Lot Benefit Unit in Zone 2

B. Improvement Benefit Units:

\$155,393 / 838,643 = \$0.1853 per Improvement Benefit Unit in Zone 1 \$6,631 / 255,722 = \$0.0259 per Improvement Benefit Unit in Zone 2

C. Frontage Benefit Units:

\$155,393 / 17,887 = \$8.6876 per Frontage Benefit Unit in Zone 1 \$6,631 / 1,122 = \$5.9100 per Frontage Benefit Unit in Zone 2

Step 5: Determine Assessment Formula.

Combining the calculations from Steps 1 and 4, the assessment formula is therefore:

Zone 1 District assessment formula = (\$0.1437 X square feet of parcel size) + (\$0.1853 X square feet of improvements) + (\$8.6876 X linear feet of frontage).

Zone 2 District assessment formula = (\$0.0088 X square feet of parcel size) + (\$0.0259 X square feet of improvements) + (\$5.9100 X linear feet of frontage).

Step 6. Spread the Assessments.

The resultant assessment spread calculations for each parcel within the District are shown in an attachment to this Engineer's Report and were determined by applying the District assessment formula to each benefiting property. This list of all identified benefiting parcels in the District area delineates each parcel and its benefit units for parcel area, improvement size, and linear street frontage.

During the five-year effective term of the District, it is likely that some parcels within the District will be developed with additional commercial improvements or will see the demolition of existing improvements. The assessment against such parcels shall be recalculated beginning with the assessment for the first year following the construction or demolition of improvements. The new assessment against such a parcel shall be calculated pursuant to the formula set forth in Step 5 on Page ER-11. Pursuant to Government Code Section 53750(h)(3), such recalculation does not constitute an "increase" of assessment that requires the conduct of a new Proposition 218 ballot proceeding. Such a proceeding will be required if the assessment formula is itself changed.

Assessment rates may be adjusted annually by the Owner's Association to reflect changes in the Consumer Price Index for Los Angeles-Orange-Riverside for All Urban Consumers, but this adjustment will not exceed three per cent (3%) per fiscal year.

ATTACHMENT 1

MELROSE PBID PROPERTY INFORMATION and ASSESSMENTS FOR 2014

IMPT ARI		7,629	8,913	2777	3,756	1,462	2,272	2,855	3,904	3,960	000,	4.240	3.200	6,003	300	4,843	11,368	2,054	2,081	4,230	3,200	6,226	5,241	4,000	6,008	2,400	4,645	240	5,350	3,459	4,744	 4,063	32.5	1908	6,240	2,960	3,840	3,240	88	2/0/2	2 2	4.194	2000	2,635	1,592	4,210	14,140	2,688	4 134	3,680	2,257	1,730	5,349	3,907	2,032	3,794	6,763	3,366	2,800	3,600	3,680
LOT AREA ASSESSMENT		\$2,103.54 \$1,496.30	\$851.42	\$632.38	\$726,23	\$757.57	\$632.38	\$632.38	\$632.38	\$632.38	\$632.38	\$632.38	\$632.38	\$632.38	\$632.38	\$801.40	\$1,435.80	\$632.38	\$632.38	\$632.38	5632.38	\$1,483.80	\$837.62	\$637.78	\$632,38	\$632.38	5790.77	\$1,521.31	\$770.07	\$632.38	\$995,43	\$1,583.98	57.6.25	\$1 513.41	\$632.38	\$632.38	\$632.38	\$632.38	\$1,345.97	51,684.74	\$632.38	\$637.38	\$632.38	\$632.38	\$632,38	\$632,38	\$1,264.62	\$651.07	\$591.13	\$713,73	\$632.38	\$632,38	\$632.38	\$788.90	\$388.20	\$981.06	\$788.90	\$632.38	\$632.38	\$632.38	\$632,38
LOT AREA BENEFIT UNITS		14,636	5,924	4,400	5,053	5,271	004,4	4,40	4,400	4,400	0,400	8 8	9 4 600	4,400	4 400	5.576	066'6	4,400	4,400	4,400	96,4	10,324	5,828	4400	4,400	4,400	205'9	10,585	5,358	4,400	6,926	 11,021	104,0	10 530	4,400	4,400	4,400	4,400	9,365	9,838	989	4400	4 400	4,400	4,400	4,400	8,799	4,530	4 113	4,966	4,400	4,400	4,400	5,489	2,703	6,826	5,489	4,400	4,400	4,400	4,400
LOT_AREA SF		14,636	5,924	4,400	5,053	5,271	4,400	4,400	4,400	4,400	0,400	8 9	4400	4,400	4,400	5,576	9,990	4,400	4,490	4,400	4,400	10,324	5,828	4400	4400	4,400	5,502	10,585	5,358	4,400	6,926	11,021	5,403	10 530	4,400	4,400	4,400	4,400	9,365	2002.0	4400	4400	4 400	4,400	4.400	4,400	8,799	4,530	4 113	4,966	4,400	4,400	4,400	5,489	2,703	6,826	5,489	4,400	4,400	4,400	4,400
	 	<u> </u>			٠		•		<u></u>		.	-	•							•	÷		<u>.</u>	·				4	ż			•	<u>. </u>	·				•	<u>.</u>	,	-										<u>, -</u>										
Property owner	Zono I Fairfax to La Brea	7111 merose partners LLC Larose LLC	MACCULLOCH PARTNERS LIMITED HAGED DAVID AND HIRTH	Harkham Meerose LLC & Stern Mike & Denise	HARKHAM METROSE LLC & STERN MIKE & DENISE DALEY LAWRENCE IN TRUST LAWRENCE IN DALEY TRUST	KREGLER ETELKA M TRUST ETELKA M KREGLER TRUST	7213 MEROSE LLC	KESSLER FRED AND HELEN AND ROBERT	7261 MELROSE AVENUE LLC	Konialian Jirair	FRIEDMAN LORU B TR ET AL 7 & GOLSTEAIN V TR & GOLDIE WERD	SERVICE LE	CHICAS BUILDER AND BORREY	CHICHA PHILIPPE AND ROBERT	HAGER DAVID AND JUDITH AND MILSZYEIN TUVIA & GUILAT	FRITAG MELROSE LLC	ACTA VISTA HOLDINGS 1P	DOWD UNDA C TRUST LINDA DOWD TRUST	DADESING	LES LEON AND ESTELLE TRUST LEON AND ESTELLE LES TRUST	BEZDJIAN MARY TRUST BERDJE S BEZDJIAN TRUST AND R BEZDJIA	JACOB EDWARD F TRUST EDWARD F JACOB TRUST	(WOLFF LOUIS AND LINDA TRUST WOLFF FAMILY TRUST	FADO MELNOSE LIC	TAYLOR TRUST & TAYLOR STEVE CO TR	ONE WAY REAL ESTATE LLC	7174 MEIROSE AVENUE LLC	MUHAMMAD SHAHID AND SAMINA TRUST SHAHID AND SAMINA	MUHAMMAD SHAHID AND SAMINA TRUST SHAHID AND SAMINA	JORDAN EDD M	HAKAKIAN SOLEIMAN AND SHAHLA AND REFOUA MOIS	FEHER JUDITH K TRUST FEHER TRUST	SHIGHT ALEXA AND ELLA H	MAEL BOSE ASSUBATIONS 11 C	BALLES LEONARD B COMPANY TRUST BALLES FAMILY TRUST	COOLEY LAUREN K TR & ROSENTHAL MEYER COMPANY - TRUST IN	COLABELIA PROPERTIES	MOVIAN FAMILY PARTHERSHIP AND AZIZZIAN ISAAC	WINETT DOND ET AL & WINETT KENMETH R	HENOUA MOIS AND	PERFORM SISSANTELIST ET AL & SYNNER ITTE & DADIS CIARY TRIS	COOL EVI A 11REN K TR & ROSENTHAL FAMILY TRISS & BOSENTHA	BRS 11.C	HOYER ROBIN TRUST ROBIN HOYER TRUST	C AND F MELROSE PROPERTIES LLC	MRO ELLIOTT MANAGEMENT INC	MRO ELLIOTT MANAGEMENT INC	BLITZ RICHARD AND MEINDA TRUST BLITZ FAMILY TRUST	7449 MEI ROSE LI C	LEHOANG MIKE M AND DZUNG AND LE DUCH	ERENBERG PHILIP R JR TRUST PATRICIA Z ERENBERG DECEASED TH	OVERSTREET MONTE	HERSON PROPERTIES LLC	Barry Irma n trust Irma Barry trust	MARTIN BILL Y AND SAMMIS	I B L DEVELOPMENT COMPANY	DEMIRCIFT STEVE AND ARYET TRUST DEMIRCIFT FAMILY TRUST	BLITZ RICHARD COMPARY TRUST BLITZ FAMILY TRUST	7561 MELROSE LLC	AMERICAN COMMERCIAL PROPERTIES I LLC	HARRY AND MILDRED MYERS FAMILY INVESTMENTS LLC
APN		5525-009-022 5525-009-024	5525-011-012	5525-011-015	5525-011-016	5525-011-034	5525-011-035	5525-012-011	5525-012-012	5525-012-013	5525-012-014	5525-012-029	5525-012-002	5525-013-004	5525-013-005	5525-013-027	5525-013-028	5525-014-002	5525-014-003	5525-014-004	5525-014-005	5525-014-006	5525-014-027	5525-015-001	5525-015-003	5525-015-004	5525-015-024	5525-016-007	5525-016-008	5525-016-009	5525-016-010	5526-008-032	5526-008-025	870-800-9455	5526-009-002	5526-009-003	5526-009-025	5526-009-026	5526-009-027	5526-003-031	5526-010-002	5526-010-024	\$526-010-025	5526-010-026	5526-010-027	5526-011-010	5526-011-011	5526-011-014	5526-011-024	5526-011-025	5526-012-004	5526-012-025	5526-012-026	5526-012-028	5526-012-029	5526-012-030	5526-013-001	5526-013-002	5526-013-003	5526-013-023	5526-013-024
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IOPERTY OWNER	LOT_AREA SF	LOT AREA BENEFIT UNITS	LOT AREA ASSESSMENT	IMPT AREA SF	IMP AREA BENEFIT UNITS	IMP AREA ASSESSMENT	MEROSE FRT FT	OTHER STREET FRT FT	FRT FT BENEFIT UNITS	FRT FT ASSESSMENT	TOTAL ASSESSMENT '2012	% of Total	
82													
ונכ	14,636	14,636	\$2,103.54	7,629	7,629	\$1,413.58	8 1	110,00	243	\$2,111.09	\$5,628.21	1.16%	
LIMITED	5,924	5,924	\$851.42	8,913	8,913	\$1,651.50	\$ \$	110.00	164	\$1,425.29	\$3,928.21	0.81%	
R STERN MIKE & DENISE	4,400	24, 4 05, 64	\$632,38	2,272	2,272	\$852.34	2 8		8 8	\$347.50	\$1,832.23	0.29%	
S STERN MIKE & DENISE	4,400	4,400	\$632.38	2,400	2,400	\$444.70	\$		6	\$347.50	\$1,424.59	0.25%	
IT LAWRENCE M DAIEY TRUST FIFFIKA M KREGIEB TRUST	5,053	5,053	\$726.23	3,756	3,756	\$595.95	÷ &	110.00	158	\$399.63	\$1,821.82	0.37%	
	4,400	4,400	\$632.38	2,272	2,272	\$420.98	\$		\$	\$347.50	\$1,400.87	0.29%	
RITUC	5,924	5,924	\$851.42	12,240	12,240	\$2,267.96	35.5	110.00	164	\$1,428.33	\$4,547.71	0.94%	
LC COBERT	4,400	99,4	\$632.38	3,904	3,904	\$523.38			3 8	\$347.50	\$1,703.26	0.35%	
<u>.</u>	4,400	4,400	\$632,38	3,960	3,960	\$733.75	8		5	\$347.50	\$1,713.64	0.35%	
al 7 & golsteain vitr & goldie werd.	4,400	4,400	\$632.38	4,000	8 5	\$741.16	8 8	92 69	8 3	\$347.50	\$1,721.05	0.35%	
	4,400	3,4	\$632.38	4,240	4,240	5785.63	¥ \$	O) coa	£ \$	\$347,50	\$1.765.52	0.36%	
BERT	4,400	4,400	\$632.38	3,200	3,200	\$592.93	8		\$	\$347.50	\$1,572.82	0.32%	
BERT	4,400	8 6	\$632.38	6,008	8009	\$1,113.23	\$ \$		2 5	\$347.50	\$2,093.12	0,43%	
AND WILLIAM STATE OF THE STATE	5.576	5.576	\$801.40	4.843	4,843	\$897.36		105.00	12.	\$1,363.96	\$3,062.72	0.63%	
	9,990	066'6	\$1,435.80	11,368	11,368	\$2,106.39	8	113.00	503	\$1,763.59	\$5,305,77	1.09%	
DA DOWD TRUST	4,400	8 5	\$632.38	2,054	2,054	\$380.59	\$ \$		9 9	\$347.50	\$1,360.48	0.28%	
UCT IFON AND ESTELLE (ES TRUST	4,400	6 6 6 6	\$632.38	4.280	4.280	\$793.05	3 8		3 8	5347.50	\$1,772,93	0.36%	
RDJE S BEZDJIAN TRUST AND R BEZDJIA.	4,400	8	\$632.38	3,200	3,200	\$592.93	\$		\$	\$347.50	\$1,572.82	0.32%	
EDWARD F JACOB TRUST	10,324	10,324	\$1,483.80	6,226	6,226	\$1,153.62	94	110,00	204	\$1,772.80	\$4,410.22	%16.0	
TRUST WOLFF FAMILY TRUST	5,828	5,828	\$837.62	5,241	5,241	\$971.11	8	113.00	203	\$1,763.59	\$3,572.32	0.73%	
·	10,106	10,106	\$1,452.47	5,488	2,488	\$1,016.88	S 8	270,00	7 S	\$1,755.33	\$4,224.68	%/8'n 035%	
STEVE CO TR	4,400	4,400	\$632.38	6,008	900'9	\$1,113.23	\$		\$	\$347.50	\$2,093.12	0.43%	
	4,400	4,400	\$632.38	2,400	2,400	\$444.70	8		\$	\$347.50	\$1,424.59	0.29%	
EC.	5,502	5,502	\$790.77	4,645	3,645	\$860.68	## ## ## ##	00:00	151	51,311.83	\$2,963.27	0.61%	
DSAMINA TRUST SHARID AND SAMINA.	5,358	5,358	\$770.07	5,350	5,350	\$991.31	2 23		8	\$434,38	\$2,195.76	0.45%	
	4,400	4,400	\$632,38	3,459	3,459	\$640.92	\$:		8	\$347.50	\$1,620.81	0.33%	
D SHAHLA AND REFOUA MOIS	6,926	6,926	\$895.43	4,744	4,74	\$879.02	8	110.00	EZ	\$1,498.96	\$3,373.41	%69:0	
HER TRUST	11,021	11,021	\$1,583.98	4,063	4,063	\$752.84	100	110.00	210	\$1,824.40	\$4,161.21	0.86%	
<u></u>	5,403	5,401	\$776.25	6,587	6,587	\$1,220.51	43	110.00	159	\$1,383,07	\$3,379.83	0.70%	
	5,401	5,401	\$776.25	006,00	0,90	\$907.93	6 8		4 4 4 4	\$425.69	\$2,309.87	0.45%	
ANY TRUST BAILES FAMILY TRUST	4,400	4,400	\$632.38	6,240	6,240	\$1,156.22			\$	\$347.50	\$2,136.10	0.44%	
OSENTHAL MEYER COMPANY - TRUST M.	4,400	4,400	\$632.38	2,960	2,960	\$548.46	\$		5	\$347.50	\$1,528.35	0.31%	
	4,400	4,400	\$632.38	3,840	3,840	\$711.52	9 (÷ 5	\$347.50	\$1,691.40	0.35%	
DHIP AND ACICIAN ISAAC	9,365	9,365	\$1345.97	900'8	900'8	\$1.483.44	3 8	110.00	362	\$1.690.70	\$4,520.11	0.93%	
	8,939	8,939	\$1,284.74	6,072	6,072	\$1,125.09	81	103.00	184	\$1,598.52	\$4,008.35	0.32%	
AL & SKINNER J TR & PARIS CLARK TRU	8,799	8,799	\$1,264.62	5,280	5,280	\$978.34	8 :	110.00	961	\$1,650.91	\$3,893.87	0.80%	
AL & SKINNER JIR & PARIS CLARK TRUE.	4,400	8 8	\$632.38	5,125	5,125	\$949.62	3 8	••••	3 8	\$347.59	\$1,757.08	0.36%	
	4,400	4,40	\$632.38	2,000	2,000	\$370.58	\$		\$	\$347.59	\$1,350.56	0.28%	
IN HOYER TRUST	4,400	4,400	\$632.38	2,635	2,635	\$488.24	Q		3	\$347.59	\$1,468.22	0.30%	
KIRSLC	4,400	99,4	\$632.38	1,592	1,592	\$294.98 \$780.08	3 8	Boots	ž 8	\$1,505.32	\$1,760.05	036%	
ENTING	8,799	8,799	\$1,264.62	14,140	14,140	\$2,620.01	8	110.00	190	\$1,651.00	\$5,535.63	1.14%	
NDA TRUST BLITZ FAMILY TRUST	4,530	4,530	\$651.07	2,688	2,688	\$498.06	4		#	\$359.58	\$1,508.71	0.31%	
	4,113	4,113	\$591.13	4,134	4134	\$765.39	33	110.00	147	53,280.47	\$2,637,60	0.54%	
LONG AND LE DOC H JST PATRICIA Z ERENBERG DECEASED TH	4,988	4,400	\$632.38	2,257	2,257	\$418.20			\$ 8	\$347.59	\$1,398.18	0.29%	
	4,400	4,400	\$632.38	1,730	1,730	\$320.55	4		Q	\$347.59	\$1,300.53	0.27%	
	4,400	4,400	\$632.38	5,349	5,349	\$991.12	8		\$	5347.68	\$1,971.18	0.41%	
IA BARRY TRUST	5,489	5,489	5788.90	3,907	3,90,	\$723.93	3	00'02	~ 2	\$1,390.19	20,505,25	2000	
ALS.	6,703	5,703	2382.00	3,794	3.794	\$702.99	8	73.00	156	\$1.355.27	53,039,32	0.63%	
YET TRUST DEMINCIFY FAMILY TRUST	5,489	5,489	\$788.90	6,763	6,763	\$1,253.12	88	110.00	160	\$1,387.59	\$3,429.61	0.71%	
TRUST BLITZ FAMILY TRUST	4,400	4,400	\$632.38	3,866	3,866	\$716.33	\$		\$	\$347.68	\$1,696.40	0.35%	
VIII SHEATON	0,40	8, 5	\$632.38	2,800	2,800	\$518.81			\$ \$	5347.59	\$1,498.79	0.31%	
PROPERTIES LILL FRES FAMILY INVESTMENTS LLC .	4,400	4,400	\$632.38	3,680	3,680	\$681.87	3 8		\$ 8	\$347.68	\$1,661.93	0.34%	
METC	5,489	5,489	\$788.90	7,397	7,397	\$1,370.60	8	110,00	160	\$1,390.19	\$3,549.69	0,73%	

MELROSE PBID AREA PROPERTY INFORMATION AND ASSESSMENTS FOR 2013

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LOT_AREA SF	1,971	9,40	5,350	6,139	4,400	4,400	2,500	8/2/8	4,400	4,400	888'6	10,454	3,528	4,617	4,617	5.236	8,799	4,400	4,400	8,799	4,950	\$ \$	4 4	8,800	9,365	4,400	5,184	4,269	17,071	5,800	5,184	5,140	11,220	4,966	5.937	10,097	4,879	4,792	3,572	7,144	2,701	10,367	4,651	4,661	5,881	3,645	8,102	108'6	2,222	3,311	9,801	4,400	4,400 9,583	850
PROPERTY OWNER	HARKHAM FAMILY ENTERPRISES LP ET AL & HARKHAM EFREN	MEUROSE PROPERTY COMPANY LLC GUTT ANDREW AND MEI BA TRUST GUTT FAMILY TRUST AND .	FOTOS MARTIN AND GLORIA TRUST FOTOS TRUST	HARRHAM FAMILY ENTERPRISES IP ET AL & 7611 MELROSE AVE. I.	PETRULA DIANE TRUST PETRULA TRUST AND PETRULA JOHN R	MONTE NAPOLEONE INC	HUGHES FRED C COMPANY TRUST ET AL HUGHES FAMILY TRUST .	WEINTRAUB SYLVIA F	COMM NANCY M TRUST & COMM HEMA TR COMM TR COMM TRUST.	E 12TH E 11TH EXCHANGE U.C.	E 12TH E 11TH EXCHANGE (1C	WINETT DOND ET AL & WINETT KENNETH R FORCES OF ASSAURCED MADEET MIC	SANKOWICH IEED	GUTTERREZ ANTONIO L AND YOLANDA J	GUTTERREZ ANTONIO L AND YOLANDA J	MEDELSON ANDREW ET AL & MAINED BARBARA COTONIA INVESTMENT CORREANY TRAITED	JANGSO JULIUS AND SUSAN TRUST JULIUS AND SUSAN JANGSO TH.	EDMISTEN FAMILY PARTNERS LP	EDMISTEN FAMILY PARTNERS IP FORMISTEN EARINY DASTNEDS ID	KNOWLES DAPHNE A AND JOHN	AMZALAG INVESTMENTS LLC	STIGLITZ ALEX J AND ELLA H	MULTIDUM BEASON DECD TRUST & STAFFORD JACK R TR	AMÉRICAN COMMERCIAL PROPERTIES II LLC	BROWN EDWARD I COTR BROWN FAMILY TRUST & BROWN ANNE.	METROSE DA LP EI AL & EASEBE PROPERTIES LIC. 8EACH PLAZA LIC.	WYNDERMAN MAX AND HENA TRUST & W&S EBEL TRS	A AND H METROSE PROPERTY LP AND HARKMAN FAMILY ENTERP.	UNVER MARIORIE A ET AL TRUST MARIONIE A UNGER TRUST	Donig Henry Trust Henry Donig Trust	Stern Joseph M Trust Stern Family Trust and gammel Bla.	/bb1 MELROSE ASSOCIATES LLC CHICKS PHILIPPE AND CHICKS ROBERTS	BUMSINC	WINDSOR ASSOCIATES LIMITED	CONTEL CARMEN V IRUSI CORTEL FAMILY 1805:	KRAMER MARSHALL F AND HANNAH TRUST & EISENSTEIN E TR	e e	FAULON ISACK AND AMZALEG ORNA & ELL FAULON ISACK AND AMZALEG ORNA & FLI	HARRIS JOSEPH P TR	ROSSETTO INVESTMENTS LLC	HOLLYWOOD INVESTMENT PROPERTIES INC	ORANGE GROVE MELROSE PROPERTY LLC	SIMANIAN DAVID COMPANY TRUST 8BJ TRUST	BLOW JEAN J TRUST JEAN J BLOW TRUST	GOIBARI ILC	MELFAX HOLDINGS LLC	TROEGER VIRGINIA R TRUST ET AL	MAZEWSKI DAVID TR ET AL & HOLTZMAN G TR	K G MELROSE PROPERTIES LLC	K G MELROSE PROPERTIES LLC K G MELROSE PROPERTIES LLC	GT, ROBERTSON PROPERTIES LLC	MAIMES JACK M TRUST MAIMES FAMILY TRUST AND MAMES ROS.	DADESINC YOUNGISMEE OF LA	7650 NACE DISC NOT D
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% of Total		0.35%	0.38%	0.57%	0.35%	0.29%	0,35%	0,54%	2,17%	0.87%	0.2494	%*****O	2620	1,60%	0.28%	0.28%	%86'0	0.84%	0.64%	1.07%	0.27%	0,35%	0,33%	0.87%	0.51%	8,550	0.54%	0.55%	25.00	0.82%	0.34%	0.43%	0,33%	1.00%	0.64%	0.39%	0.50%	0.33%	0.73%	0.46%	756	0.78%	0.28%	0.21%	0.52%	. c. 45.5 % 5.5 %	0.73%	0.48%	0.97%	0.42%	0,37%	0.34%	0.75%	0.60%	0.44%	0.88%	0.17%	0.21%	%C7'0	0,34%	0.29%	877%	1,13%
TOTAL ASSESSMENT 2012	\$3,884.06	\$1,691.49	\$1,869,46	\$2,710.73	\$1,684.08	\$1,424.67	\$1,721.23	\$2,607.58	55,668.12	54,211,85	C1 667 00	\$4,047.02	\$4 220 57	57,758.34	\$1,339.86	\$1,337.36	\$1,855.99	\$4,075.58	\$3,091.48	\$5,214.99	\$1,321.65	\$1,724.84	\$1,612.00	\$4,206.27	\$2,490.51	\$1,706.23	\$1,050.40	\$1,000,40	\$424773	\$3,963,39	\$1,650.64	\$2,108.99	\$1,613.28	\$4,865.69	\$3,099,25	\$1,907.93	\$2,441.92	\$1,614.50	53,553,22	52,247.27	43 653 45	\$3,793.44	\$1,347.22	\$1,036.40	\$2,504.53	\$2,208.15	\$3.524.87	\$2.309.42	\$4,726.28	\$2,037.79	\$1,803.21	\$1,636,07	53,816,99	\$2.922.20	\$2,118,11	\$4,293.35	\$806.13	\$1,037.13	\$4,203.99	\$1,639.70	\$1,424.76	\$3,758.80	\$5,499.37
FRT FT ASSESSMENT	\$1,737.87	\$347.59	\$347.68	51,504,13	\$347.59	\$347.59	\$347.68	\$1,390.19	\$3,624.58	\$1,/3/.8/	4947.50	64727 67	64,737.63	\$2,310.91	\$278.79	\$347.68	\$347.68	\$1,668.80	\$1,294.46	\$1,650.91	\$347.59	\$347.59	\$347.59	\$1,650.91	\$1,343,28	5347.50	5347.50	5547.50	51 690 70	\$1,539,71	\$347.50	\$405.97	\$347.50	\$1,824.40	\$1,521,90	\$347.59	\$347.59	\$347.68	\$1,885.65	5347.58	\$4,433.3£	\$686.32	\$347.68	\$347.68	\$347.68	\$1,296.02	52,0264	\$1.042.95	\$1.781.40	\$347.68	\$347.68	\$347.68	51,459.78	\$1,572.46	\$695.36	\$1,725.54	\$169.93	\$264.80	\$260.65	\$347.68	\$347.68	\$1,712.42	\$1,615.90
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IMP AREA ASSESSMENT	\$1,000.57	\$711.52	\$889.40	5645.70	\$7.04.11	\$444.70	\$741.16	\$426.91	\$2,710.07	\$1,052,04	\$000000	\$664.48	5000	\$2,880.53	\$554.02	\$326.11	\$844.74	\$1,110.82	\$1,044,49	\$2,299.46	\$341.68	\$744.87	\$632,03	\$1,290.74	\$435.80	\$726.34	5850.37	55.60/4	\$1,222.73	\$1.365.59	\$670.75	\$957.95	\$652.22	\$1,457.31	\$743.76	\$815.28	\$1,355.59	\$528.08	\$52.39	51,185.86	5462.63	\$1,655.95	\$298.32	\$0.00	\$1,461.95	5398.75	\$7/3.78	4878.28	\$1.454.90	\$1,020.21	\$785.63	\$618.50	\$1,511.97	\$185.79	\$185.29	\$1,159.18	\$316.85	\$296.47	\$472.49	\$659.64	\$444.70	\$669.09	\$2,518,10
IMP AREA BENEFIT UNITS	5,400	3,840	4,800	3,4/4	3,800	2,400	4,000	2,304	14,626	2,681	200	3,000	0.00	15.546	2,990	1,760	4,559	5,995	5,637	12,410	1,844	4,020	3,411	996′9	2,352	3,920	3,530	200%	9,53,6	7.370	3,620	5,170	3,520	7,865	4.014	4,400	7,316	2,850	586	6,400	77077	8,937	1,610	0	7,890	2,152	9/1/2	0,000	7.852	5,506	4,240	3,338	8,160	3,800	90,	952'9	1,710	1,600	2,550	3,560	2,400	3,611	13,590
IMPT AREA SF	5,400	3,840	4,800	3,474	3,800	2,400	4,000	2,304	14,626	3,500	200	2003	2,203	15.546	2,990	1,760	4,559	5,995	5,637	12,410	1,844	4,020	3,411	996'9	2,352	3,920	3,510	3,808	925	7,370	3,620	5,170	3,520	7,365	4,014	4,400	7,316	2,850	286	6,400	2,522	8 937	1,610	•	7,890	2,152	8,1/6	0,338	7,857	5,506	4,240	3,338	8,160	000+	1000	6,256	1,710	1,600	2,550	3,560	2,400	3,611	13,590
LOT AREA ASSESSMENT	\$1,145.62	\$632.38	\$632.38	5768.92	5632.38	\$632.38	\$632.38	\$790.48	\$1,333.47	\$1,421,14	3035.30	3037.38	\$1,421.14	\$2.566.90	\$507.06	\$663.57	\$663.57	\$1,295.95	\$752.54	\$1,264.62	\$632.38	\$632.38	\$632.38	\$1,264.52	\$711.43	\$632.38	\$632.38	\$632.38	\$1,264,77	\$1058.09	\$632.38	\$745.06	\$613.56	\$1,583.98	\$833.60	\$745.06	\$738.74	\$738.74	\$1,612.58	\$713.73	5868.05	\$1.451.17	\$701.23	\$688.72	\$694.90	\$513.38	\$1,025.76	\$4,478.35 \$388.30	\$1.489.98	\$659.89	\$669.89	\$669.89	\$845.24	\$525.67	\$1237.46	\$1,408.63	\$319,35	\$475.87	\$475.87	\$4,400,63	\$632.38	\$1,377.30	\$1,365.37
LOT AREA BENEFIT UNITS	7,973	4,400	4,400	5,350	4.400	4,400	4,400	\$,500	9,278	88,	3 6	985	27.5	17,861	3.528	4,617	4,617	9,017	5,236	8,799	4,400	4,400	4,400	8,739	4,950	4,400	8 .	984	2000	7362	4,400	5,184	4,269	11,021	5.800	5,184	5,140	5,140	11,220	4,966	9,04	10.097	4,879	4,792	4,835	3,572	7,144	6,107 107 c	10.74	4,661	4,661	4,661	5,881	3,545	2,410	9,801	2,222	3,311	3,311	4,400	4,400	9,583	9,500
LOT_AREA SF	1,971	4,400	4,400	5,350	4,400	4,400	4,400	5,500	9,278	888,8	3 8	200	9,000	7.860	3,528	4,617	4,617	5,017	5,236	8,799	4,400	4,400	4,400	8,799	4,950	8	86.	394.0	9966	7.362	4,400	5,184	4,269	11,021	5.800	5,184	5,340	5,140	1,220	1,966	2 2	0.097	6/8/	1,792	4,835	3,572	/,144 9.129	2010	7980	4,651	4,661	4,661	5,881	5 to 1	6610	108'6	2,222	3,311	3,311	4.400	4,400	9,583	9,500

Melrose Village Target Area Property Information 130510 22 (2).xls

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0.97% 3.12% 4.09%

	\$466,179		
	Zone 2 Budget =		
	\$19,893	Budget Amount	Assessment Rates
33%	Lot Area Factor =		
	Zone 1 Lot Area SF Rate	\$155,392,9845	\$0.1437
	Zone 2 Lot Area SF Rate	\$6,630.9993	\$0.008
33%	Improvement Area Factor =		
	Zone 1 improvement Area SF Rate	\$155,392,9845	\$0.1853
	Zone 2 Improvement Area SF Rate	\$6,630,9993	\$0.0259
33%	Street Frontage Factor		
	Zone 1 Street Frontage SF Rate	\$155,392.9845	\$8.6876
	Zone 2 Street Frontage SF Rate	\$6,630,9993	\$5.9100

Page 3 of 4

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MELROSE PBID AREA PROPERTY INFORMATION AND ASSESSMENTS FOR 2013

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ATTACHMENT 2

MELROSE PBID INTERCEPT SURVEY
RESPONSE SUMMARY
CONDUCTED
MAY 2 & MAY 4, 2013

May 8, 2013

Robert Merrell, P.E. Merit Civil Engineering, Inc 12391 Lewis Street, Suite 201 Garden Grove, CA 92840

Re: Statistical Certification of Intercept Survey Quantifying General and Special Benefits in the Proposed Melrose (Highland to Fairfax) BID Area

Dear Mr. Merrell:

This letter certifies the statistical validity of the results of an Intercept Survey that was conducted of the proposed Melrose Property Business District administered by Mr. Donald Duckworth on May 2 and May 4, 2013 for your use in preparing an Engineer's Report for that District.

Study Approach and Methodology

As a component in the preparation of the Engineer's Report, a pedestrian intercept survey was conducted within the proposed District's boundaries to determine the degree to which respondents engage in any type of commercial activity (that includes patronizing an eating establishment; shopping; visiting a professional or personal service business; attending church; or attending school) or live within that area.

The survey included 547 initial respondents and was conducted on May 2 and 4, 2013 at separate locations throughout the District. Significant efforts were made to include an unbiased cross section of participants by sampling over an extended period of time during the two dates of the survey. In this regard, the surveyors randomly selected potential candidates, then proceeded to ask a series of questions and personally recorded the answers on a tally sheet.

Survey Findings

Of those 547 valid survey responders, 522 individuals or 95.43% of the total indicated that they would engage in (or intended to engage in) at least one of the described commercial activities within the District as opposed to simply "stroll, walk around, or make a transit connection" (i.e. just pass through the District) without any business purpose.

A companion question related to the reason why survey respondents decided to visit the District and inquired as to whether or not certain District services would influence their decision. The survey found that of the 547 respondents, 453 individuals or 82.82% of the total indicated that at least one of the District Services would contribute to their decision to come into the area.

A final Survey Response Summary is attached for your use in preparing the Engineer's Report.

Statistical Validation of Survey Results

Typically, in this type of survey where there has been a random sampling of a larger "universe" which cannot be canvassed in an economic manner, the survey size is a prime indicator of the likely validity of the survey's results, i.e. that the results are a proper reflection of what would be found if all District visitors were contacted. Given that the survey had 547 respondents, there is the 95.72% likelihood that it is a proper reflection of the entire District population; correspondingly, there is only a 4.28% chance that it is not an accurate reflection (or less than a one in twenty chance). Based upon this high degree of probability with respect to the survey's accuracy, it is our belief that the results can be relied upon by the District in its calculations of special and general benefit, and recommend that the District Engineer act accordingly.

Statistical Test of the Likely Accuracy of Sample Results

Calculation of Likelihood that the Sample is an Accurate Reflection of the District's Total Population

Solve for "b", where "b" is the percentage reflecting the likelihood that the sample is not a reflection of the Total Population

1/b ²	===	547	
b ²	-	1/547	
b^2	=	0.001828	
b	==	0.042757	or 4.28%

Thus, the likelihood that the sample is accurate is 95.72% where

100.00% - 4.28%= 95.72%

If you have any questions, please contact me. It has been a pleasure serving you with a statistical review of your research for the District.

WHITNEY & WHITNEY, INC.

William H. Whitney, Ph.D.

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Location	Zone 1	Spandiding
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Date/Time		
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	Survey Date	6402018 640
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Do you live within the boundaries of the Meirose Business Improvement District	卜	
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BID Svcs Not Important	····	0000000+++00+00000000000000000000000000
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onment su / security	or Not at Ai	
Welcoming and safe environment such as provided by an ambassador / security person	Somewhat Import Not at All Imports	
oming and	Very Important Sc	
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#GI Keving	<u>.</u>	\$2.52.52.52.52.52.52.52.52.52.52.52.52.52

like visiting a lat, auto repair, e	Somewhat Likely Not at All Likely	329	60.15%	
Conduct personal business like visiting a salon, dry cleaners, laundromat, auto repair, or grocery store	Somewhat Liter	88	17.00%	30 9592
Conduct per salon, dry cle	Very Likely	125	22.85%	98
s tike going to estate agent, or	rec at M Likey	221	40.40%	
Conduct professional business like going to work, or visiting a doctor, real estate agent, or accountant	Somewhat Likeby	75	13.71%	7007
Conduct prof work, or visitin	Vory Likely	251	45.89%	/DDG 03
				
	Not at All Likely	155	28.52%	
Shop	Somewhat Ukeby	133	24.31%	700
	Voy Libely	258	47.17%	71 7892
·		 		
café, or bar	Not at All Likely	116	21.21%	
Eat or Drink at restaurant, café, or bar	Scorentiat Likely	131	23.95%	790
Eat or Driv	Vory Deely	300	54,84%	78 7964
		7		
ify wait to make ion	New at All Libe	8	17.55%	
Stoll or walk around or simply wait to make a transit connection	Scorewhat Likes Not at Al Likes	94	17.18%	87 75%
Stroll or walk	Veny Likely	357	65.27%	18
#OI Yeving	2 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	Fotals		

ers, flags &	No Respon		a	0.00%		
Marketing & promotions like street light banners, flags & bright signs	Not at All importe	6- 10- 10- 10-	2	15.36%		
жотойонs like street bright signs	Very Important Somewhat Impor Not at All Importa		977	41.32%	4%	
Marketing & p	Very important		237	43.33%	84,64%	
2	8				1	
leaning, a	No Respon		0	0.00%		
Cleaniness, like extra trash pick-up, steam cleaning, and graffti removal	Very important Somewhat import Not at All Imports		88	7.13%		
ike extra trash pick-up, graffti removal	Somewhat Impor	4- 4- 4- F-	140	25.59%	7%	
Cleanliness, I	Very important	*** ****** ***************************	88	67.28%	92.87%	
	<u> </u>				1	ast
Count		**************************************	35	4.57%	95,43%	gage in at les commercia
General Benefit Response		PALSE PALSE			10457 = 95,43%	95.43% will engage in at least 1 of the listed commercial
	kat Ali Likeky		339	61.97%		
Attend School	Somewhat Likely Not at All Likely		52	13.71%	9	
₹	Very Likely Sc	te ====================================	133	24.31%	38,03%	
	Ţ				I	
ırch	Not at All Likely	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	382	69.84%		
Attend or visit a church	Somewhat Likely Not at All Likely		74	13.53%	%9	
Atter	Very Likely		৯	16.64%	30.16%	
Survey 10#	1 0	527 727 828 832 833 833 834 842 842 842 842 842 842 842 842 842 84	Totals		,	

activities.

ition	Zene 2																			
Location	Zone 1	Formosa	Formosa	Formosa	Atta Vista Atta Vista	Alta Vista	Alta Vista Fuller Aye	Fuller Ave	Martel Ave	Martel Ave	Martel Ave	Vista St	Vista St	Vista St	Gardner	Gardner	Detroit			
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	Evening	-		-	2- 4-		·	٠.,		- ,		-	¥	-		- 4-	-	112	20.48%	
Date/Time	W.																	213	38.94%	
Date	A\$4																	222	40.59%	
	Survey Date	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013	5/4/2013			
undaries of provement	No Respon																	o	0.00%	
within the bo Business in District	88	-,	r- v-	-	v- v-	-		- -		, ,	- 4-		~	*-	~~	- ,-	-	524	95.80%	
Do you live within the boundaries of the Metrose Business improvement District	Yes																	33	4,20%	rtant
BID Svcs Net Important		0,	- 0	٥	0-	٥	- 0	٥,	- 0	00	> ~	0	٥	0	0 0		0	\$5	17.18%	82,82% Say BID svs would be important.
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Convenient Parking	Not at All Importa		-				***		•		-							26	17.18%	
Convenie	Very important Somewhat impor Not at All imports		-					-		₩,	*		- -				,-	162	29,62%	82.82%
	Very important	-				4- -			-					-		٠ ५٠		291	53,20%	82.1
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provided by a	No Respon														~~~			o	0.00%	
nd safe environment such as p ambassador / security person	Not at All Import	,	-				•	,			,							23	10.42%	
witon dor/	omewhat Impor	-	***	-				-	_	-	-		_				-	191	34.92%	89.58%
ınd safe es ambassa	S					_	_						~~		-		-1			ő
Welcoming and safe environment such as provided by an ambassador / security person	Very important Somewhat Impor Not at All Importa				-	~			-			-		-		- ,		588	54.66%	8

ORDINANCE	NO.	

An Ordinance of Intention to establish a Property and Business Improvement District to be known as the "Melrose Property 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 Melrose 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 Melrose Property 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 Melrose Property 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. A general description of the area within the boundaries of the proposed District is as follows: Melrose Avenue, between Fairfax Avenue on the west and Highland Avenue on the east.

There are 180 parcels owned by 156 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 ambassador/security services; landscaping, sanitation and beautification; marketing and promotions; new business attraction; policy development, district management and administration; office, insurance, accounting and other; and uncollected assessment reserve.
- Sec. 9. ANNUAL ASSESSMENTS AND DURATION. The District's total assessment for five years is estimated to be \$2,735,457.00. The District's total annual assessment for the first year is estimated to be \$515,236.00. Annual assessments for subsequent years may be adjusted based upon the Consumer Price Index for the Los Angeles region, or by a flat percentage rate, not to exceed three percent (3%) of the previous year's rate. It is proposed that the District be established for a five 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.

Angeles, at its meeting of	
	JUNE LAGMAY, City Clerk
E	By
	Deputy
Approved	
- -	Mayor
Approved as to Form and Legality	
CARMEN A. TRUTANICH, City Attorney	
By	
Date	
File No. CF	

	ORDINANCE	NO.
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I hereby certify that this ordinance Angeles, at its meeting of	was passed by the Council of the City of Los
	JUNE LAGMAY, City Clerk
	ByDeputy
Approved	
	Mayor
Approved as to Form and Legality	
CARMEN A. TRUTANICH, City Attorney	
By Deputy City Attorney	ASP HELDINARIE
Date <u>5-6-13</u>	
File No. CF	