NBID
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Central Avenue Historic Business Improvement District Management District Plan

For
A Property Based
Business Improvement District
in Los Angeles

October 2015

Prepared By
Urban Design Center

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I. Overview of the Central Avenue Historic Business Improvement District

The name of the proposed Property-Based Business Improvement District is the Central Avenue Historic Business Improvement District ("District"). The District is being established pursuant to Section 36600 et seq. of the California Streets and Highways Code, The "Property and Business Improvement District Law of 1994 as amended", hereinafter referred to as State Law.

The neighborhood of Central Avenue between Vernon Avenue and Washington Boulevard is renowned for its important role in the cultural history of Los Angeles. This includes its role in jazz history from the 1920's to 1950's. This stretch of Central Avenue is the location of nationally registered historic landmarks such as the Florence Mills Theater, and the Dunbar Hotel. The Central Avenue Historic Business Improvement District will strive to improve the economic vitality for each individual assessed parcel in the district, celebrate the rich cultural history of the neighborhood, and promote cultural events along the corridor, such as the annual Central Avenue Jazz Festival, to attract consumers and pedestrians to the individual assessed parcels in the district.

II. Management District Plan Summary

The Central Avenue Historic Business Improvement District Management Plan is proposed to improve and convey special benefits to assessed properties located within the District area. The District will provide continued improvements and activities, including Streetscape Services, Enhanced Safety, Parking Demand Management, Branding, and District Management. Each of the programs is designed to meet the goals of the District; to improve safety and cleanliness and increase building occupancy within the District, to attract more customers to District businesses, to encourage new business development and attract ancillary businesses and services for parcels within the District, to promote cultural events in the District.

Boundary: See Section 3, Boundary Description on Page 7 and map on Page 8.

Budget: The total District budget for the 2016 year of operation is approximately $423,802.

Improvements, Activities, Services:

Streetscape Services This program will consist of sidewalk and gutter cleaning, graffiti removal, trash collection and removal, and other cleaning as necessary.	$140,732	33.2%
Enhanced Safety Community Safety Ambassadors Community Safety Ambassadors will assist visitors and employees, pass out information about the local businesses and programs, and report concerns to the local police and other security services. The Safety Ambassadors will patrol the District by bicycle and foot and will deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys. Security Monitoring A security camera system with an online monitoring program will be created that the Safety Ambassadors can access through their cell phones and laptops.	$152,576	36.0%
Parking Demand Management This program will consist of a parking demand analysis report in the first year only. In addition, each year parking location maps will be created.	$10,606	2.5%
Branding This program will tell the story of the District, its history, its cultural attractions, and its ongoing improvements, and will consist of developing a website, social media sites, videos promoting the District, a newsletter	$33,333	7.9%

promoting the area, and flyers and brochures promoting the district. It will also include installing wayfinding signage and holding business development and cultural events.		
District Management Oversee BID contracts, facilitate community development and public policy efforts and promote the District. Administration and office costs, and city and county fees.	$86,555	20.4%

Assessment funds may be used as matching funds in order to apply for grants such as the Los Angeles County Metropolitan Transportation Authority's Call for Projects, the City of Los Angeles Department of Transportation's People Street Improvements, and foundation grants for marketing and business development. These grant funds may be used to enhance landscaping, wayfinding signage, and business development. These improvements and activities will be provided only to individual assessed parcels defined as being within the boundaries of the District and will provide benefits which are particular and distinct to each of the individual assessed parcels within the proposed District. These improvements and activities will be used to support increased commerce, business attraction and retention, and enhanced overall safety and image for the individual assessed parcels within the district.

Method of Financing: A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See Section 5, for the proposed management district assessment formula)

Cost: Annual assessments are based upon an allocation of program costs by assessable footage. Three property assessment variables, parcel square footage, building square footage and linear front footage will be used in the calculation. The 2016 year assessments per assessment variable will not exceed amounts listed in the following chart:

District Wide Assessment Rates	
Commercial	
Lot Square Foot Assessment	$0.095/Square Foot
Building Square Foot Assessment	$0.126/Square Foot
Linear Front Footage	$3.71/Foot
Non-commercial	
Lot Square Foot Assessment	$0.095/Square Foot
LAUSD Lot Square Foot Assessment	$0.024/Square Foot
Building Square Foot Assessment	$0.063/Square Foot
Government Building Square Foot Assessment	$0.000/Square Foot

Linear Front Footage	$3.71/Foot
LAUSD Linear Front Footage	$1.48/Foot

Cap: Annual assessment increases will not exceed 4% per year. Increases will be determined by the business improvement district Property Owners Association and will vary between 0% and 4% in any given year. Any annual assessment increase must be approved by the Property Owners Association and be submitted in the annual planning report.

District Formation: District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration: The District will have a 5 year life, beginning January 1, 2016 and ending December 31, 2020.

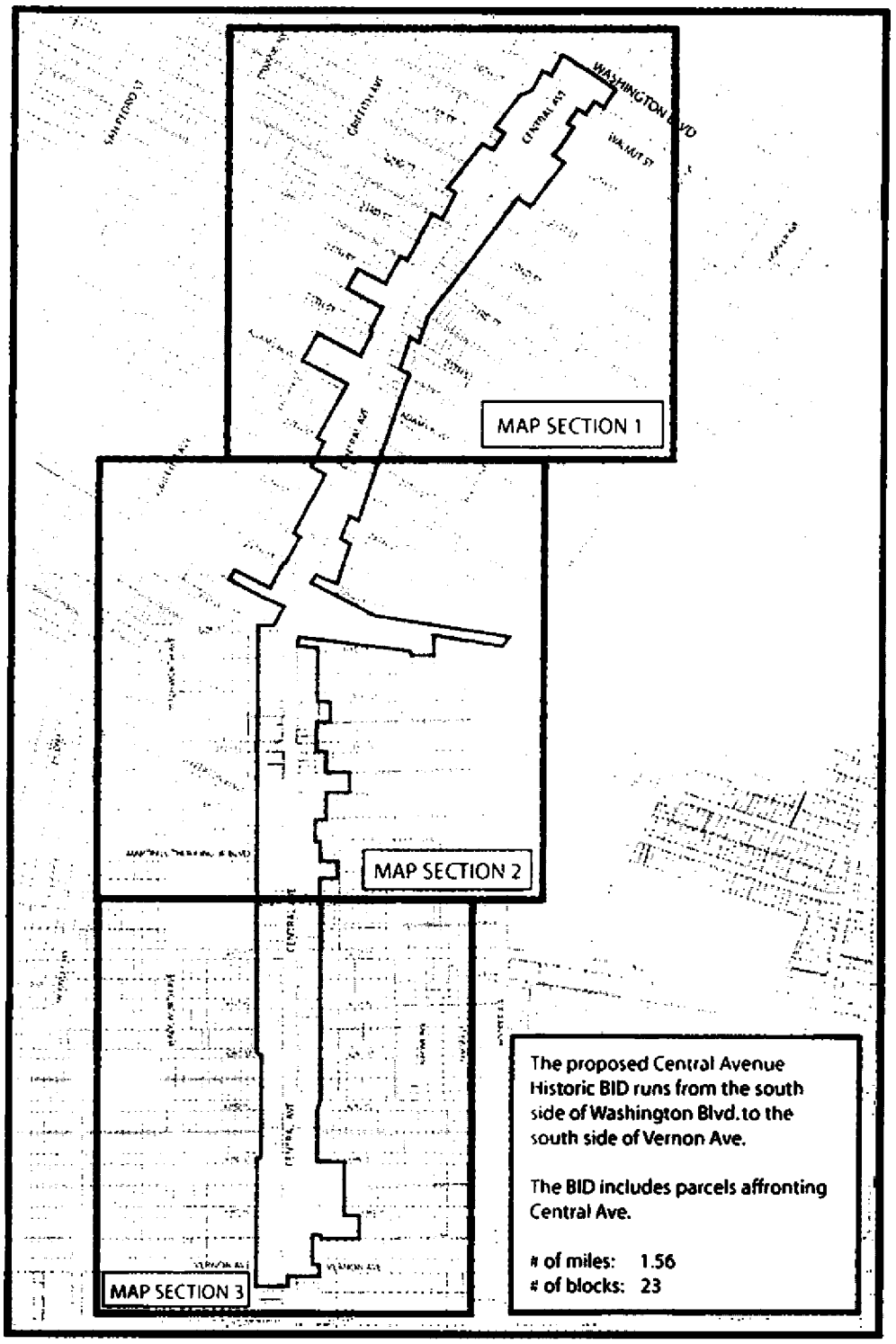
Governance: The Property Owners Association will review District budgets and policies annually within the limitations of the Management District Plan.

Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The Property Owners Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

III. Business Improvement District Boundaries

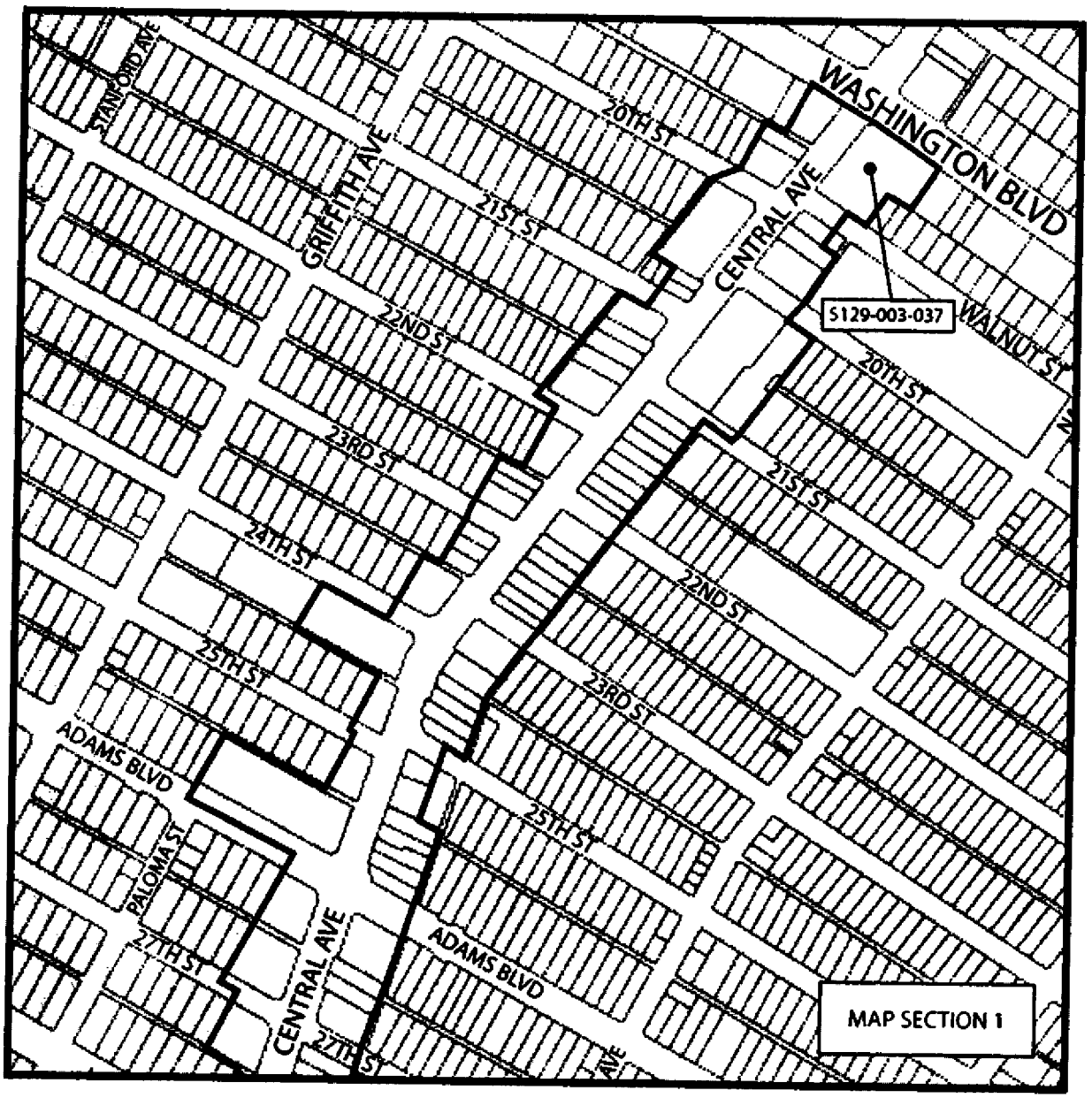
Overall Boundary

Beginning at the southeast corner of E. Washington Boulevard and S. Central Avenue; thence southwest to the northeast corner of parcel number 5129-003-037; thence southwest along the eastern line of the parcels bordering the east side of S. Central Avenue and its southerly prolongation to the south side of E. 33rd Street; thence east along the south side of E. 33rd Street to the northeast corner of parcel number 5114-02-6037; thence south to the southeast corner of parcel number 5114-026-037; thence west along the south line of parcel number 5114-026-037 and its westerly prolongation to a point in the east line of parcel number 5114-026-038, said point being the northwest corner of the alley south of said parcels; thence south along the eastern line of the parcels bordering the east side of S. Central Avenue and its southerly prolongation to the south side of E. 43rd Street; thence east along the south side of E. 43rd Street to the northeast corner of parcel number 5115-033-039; thence south along the east line of parcel number 5115-033-039 and its southerly prolongation to the south side of E. 43rd Place; thence east along the south side of E. 43rd Place to the northeast corner of parcel number 5115-034-028; thence south to the southeast corner of parcel number 5115-034-028; thence west along the south line of parcel number 5115-034-028 to the east line of parcel number 5115-034-029; thence south along the eastern line of the parcels bordering the east side of S. Central Avenue to the southeast corner of parcel number 5107-001-001; thence west along the south line of parcel numbers 5107-001-001 and 5108-028-028 to the southwest corner of parcel number 5108-028-028; thence northerly along the western line of the parcels bordering the west side of S. Central Avenue and its northerly prolongation to the north side of E. 29th Street; thence northeast along the northwest line of parcel numbers 5128-022-044 and 5128-022-033 and its northerly prolongation to the southerly line of parcel number 5128-022-002; thence northwesterly to the southwesterly corner of parcel number 5128-022-002; thence northeasterly along the western line of the parcels bordering the west side of S. Central Avenue to the south side of E. Washington Boulevard; thence east along the south side of E. Washington Boulevard to the point of beginning.



Central Avenue Historic Business Improvement District
Property Based Business Improvement District
District Overview Map

BID BOUNDARY

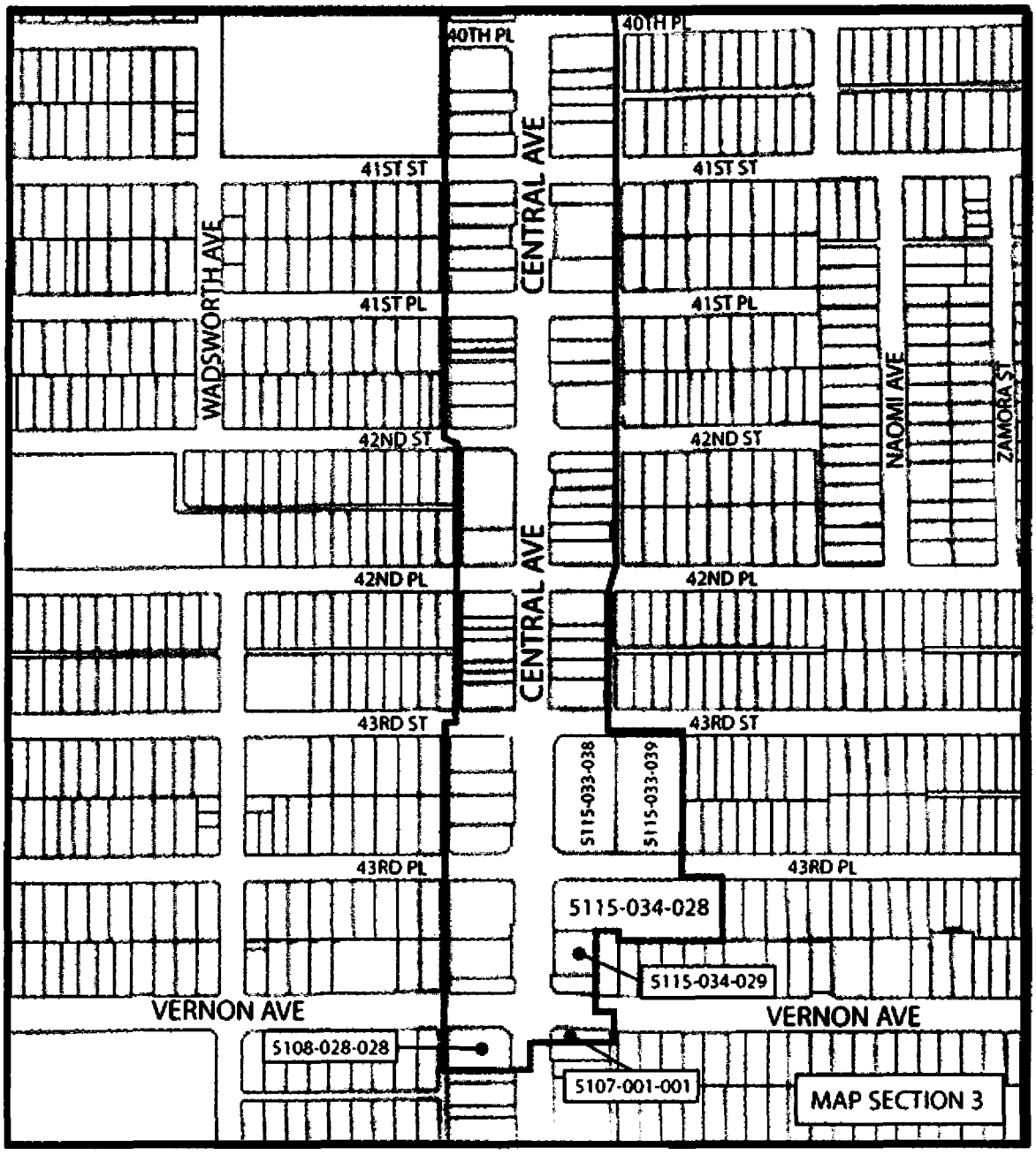


Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 1 of 3

BID BOUNDARY

Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 2 of 3

BID BOUNDARY



Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 3 of 3

BID BOUNDARY

District Boundary Rationale

The District includes the commercial parcels facing S. Central Ave. between Washington Blvd. on the north and Vernon Ave. on the south. The properties within the general boundaries of the District are a mix of commercial, industrial, government, non-profit, and residential.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, community safety ambassador patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

There is one benefit zone within the proposed District.

Northern Boundary:
The northern boundary of the District is E. Washington Boulevard. This border is clearly delineated by the Metro Blue Line which runs along E. Washington Boulevard. North of E. Washington Blvd. the parcels on S. Central Ave. become all industrial. This area is distinctly different in uses and character from the commercial corridor south of Washington Boulevard, and because of this difference will not be included in the District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District.

Eastern and Western Boundaries:
The eastern and western boundaries of the District were determined by focusing only on the parcels that directly face S. Central Ave. and that are part of the S. Central Ave. business corridor, and by the zoning of the parcels east and west of the District boundaries. The parcels facing S. Central Ave. are primarily zoned commercial in this commercial corridor, with a few parcels zoned industrial and public facilities. In most cases the parcels immediately east or west of the District boundaries are zoned residential and as per State of California Streets and Highways code section 36632.(c) "are conclusively presumed not to benefit from the improvements and service funded through these assessments..." There are presently no parcels zoned solely residential within the boundaries of the District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District.

Southern Boundary: The southern boundary of the Business Improvement District is the southern parcel line of the two commercial corner parcels on the south side of Vernon Avenue. The Vernon Avenue and Central Avenue intersection is considered the entrance to the core of

the historic part of S. Central Ave. around which this District is based. This intersection provides a natural entrance point to the District. The parcels south of the District boundaries are primarily residential and government/institutional. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, safety ambassador patrols, security monitoring, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries.

IV. Proposed Management District Service Plan

Through a series of meetings the Central Avenue Historic District Business Improvement District Steering Committee collectively determined that the business improvement district should be property-based, and determined the priority for improvements and activities to be delivered by the business improvement district. The Steering Committee selected these 5 priorities: streetscape services, enhanced safety, parking demand management, branding, and district management. All of the services will be over and above the City's baseline of services and are not provided by the City.

All of the improvements and activities detailed below will be provided only to individual assessed parcels defined as being within the boundaries of the District and will provide benefits which are particular and distinct to each of the individual assessed parcels within the proposed District. No improvement or activities will be provided to properties outside the District boundaries. All assessments outlined in this Management District Plan will be used solely to provide services directly benefiting each of the individual assessed parcels in this District. All services will be provided to the individual assessed parcels defined as being within the District boundaries and no services will be provided outside the District boundaries. Each of the services are unique to the District and to each of the District's individual assessed parcels, therefore all benefits provided are particular and distinct to each individual assessed parcel.

All assessments outlined in this Management District Plan will be used to support increased commerce, business attraction and retention, and enhanced overall safety and image within this commercial core. All services, projects, promotions, security, maintenance and professional/administration services are provided solely to individual assessed parcels within the district to enhance the image and viability of individual assessed parcels and businesses within the District boundaries and are designed only for the direct special benefit of the individual assessed parcels in the District.

Assessment District programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The properties within the boundaries of the District that will receive special benefits from BID funded programs and services are currently a mix of commercial, industrial, government, non-profit, and residential. Services, programs and improvements provided and funded by the District are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the District. The proposed District programs are Streetscape Services, Enhanced Safety, Parking Demand Management, Branding, and District Management. These are listed in Section 2, pg. 4-5 and described in further detail below.

Individually assessed commercial, industrial, government, and non-profit parcels within the boundaries of the District will benefit specially from the District's Streetscape Services program which will create a cleaner and more welcoming environment for their customers, patrons, tenants, visitors, and employees. This program will improve aesthetic appeal for patrons, visitors and employees of the assessed commercial, industrial, government, and non-profit parcels within the District by reducing litter and debris, which are detractions to commerce and commercial occupancy rates if not contained and properly managed. The LAUSD parcels will specially benefit from the District's Streetscape Services program through a cleaner and healthier environment around the LAUSD campus which results in anincreased likelihood of this campus being chosen by parents for their children's education. The Streetscape Services program will create a cleaner and more welcoming environment for the employees of the government parcels. Individually assessed residential parcels within the boundaries of the District (all located on non-residentially zoned parcels) will specially benefit from the Streetscape Services program through an increase in the cleanliness and livability of the environment for the tenants.

Individually assessed commercial, industrial, government, and non-profit parcels within the boundaries of the District will benefit specially from the District's Enhanced Safety program which will create a safer environment for their customers, patrons, tenants, visitors, and employees. This program is designed to improve security for patrons, visitors and employees of assessed commercial, industrial, government, and non-profit parcels within the District by reducing crime, which is a detraction to commerce and commercial occupancy rates if not contained and properly managed. The LAUSD parcels will specially benefit from the District's Enhanced Safety program through a safer environment around the LAUSD campus which results in an increased likelihood of this campus being chosen by parents for their children's education. Individually assessed residential parcels within the boundaries of the District (all located on non-residentially zoned parcels) will specially benefit from the Enhanced Safety programs through an increase in the security and livability of the environment for the tenants.

The District Management Program will include an Executive Director to negotiate and monitor service contracts and program operations, facilitate community development, and manage public policy, planning and economic development initiatives to promote the district. Other management costs will include leasing office equipment, the purchase of office supplies, bookkeeping, insurance, and organizational management and business filings costs. Individually assessed commercial, industrial, government, non-profit, and residential parcels within the boundaries of the District will specially benefit from the District Management program as this program will implement the programs for the operation of the Streetscape Services and Enhanced Safety programs which will create a cleaner and safer environment for the customers, patrons, and tenants of these parcels.

The District's Parking Demand Management program will include the creation of a parking demand analysis report to identify areas for better parking management, and parking location maps to be handed out to visitors and patrons. Individually assessed commercial and industrial parcels within the boundaries of the District will specially benefit from the Parking Demand Management program through an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an overall increase in District activity. Individually assessed government, non-profit, and residential parcels within the boundaries of the District will not receive special benefit from the Parking Demand Management program and will not be assessed for it.

The District's Branding program will include the creation of a website and social media site with information and videos promoting the District, a newsletter promoting the District and its businesses, wayfinding signage to help visitors to the District, flyers and brochures promoting the district, and multiple business development and cultural events per year. Individually assessed commercial and industrial parcels within the boundaries of the District will specially benefit from the Branding program through an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an overall increase in District activity. Individually assessed government, non-profit, and residential parcels within the boundaries of the District will not receive special benefit from the Branding program and will not be assessed for it.

The aforementioned program special benefits are particular and distinct to each and every assessed parcel within the District and are not provided to non-assessed parcels outside of the District. The City of Los Angeles does not provide these supplemental programs, services or improvements. The very nature of the purpose of this District is to fund supplemental programs, improvements and services to assessed parcels within the BID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. All special benefits derived from the assessments to be levied on assessed

parcels within the District are for services, programs and improvements directly benefiting each individual assessed parcel within the District. No District funded services, activities or programs will be provided outside of the District boundaries. In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be provided for assessed parcels within the boundaries of the District. Specifically, Safety Ambassador patrols, Streetscape Services personnel, and similar service providers employed in connection with the District will only patrol and provide services on the streets and sidewalks within the District, and will not provide services outside of District boundaries. Nor will District promotional efforts promote activities outside of District boundaries.

While every attempt is made to provide District services and programs to confer benefits only to those identified assessed parcels within the District, the California State Constitution was amended via Proposition 218 to stipulate that general benefits exist, either by design or unintentional, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the District, or "spillover" onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business within the District or interest in the District itself.

The total improvement and activity plan budget for 2016 is $423,802. Of the total budget, special benefit to parcels within the District totals $419,564 and is funded by property assessments. General benefit from the District budget is calculated to be $4,238 and is not funded by assessment revenue from District parcels.

The Proposed Management District Service Plan budget is made up of the following components:

Streetscape Services Program **$140,732 (33.2%)**

In order to consistently deal with maintenance issues, a Clean Streets Program will be established. The clean team will only provide service to individual assessed parcels within District boundaries. A multi-dimensional approach has been developed consisting of the following elements:

Sidewalk and Gutter Cleaning: Uniformed, radio equipped personnel will sweep litter, debris and refuse from sidewalks and gutters of the assessed parcels in the District. District personnel will also pressure wash the sidewalks once a month. Certain items, such as the trash canisters, will be purchased in the first year and will not need to be purchased in the same quantity in subsequent years.

Trash Collection: Trash canisters will be placed on either side of the street throughout the District, except for the blocks with City of LA provided canisters. Personnel will collect trash from sidewalk trash canisters. Bulky item removal will also be coordinated by the Supervisor. Certain items, such as the pressure washing equipment, will be purchased in the first year and will not need to be purchased in the same quantity in subsequent years.

Graffiti Removal: District personnel will remove graffiti from the assessed parcels in the District by painting, using solvent and pressure washing.

The special benefit to individual assessed parcels in the District from these services is increased commercial activity which directly relates to increases in customer usage.

Enhanced Safety Program **$152,576 (36.0%)**

Community Safety Ambassadors: Uniformed Community Safety Ambassadors will create a perception of safety on the corridor and will provide a variety of public safety services by assisting visitors and employees, passing out information about the local businesses and programs, and reporting to the local police and other security services. The Safety Ambassadors will provide safety services for the individual assessed parcels located within the District in the form of patrolling bicycle personnel, and foot patrol. The Safety Ambassadors will deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys. The Safety Ambassadors Program will supplement, not replace, other ongoing police, safety and patrol efforts within the District. Some budget items increase after the first year, such as the number of Safety Ambassador patrol hours per week.

Security Monitoring: In order to enhance the ability of the Safety Ambassadors to deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys, a security camera system will be installed, with an online monitoring program that the Safety Ambassadors can access through their cell phones and laptops.

Parking Demand Management Program **$10,606 (2.5%)**

This program will aim to improve the ability of visitors and customers to access the District by determining ways to better manage and increase the parking supply for the individual assessed parcels. A parking demand analysis report will be created only in the first year of the five year life of the District. For this reason the cost of this program will go down significantly after the first year. This parking demand analysis report will be used to identify areas for better parking management. In addition, parking location maps will also be produced annually. These can be

handed out by Safety Ambassadors and can be given to property and business owners to distribute to visitors and customers.

Branding Program **$33,333 (7.9%)**

The branding program will tell the story of the District, its history, its cultural attractions, and its ongoing improvements. The BID will carry out a number of initiatives that will strengthen the image of the District, including developing and updating a website and social media site with videos promoting the District, publishing a newsletter promoting the District and sending it to property owners, installing wayfinding signage to help visitors to the District, the design and production of flyers and brochures promoting the district, and multiple business development and cultural events per year. These programs will provide an increased awareness of the businesses within the district and their individual offerings which will attract new customers to the District businesses and provide an increase in commercial activity. The quantity of some budget items increase after the first year, such as the number of events, the amount of collateral materials, and frequency of Community Safety Ambassador patrols. Certain items will be purchased in the first year and will not need to be purchased in the same quantity in subsequent years, such as wayfinding signage. Also, the quantity of some budget items increase after the first year, such as the number of events, and the amount of collateral materials.

District Management Program **$86,555 (20.4%)**

The District will be managed by an Executive Director. The Executive Director will negotiate and monitor service contracts and program operations, facilitate community development, and manage public policy, planning and economic development initiatives to promote the District. Other management costs will include:

1) Leasing a computer, printer, software, and phone equipment;
2) The purchase of office supplies and stamps, the printing of quarterly district management packages, bookkeeping, and insurance;
3) Organizational management and business filings costs including travel mileage, meetings, memberships, annual statements of information, event licensing, City and County fees, and other fees.
4) Prepare and submit quarterly and annual reports for the City of Los Angeles.

V. Proposed Multi-Year Budget 2016 through 2020

The total improvement and activity plan budget for 2016 is projected to be $423,802. Actual service hours and frequency of the budget components may vary over the 5 year life of the District based on feasibility and in order to match varying District needs. A detailed operation deployment plan for 2016 is available from the Property Owner's Association.

Five Year Operating Budget

A projected five year operating budget for the District is provided below. The projections are based upon the following assumptions.

Assessments will be subject to annual increases not to exceed 4% per year. Increases will be determined by the Property Owner's Association and will vary between 0 and 4% in any given year. Certain items will be purchased in the first year and will not need to be purchased in the same quantity in subsequent years, such as trash canisters, pressure washing equipment, bicycles, and uniforms. Also, the quantity of some budget items increase after the first year, such as the number of events, the amount of collateral materials, and frequency of Community Safety Ambassador patrols. The projections below illustrate a 4% annual increase in the overall budget. Any accrued interest or delinquent payments will be expended in the categories listed.

5 Year Budget Projections

	Expenditures	Year 1 - 2016	Year 2 - 2017	Year 3 - 2018	Year 4 - 2019	Year 5 - 2020
1	**Streetscape Services**	$140,732	$133,493	$138,832	$144,386	$150,161
2	**Enhanced Safety**	$152,576	$167,587	$174,290	$181,262	$188,513
3	**Parking Demand Management**	$10,606	$525	$546	$568	$591
4	**Branding**	$33,333	$46,017	$47,858	$49,772	$51,763
5	**District Management**	$86,555	$93,133	$96,859	$100,733	$104,762
	TOTAL COST	**$423,802**	**$440,755**	**$458,385**	**$476,721**	**$495,790**
	Non-assessment Revenue	$4,238	$4,407	$4,584	$4,768	$4,959
	Assessment Revenue	$419,564	$436,348	$453,801	$471,953	$490,831

VI. Assessment Methodology

Each identified parcel within the District will be assessed based on a combination of the building area square footage, the lot area square footage, and the street frontage linear footage unique to that parcel.

Property Quantities for YR 1 - 2016

FORMULA FACTOR	ASSESSABLE QUANTITY
Building Area – Sq. Ft.	692,380
"Special Use" Building Area – Sq. Ft. *	530,589
Land Area – Sq. Ft.	2,118,027
Street Frontage – Linear Ft.	27,132

* "Special Use" includes government, residential, and non-profit. See special uses on pg. 24 of the Engineer's Report (Attachment A).

PROPOSED YEAR 1-2016 ASSESSMENT FORMULA

Assessment = Building Area (Sq. Ft.) x Building Area Rate

OR

"Special Use" Building Area (Sq. Ft.) x "Special Use" Building Area Rate

PLUS

Land Area (Sq. Ft.) x Land Area Rate

PLUS

Street Frontage (Linear Feet) x Street Frontage Rate

PROPOSED YEAR 1-2016 ANNUAL ASSESSMENT RATES

ASSESSMENT FACTOR	YR 1 – 2016 ASSESSMENT RATES
Building Area Rate ($/Sq. Ft.)	$0.126 (12.6¢)
"Special Use" Building Area Rate ($/Sq. Ft.)*	$0.063 (6.3¢)*
Government Building Area Rate ($/Sq. Ft.)	$0.000 (0.0¢)
Land Area Rate ($/Sq. Ft.)	$0.095 (9.5¢)
LAUSD Land Area Rate ($/Sq. Ft.)	$0.024 (2.4¢)
Street Frontage Rate ($/Linear Foot)	$3.71
LAUSD Street Frontage Rate ($/Linear Foot)	$1.48

* "Special Use" includes government, residential, and non-profit.

SAMPLE ASSESSMENT CALCULATIONS:

Sample A

12,000 sq. ft. commercial building on 15,000 sq. ft. lot with 100 linear feet of street frontage.

Commercial Building Assessment	= 12,000 x 12.6¢/sq. ft.	= $1,512
Land Assessment	= 15,000 x 9.5¢/sq. ft.	= $1,425
Frontage Assessment	= 100 linear feet	
	x $3.71/linear foot	= $371
TOTAL YEAR 1 ASSESSMENT		= **$3,308**
PER MONTH		= $275.67/month
PER DAY		= $9.06/day
PER SQ. FT. OF BUILDING PER MONTH		= 2.3¢/sq. ft./month

Sample B (Same as "Sample A" above but with 6,000 sq. ft. of each - commercial and residential use)

Commercial Building Assessment	= 6,000 x 12.6¢/sq. ft.	= $756
Residential Building Assessment	= 6,000 x 6.3¢/sq. ft.	= $378
Land Assessment	= 15,000 x 9.5¢/sq. ft.	= $1,425
Frontage Assessment	= 100 linear feet	
	x $3.71/linear foot	= $371

TOTAL YEAR 1 ASSESSMENT	= **$2,930**
PER MONTH	= $ 244.17/month
PER DAY	= $ 8.03/day
PER SQ. FT. OF BUILDING PER MONTH	= 2¢/sq. ft./month

Maximum Assessment Rates

YR 1-5 (2016 & 2020) Maximum Assessment Rates
(assumes 4% maximum annual increase)

ASSESSMENT FACTOR	Parcel Type	YR 1 2016	YR 2 2017	YR 3 2018	YR 4 2019	YR 5 2020
Building Area Rate ($/Sq Ft)	Commercial/Industrial	$0.12600	$0.13104	$0.13628	$0.14173	$0.14740
Building Area Rate ($/Sq Ft)	Non-Government Special Use	$0.06300	$0.06552	$0.06814	$0.07087	$0.07370
Building Area Rate ($/Sq Ft)	Government	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000
Land Area Rate ($/Sq Ft)	Non-LAUSD	$0.09500	$0.09880	$0.10275	$0.10686	$0.11114
Land Area Rate ($/Sq Ft)	LAUSD	$0.02375	$0.02470	$0.02569	$0.02672	$0.02778
Frontage Rate ($/Linear Foot)	Non-LAUSD	$3.71000	$3.85840	$4.01274	$4.17325	$4.34018
Frontage Rate ($/Linear Foot)	LAUSD	$1.48400	$1.54336	$1.60509	$1.66930	$1.73607

Budget Adjustments

Assessments will be subject to an annual increase of up to 4% per year to address changes in the cost of providing services. The actual amount of increase will be determined by the Property Owners Association and will vary between 0% and 4% in any given year. Any change will be approved by the Property Owners Association Board of Directors and submitted to the City within its annual planning report.

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

Any annual budget surplus will be included into the following year's District budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses that are carried forward. District funds may be used to fund the cost of renewing the District. Funds from an expired District shall be rolled over into the new District if one is established, or returned to the property owners if one is not established, in accordance with the Streets and Highways Code section 36671. If an error is discovered on a parcel's assessed footages, the District may investigate and correct the assessed footages after confirming the correction with the L.A. County Assessor Data and City Clerk's office. The correction may result in an increase or decrease to the parcels assessment.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750. The assessment will be prorated to the date they receive the temporary and/or permanent certificate of occupancy. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new State mandated ballot procedure in order to approve any such changes.

Time and Manner for Collecting Assessments

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office may direct bill the first years assessment for all property owners and will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for any fiscal year of operation and then by the County for subsequent years. Any delinquent assessments owed for a year for which the City billed will be added to the County property tax roll for the following year. The "property owner" means any person shown as the owner on the last equalized assessment roll or otherwise known to be the owner by the City.

Disestablishment

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660 (b). Unexpended funds will be returned to property owners based upon each parcels percentage contribution to the total year 2014 assessments if the District is not renewed.

Bond Issuance

The District will not issue Bonds.

VII. Publicly Owned Parcels

Publicly owned parcels and facilities within the District will be assessed based on the special benefits conferred to those individual parcels. In the case of individual assessed publicly owned parcels, District funded programs and services are designed to provide safer and enhanced facilities for their employees, students, visitors, vendors and users of these public facilities. The special benefit to government assessed parcels from these services is an increase in District customers that follow from having a cleaner and safer area. Publicly owned and occupied parcels will not benefit from parking and branding related programs and will not be assessed for these programs.

Public owned parcels will receive special benefit in the form of increased use of the public facilities which directly relates to fulfilling their public service mission. Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Below is a list of the publicly owned parcels and their respective assessments.

CITY OF LOS ANGELES					
APN	Parcel Address	Owner	Use	2016 Asmnt	%
5115027900	4226 S. CENTRAL AVE.	CITY OF LOS ANGELES	Central Ave Jazz Park	$1,535.08	0.37%
5115015900	4301 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,924.58	0.46%
5115015902	4307 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$944.76	0.23%
5115015901	4315 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,245.32	0.30%
5115015903	4323 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,578.72	0.38%
		CITY OF LOS ANGELES SUBTOTAL		**$7,228.46**	**1.74%**
5114015901	3401 S. CENTRAL AVE.	CITY OF LOS ANGELES, FIRE DEPARTMENT	Fire Station #14	$2,106.40	0.50%
5114015902	NO ADDRESS	CITY OF LOS ANGELES, FIRE DEPARTMENT	Fire Station #14	$113.10	0.03%
		CITY OF LOS ANGELES, FIRE DEPARTMENT SUBTOTAL		**$2,219.50**	**0.53%**
5114029908	3400 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$2,207.69	0.53%
5114029900	3406 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$566.40	0.13%
5114029907	3412 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$604.40	0.14%
5114029909	3420 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$4,761.93	1.14%
		CITY OF LOS ANGELES, POLICE DEPARTMENT SUBTOTAL		**$8,140.42**	**1.94%**
		CITY OF LOS ANGELES TOTAL		**$17,588.38**	**4.21%**
OTHER GOVERNMENTAL PARCELS					
APN	Parcel Address	Owner	Use	2016 Asmnt	%
5129004906	1926 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$323.35	0.08%
5129004907	1932 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$251.19	0.06%
5129004908	1940 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$746.56	0.18%
		L A UNIFIED SCHOOL DISTRICT TOTAL		**$1,321.10**	**0.32%**
5119016900	NO ADDRESS	METRO-LOS ANGELES (LACMTA)	Vacant/Storage	$7,671.36	1.83%
5128021901	NO ADDRESS	METRO-LOS ANGELES (LACMTA)	Vacant/Storage	$2,468.40	0.59%
		METRO-LOS ANGELES TOTAL		**$10,139.76**	**2.42%**
		TOTAL GOVERNMENT ASSESSMENTS		**$29,049.24**	**6.95%**

VIII. Proposed District Implementation Time Table

Steps to Formation	Completion Date
Step 1: Form a committee to start the process.	Completed in 2013
Step 2: Determine if a property based or a merchant based BID would be most feasible.	Completed July 2014 - Property Based BID selected by the Committee
Step 3: Create a database of parcels or businesses included in the district.	Completed August 2014 - The proposed district includes properties affronting Central Avenue from Washington Boulevard to Vernon Avenue
Step 4: Develop a district map, assessment formula and district management plan.	April 2015
Step 5: Initiate a petition drive.	April 2015
Step 6: Assessment ballot tabulation.	August 2015
Step 7: Elect a non-profit entity to manage the BID.	August 2015
BID begins operation January 1, 2016	

IX. District Governance

A non-profit organization ("Property Owners Association") will be created to administer the BID. The Property Owners Association will be tax-exempt under section 501(c)(3) of the Internal Revenue Code, will be organized and operated exclusively for exempt purposes set forth in section 501(c)(3), and none of its earnings will inure to any private shareholder or individual. In addition, the Property Owners Association will not be an action organization, i.e., it may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.

The Property Owner's Association will create a governing Board of Directors ("Board"). The Board will provide strategic leadership, including setting direction, making policy and strategy decisions, overseeing and monitoring organizational performance, and ensuring overall accountability.

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

Consistent with property business improvement district (PBID) legislation throughout the nation, California's "Property and Business Improvement District Law of 1994" establishes a District governance framework that allows parcel owners who pay assessments to determine how the assessments are used. Presently, the following components are required within a District's governing structure:

(A) Management Organization: To deliver day-to-day services, the City of Los Angeles will enter into a contract with a private sector management organization, referred to herein as the "Property Owners Association." The management organization implements the programs and its administrative functions relative to managing the District are financed by parcel assessments. If the management organization does not perform and provide a level of service that is acceptable to the City Council then the contract may be terminated and an alternative management organization can be selected.

(B) The Property Owners Association may be an existing or newly formed nonprofit entity. The Property Owners 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 Property Owners Association will prepare an annual report with respect to District operations as required by Section 36650 of the State Law. The Property Owners Association may consider appeals of parcel assessments for appropriate adjustment.

(C) 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.

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 decisions.

X. Parcel Number Assessment Roll

APN	Parcel Address	Lot	Building	Frontage	Total 2016	%
5131008013	1232 E. WASHINGTON BLVD.	11,570	13,743	232	$3,691.49	0.88%
5114023005	1133 E. 32ND St.	108,029	82,681	913	$24,065.94	5.74%
5115022006	4151 S. CENTRAL AVE.	7,600	3,730	202	$1,941.40	0.46%
5115014031	4349 S. CENTRAL AVE.	19,828	15,357	283	$4,868.57	1.16%
5115014030	4365 S. CENTRAL AVE.	12,600	6,138	90	$2,304.29	0.55%
5119014009	2812 S. CENTRAL AVE.	4,050	0	27	$484.92	0.12%
5119014024	2814 S. CENTRAL AVE.	15,900	0	106	$1,903.76	0.45%
5119014032	2828 S. CENTRAL AVE.	11,074	9,775	216	$2,469.22	0.59%
5128021001	2901 S. CENTRAL AVE.	11,746	10,740	207	$2,560.46	0.61%
5114025037	3200 S. CENTRAL AVE.	6,747	6,176	186	$1,914.66	0.46%
5114025038	3216 S. CENTRAL AVE.	2,754	0	23	$346.96	0.08%
5114025015	3220 S. CENTRAL AVE.	4,800	680	40	$690.08	0.16%
5131026028	1011 E. ADAMS BLVD.	55,757	82,412	529	$13,748.49	3.28%
5131014018	2107 S. CENTRAL AVE.	5,921	2,436	40	$1,017.83	0.24%
5119005008	2224 S. CENTRAL AVE.	5,075	1,608	35	$814.58	0.19%
5119005009	2228 S. CENTRAL AVE.	4,162	3,448	174	$1,475.38	0.35%
5119003001	2100 S. CENTRAL AVE.	5,800	4,353	185	$1,648.71	0.39%
5114019013	3217 S. CENTRAL AVE.	9,000	3,708	60	$1,544.81	0.37%
5115027006	1112 E. 42ND ST.	6,000	4,809	190	$1,880.83	0.45%
5114034013	4058 S. CENTRAL AVE.	6,000	836	40	$823.74	0.20%
5115027003	4212 S. CENTRAL AVE.	6,000	2,678	40	$1,055.83	0.25%
5115027035	4208 S. CENTRAL AVE.	5,960	3,965	40	$1,214.19	0.29%
5115030001	4250 S. CENTRAL AVE.	10,075	3,760	208	$2,202.57	0.52%
5119011008	2614 S. CENTRAL AVE.	6,591	1,386	44	$876.70	0.21%
5119014021	2806 S. CENTRAL AVE.	4,050	0	27	$484.92	0.12%
5119016002	2900 S. CENTRAL AVE.	29,940	15,000	590	$6,923.20	1.65%
5131026027	1026 E. 25TH ST.	9,971	9,830	197	$2,915.80	0.69%
5131020027	2301 S. CENTRAL AVE.	4,150	0	147	$939.99	0.22%
5128023037	1034 E. 27TH ST.	17,928	8,892	257	$3,778.32	0.90%
5114034015	4066 S. CENTRAL AVE.	6,000	5,466	40	$1,234.94	0.29%
5128023034	2717 S. CENTRAL AVE.	1,813	1,500	30	$472.54	0.11%
5119009009	2526 S. CENTRAL AVE.	6,022	1,700	36	$919.85	0.22%
5114019015	3201 S. CENTRAL AVE.	9,871	0	218	$1,746.53	0.42%
5114019014	3207 S. CENTRAL AVE.	13,500	11,700	90	$2,790.09	0.66%
5119001028	1315 E 21ST ST.	76,587	124,415	753	$20,004.53	4.77%
5114026017	3324 S. CENTRAL AVE.	4,800	2,718	40	$946.87	0.23%
5114030037	3506 S. CENTRAL AVE.	31,894	23,043	489	$7,747.54	1.85%
5115027900	4226 S. CENTRAL AVE.	8,231	0	203	$1,535.08	0.37%
5115015900	4301 S. CENTRAL AVE.	11,550	0	223	$1,924.58	0.46%
5115015902	4307 S. CENTRAL AVE.	7,875	0	53	$944.76	0.23%
5115015901	4315 S. CENTRAL AVE.	10,414	0	69	$1,245.32	0.30%
5115015903	4323 S. CENTRAL AVE.	9,159	0	191	$1,578.72	0.38%
5114015901	3401 S. CENTRAL AVE.	12,800	0	240	$2,106.40	0.50%

APN	Parcel Address	Lot	Building	Frontage	Total 2016	%
5114015902	NO ADDRESS	800	0	10	$113.10	0.03%
5114029908	3400 S. CENTRAL AVE.	14,452	0	225	$2,207.69	0.53%
5114029900	3406 S. CENTRAL AVE.	4,400	0	40	$566.40	0.13%
5114029907	3412 S. CENTRAL AVE.	4,800	0	40	$604.40	0.14%
5114029909	3420 S. CENTRAL AVE.	38,605	0	295	$4,761.93	1.14%
5131021001	2413 S. CENTRAL AVE.	9,066	4,018	212	$1,901.48	0.45%
5114018029	3309 S. CENTRAL AVE.	7,000	2,140	50	$1,120.14	0.27%
5115023005	4103 S. CENTRAL AVE.	7,600	952	202	$1,591.37	0.38%
5115019034	4201 S. CENTRAL AVE.	22,865	32,577	289	$5,809.80	1.38%
5115019033	4225 S. CENTRAL AVE.	10,363	42,290	208	$5,086.50	1.21%
5115018033	4251 S. CENTRAL AVE.	7,379	19,790	152	$2,927.29	0.70%
5115018034	4257 S. CENTRAL AVE.	3,121	0	25	$389.25	0.09%
5115018035	4259 S. CENTRAL AVE.	3,121	0	25	$389.25	0.09%
5115018036	4261 S. CENTRAL AVE.	6,243	8,600	50	$1,320.39	0.31%
5131014021	2133 S. CENTRAL AVE.	15,000	8,634	251	$3,444.09	0.82%
5128022044	1049 E. 29TH ST.	5,115	1,388	50	$846.31	0.20%
5128022045	2829 S. CENTRAL AVE.	3,390	1,800	138	$1,060.83	0.25%
5119003002	2104 S. CENTRAL AVE.	5,800	0	40	$699.40	0.17%
5119003003	2108 S. CENTRAL AVE.	5,800	0	40	$699.40	0.17%
5119003004	2112 S. CENTRAL AVE.	5,800	0	40	$699.40	0.17%
5115033038	4312 S. CENTRAL AVE.	40,267	2,052	511	$5,979.73	1.43%
5115033039	4322 S. CENTRAL AVE.	41,344	25,875	310	$8,338.03	1.99%
5128021002	2911 S. CENTRAL AVE.	6,890	6,817	50	$1,698.99	0.40%
5131014039	2101 S. CENTRAL AVE.	10,560	3,619	198	$2,193.77	0.52%
5115022002	4165 S. CENTRAL AVE.	7,600	3,126	50	$1,301.38	0.31%
5115027036	4204 S. CENTRAL AVE.	5,600	0	40	$680.40	0.16%
5119005003	2212 S. CENTRAL AVE.	5,800	2,772	40	$874.04	0.21%
5115018031	4269 S. CENTRAL AVE.	3,121	3,391	25	$709.69	0.17%
5129003037	1900 S. CENTRAL AVE.	45,079	11,225	641	$8,073.22	1.93%
5114010007	1053 E. 40TH PL.	7,600	0	202	$1,471.42	0.35%
5119003024	2120 S. CENTRAL AVE.	5,800	918	40	$815.07	0.19%
5114010008	4021 S. CENTRAL AVE.	7,600	6,960	50	$1,784.46	0.43%
5115023004	4109 S. CENTRAL AVE.	7,600	2,540	50	$1,227.54	0.29%
5115034001	4374 S. CENTRAL AVE.	4,835	600	139	$1,050.62	0.25%
5115022001	4171 S. CENTRAL AVE.	7,600	7,600	202	$2,429.02	0.58%
5114019012	3223 S. CENTRAL AVE.	6,000	1,840	40	$950.24	0.23%
5114014006	3501 S. CENTRAL AVE.	11,693	0	206	$1,875.10	0.45%
5114014004	3509 S. CENTRAL AVE.	7,600	0	50	$907.50	0.22%
5115026008	4160 S. CENTRAL AVE.	7,500	620	50	$976.12	0.23%
5128023035	2719 S. CENTRAL AVE.	8,850	7,179	205	$2,505.85	0.60%
5119014022	2800 S. CENTRAL AVE.	4,568	3,709	202	$1,650.71	0.39%
5108028028	4401 S. CENTRAL AVE.	14,287	1,920	230	$2,452.49	0.58%
5131014019	2111 S. CENTRAL AVE.	7,500	3,208	51	$1,305.92	0.31%
5115025001	1118 E. 41ST ST.	6,900	2,340	196	$1,530.08	0.36%
5114025018	3232 S. CENTRAL AVE.	4,800	5,180	40	$930.74	0.22%
5119005005	2220 S. CENTRAL AVE.	5,800	6,600	40	$1,531.00	0.36%

APN	Parcel Address	Lot	Building	Frontage	Total 2016	%
5119003023	2116 S. CENTRAL AVE.	5,800	1,480	40	$885.88	0.21%
5119005004	2216 S. CENTRAL AVE.	5,800	5,760	40	$1,425.16	0.34%
5115026030	4150 S. CENTRAL AVE.	7,500	5,274	200	$2,119.02	0.51%
5114014003	3517 S. CENTRAL AVE.	7,600	6,295	50	$1,700.67	0.41%
5131020001	2315 S. CENTRAL AVE.	14,560	8,683	233	$3,341.69	0.80%
5119003008	2124 S. CENTRAL AVE.	5,075	3,212	35	$1,016.69	0.24%
5119003009	2130 S. CENTRAL AVE.	4,165	4,160	174	$1,434.34	0.34%
5115014001	4373 S. CENTRAL AVE.	5,250	5,233	185	$1,844.46	0.44%
5119013016	2706 S. CENTRAL AVE.	5,988	1,148	40	$861.91	0.21%
5128022001	1042 E 28TH ST.	10,572	544	210	$1,851.98	0.44%
5131009051	2025 S. CENTRAL AVE.	34,230	22,882	387	$7,568.90	1.81%
5114010001	1055 E. 41ST ST.	7,600	5,600	202	$2,000.62	0.48%
5129004906	1926 S. CENTRAL AVE.	5,040	0	137	$323.35	0.08%
5129004907	1932 S. CENTRAL AVE.	7,452	0	50	$251.19	0.06%
5129004908	1940 S. CENTRAL AVE.	15,380	0	257	$746.56	0.18%
5114030002	1113 E. MARTIN LUTHER KING JR. BLVD.	4,246	0	0	$403.37	0.10%
5131015020	2219 S. CENTRAL AVE.	4,332	2,646	33	$867.37	0.21%
5131015021	2225 S. CENTRAL AVE.	7,389	1,952	34	$1,074.05	0.26%
5119011015	2604 S. CENTRAL AVE.	18,041	1,320	272	$2,889.34	0.69%
5128024034	2603 S. CENTRAL AVE.	18,333	1,540	245	$2,844.63	0.68%
5131009025	2027 S. CENTRAL AVE.	3,044	0	33	$411.61	0.10%
5131009026	2031 S. CENTRAL AVE.	2,836	208	118	$731.55	0.17%
5114033033	4016 S. CENTRAL AVE.	54,716	11,910	456	$7,640.11	1.82%
5114010017	4011 S. CENTRAL AVE.	19,768	4,362	278	$3,458.95	0.82%
5131020029	2309 S. CENTRAL AVE.	3,956	2,698	45	$882.72	0.21%
5131020028	NO ADDRESS	3,977	0	42	$533.64	0.13%
5119016900	NO ADDRESS	78,408	0	60	$7,671.36	1.83%
5128021901	NO ADDRESS	23,640	0	60	$2,468.40	0.59%
5115034029	4364 S. CENTRAL AVE.	9,100	2,304	100	$1,525.80	0.36%
5115030002	4260 S. CENTRAL AVE.	4,550	0	35	$562.10	0.13%
5115030003	4262 S. CENTRAL AVE.	5,850	0	45	$722.70	0.17%
5115030004	4268 S. CENTRAL AVE.	5,850	0	45	$722.70	0.17%
5115030005	4272 S. CENTRAL AVE.	8,775	2,848	198	$1,927.05	0.46%
5119005001	2200 S. CENTRAL AVE.	11,600	6,382	225	$2,740.88	0.65%
5119007001	2300 S. CENTRAL AVE.	14,500	10,628	245	$2,956.01	0.70%
5119007026	2312 S. CENTRAL AVE.	9,266	1,712	40	$1,136.53	0.27%
5119007027	2320 S. CENTRAL AVE.	5,595	0	40	$679.93	0.16%
5119007028	2322 S. CENTRAL AVE.	5,600	0	40	$680.40	0.16%
5119007012	2324 S. CENTRAL AVE.	6,000	2,701	40	$888.56	0.21%
5119007011	2332 S. CENTRAL AVE.	5,377	2,516	176	$1,322.28	0.32%
5119009008	2522 S. CENTRAL AVE.	5,750	3,081	34	$1,060.60	0.25%
5115027034	4216 S. CENTRAL AVE.	5,600	2,173	40	$954.20	0.23%
5131015019	2201 S. CENTRAL AVE.	11,974	3,044	242	$2,356.38	0.56%
5114034014	4062 S. CENTRAL AVE.	6,000	0	40	$718.40	0.17%
5115022003	4159 S. CENTRAL AVE.	7,600	4,892	50	$1,523.89	0.36%
5115025005	4120 S. CENTRAL AVE.	11,250	10,024	225	$3,166.52	0.75%

APN	Parcel Address	Lot	Building	Frontage	Total 2016	%
5114026018	3328 S. CENTRAL AVE.	5,400	1,074	165	$1,260.47	0.30%
5114018014	3313 S. CENTRAL AVE.	7,500	4,654	50	$1,484.40	0.35%
5119013017	2712 S. CENTRAL AVE.	6,587	2,520	40	$1,091.69	0.26%
5119013018	2714 S. CENTRAL AVE.	6,587	0	44	$789.01	0.19%
5119013019	2718 S. CENTRAL AVE.	6,587	2,904	44	$1,154.91	0.28%
5128022002	2811 S. CENTRAL AVE.	4,576	3,564	40	$807.65	0.19%
5114019011	3227 S. CENTRAL AVE.	8,700	8,724	208	$2,422.60	0.58%
5119013015	1106 E. 27TH ST.	6,587	3,792	194	$1,823.30	0.43%
5119009013	2500 S. CENTRAL AVE.	5,505	3,811	161	$1,600.47	0.38%
5119009004	2508 S. CENTRAL AVE.	8,032	13,322	89	$2,771.80	0.66%
5119009006	2516 S. CENTRAL AVE.	7,301	7,301	48	$1,791.60	0.43%
5114025017	3228 S. CENTRAL AVE.	4,800	4,860	40	$1,045.65	0.25%
5131008014	1917 S. CENTRAL AVE.	5,270	7,400	40	$1,231.80	0.29%
5119014008	2808 S. CENTRAL AVE.	3,900	1,548	27	$665.72	0.16%
5114034012	1120 E. 40TH PL.	12,000	8,540	230	$2,800.33	0.67%
5115022005	4155 S. CENTRAL AVE.	3,724	0	25	$446.53	0.11%
5115022004	4157 S. CENTRAL AVE.	3,876	3,125	26	$858.43	0.20%
5115018005	4267 S. CENTRAL AVE.	3,121	2,000	25	$578.25	0.14%
5114025039	1101 E. 33RD ST.	4,453		128	$897.92	0.21%
5114026041	3310 S. CENTRAL AVE.	29,740	75,535	366	$9,893.61	2.36%
5128024037	2617 S. CENTRAL AVE.	23,480	26,623	307	$5,046.82	1.20%
5119011019	2624 S. CENTRAL AVE.	12,493	18,140	226	$3,166.26	0.75%
5131015022	2227 S. CENTRAL AVE.	7,228	1,918	177	$1,585.55	0.38%
5115026031	4156 S. CENTRAL AVE.	7,500	2,735	50	$1,242.61	0.30%
5114018031	3319 S. CENTRAL AVE.	7,000	0	50	$850.50	0.20%
5114018030	3323 S. CENTRAL AVE.	15,008	15,000	229	$4,165.35	0.99%
5131021028	2411 S. CENTRAL AVE.	11,080	0	208	$4,400.98	1.05%
5114022001	3001 S. CENTRAL AVE.	3,223	3,082	129	$1,172.07	0.28%
5114030001	1113 E. MARTIN LUTHER KING JR. BLVD.	3,200	1,083	0	$440.46	0.10%
5114025016	3224 S. CENTRAL AVE.	4,800	1,580	40	$803.48	0.19%
5114010003	4063 1/2 S. CENTRAL AVE.	7,600	2,092	50	$1,171.09	0.28%
5119011009	2620 S. CENTRAL AVE.	6,591	2,464	44	$944.62	0.23%
5128022033	2817 S. CENTRAL AVE.	4,020	1,655	51	$779.64	0.19%
5115023028	4111 S. CENTRAL AVE.	7,100	4,619	50	$1,296.50	0.31%
5115023001	4123 S. CENTRAL AVE.	7,600	1,344	202	$1,640.76	0.39%
5114018016	3301 S. CENTRAL AVE.	8,700	9,578	208	$2,503.30	0.60%
5115018007	4273 S. CENTRAL AVE.	7,491	4,430	185	$1,768.31	0.42%
5119009010	2534 S. CENTRAL AVE.	5,439	378	187	$1,258.10	0.30%
5107001001	4400 S. CENTRAL AVE.	5,354	1,366	171	$1,315.16	0.31%
5114010016	4057 S. CENTRAL AVE.	14,088	17,565	234	$3,313.10	0.79%
5114015044	3411 S. CENTRAL AVE.	33,530	12,259	425	$5,534.42	1.32%
5114010018	4069 S. CENTRAL AVE.	7,100	4,788	50	$1,463.29	0.35%
5115023002	4117 S. CENTRAL AVE.	7,600	7,600	50	$1,625.70	0.39%
5119005002	2208 S. CENTRAL AVE.	5,800	2,378	40	$999.03	0.24%
5115034028	1106 E. 43RD PL.	49,319	12,637	482	$8,065.79	1.92%
5131008015	1923 S. CENTRAL AVE.	11,230	1,152	206	$1,974.78	0.47%

APN	Parcel Address	Lot	Building	Frontage	Total 2016	%
5115025039	4114 S. CENTRAL AVE.	17,500	5,629	125	$2,835.50	0.68%
5114034016	4072 S. CENTRAL AVE.	12,000	6,013	236	$2,773.20	0.66%
5131014020	2119 S. CENTRAL AVE.	7,500	0	51	$901.71	0.21%
5114014001	3529 S. CENTRAL AVE.	2,840	1,682	162	$1,082.75	0.26%
5119009012	2520 S. CENTRAL AVE.	5,314	2,046	41	$914.74	0.22%
5115026032	4168 S. CENTRAL AVE.	13,979	2,820	222	$2,506.95	0.60%
5119013020	2726 S. CENTRAL AVE.	13,031	2,564	238	$2,443.99	0.58%
TOTAL		**2,118,027**	**1,182,069**	**27,132**	**$419,564.04**	**100.00%**

Attachment A - Engineer's Report

NBID
OCT 2 2 2015

CENTRAL AVENUE HISTORIC BUSINESS IMPROVEMENT DISTRICT

Being Established Under California Streets and Highways Code Section 36600 et seq.
Property and Business Improvement District Act of 1994

DISTRICT ASSESSMENT ENGINEER'S REPORT

ATTACHMENT A

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

October 22, 2015

DISTRICT ASSESSMENT ENGINEER'S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Central Avenue Historic District Business Improvement District ("Central Avenue Historic BID") being established for a five (5) year term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

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

RPE #26549 October 22, 2015

Edward V. Henning Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the "detailed engineer's report" required by Section 4(b) of Article XIIID of the California Constitution (Proposition 218) to support the benefit property assessments proposed to be levied within the proposed Central Avenue Historic BID in the City of Los Angeles, California being established for a five (5) year term. The discussion and analysis contained within this Report constitutes the required "nexus" of rationale between assessment amounts levied and special benefits derived by real properties within the proposed Central Avenue Historic BID.

CENTRAL AVENUE HISTORIC BUSINESS IMPROVEMENT DISTRICT – ENGINEER'S REPORT

Background

The Central Avenue Historic BID is a property-based benefit assessment type district being established for a five (5) year term pursuant to Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the "Act"). Due to the benefit assessment nature of assessments levied within a property and business improvement district ("BID"), district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments levied. Within the Act, frequent references are made to the concept of relative "benefit" received from BID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from BID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

Supplemental Proposition 218 Procedures and Requirements

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

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

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

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

There are 188 parcels within the proposed Central Avenue Historic BID "identified" by this Assessment Engineer as assessable parcels that will derive special benefits from the proposed District programs, services and improvements. The benefits are special and unique only to the identified parcels within the District in that proposed BID funded programs, services and improvements (i.e. streetscape services, enhanced safety, parking demand management, branding, and district management) will only be provided within the District boundaries and directly for the benefit of the identified assessed parcels. These identified benefiting parcels are located within the BID perimeter boundary which is shown on the Boundary Map attached as Appendix 2 to this Report and are listed in Appendix 1 to this Report - identified by assessor parcel number and common site address. Any future development and/or land subdivisions shall adhere to the assessment methodology and rate structure described herein. There is one benefit zone within the proposed District.

CENTRAL AVENUE HISTORIC BUSINESS IMPROVEMENT DISTRICT – ENGINEER'S REPORT

Setting

The proposed Central Avenue Historic BID is located southeast of Downtown Los Angeles along the historic Central Avenue business corridor between Washington Boulevard on the north and just south of Vernon Avenue on the south. The property uses within the boundaries of the proposed BID which will receive special benefits from BID funded programs, services and improvements are currently a mix of commercial, industrial, goverment, non-profit and residential.

There are several land use types within the proposed Central Avenue Historic BID that, in the opinion of this Engineer, will either not specially benefit from certain BID funded programs, services and improvements or will proportionately specially benefit differently than commercial and industrial parcels. These "special uses" include residential, non-profit owned/occupied, including places of worship and Government owned/occupied parcels. This Engineer is of the opinion that the specified "special uses" will not specially benefit at all from the branding and parking demand management programs and will proportionately specially benefit differently from streetscape services and enhanced security (hereafter referred to as "clean and safe") related programs, services and improvements than commercial/industrial parcels. These points and further rationale are discussed in more detail in Step 1, pages 23-24 of this Report.

It is noted that State PBID Law (Section 36632 Streets and Highways Code) states: "Properties zoned solely for residential use.....are conclusively presumed not to benefit from the improvements and services funded through these assessments, and shall not be subject to any assessments pursuant to this part". No parcels within the proposed Central Avenue Historic BID are zoned solely residential.

In the opinion of this Engineer with over 30 years of professional assessment engineering experience and based on the nature of the programs and services to be funded and provided by the Central Avenue Historic BID (69.2% allocated to Streetscape Services, Community Safety Ambassadors, and Security Monitoring services), residential land uses that are located within the Central Avenue Historic BID will receive proportionate special benefits from direct and tangible BID services. Assessment rate adjustments for "special use" parcels, including residential uses, are discussed further in Step 1, pages 23-24 of this Report.

Each assessed parcel and land use within the Central Avenue Historic BID, except as noted herein, will proportionately benefit from the BID funded programs, services and improvements (i.e. streetscape services, enhanced safety, parking demand management, branding, and district management). These programs, services and improvements are designed to improve commerce, employment and livability for patrons, visitors, employees and residents within the Central Avenue Historic BID by reducing crime, litter and debris, all considered detractions to commerce, occupancy rates, livability and investment return if not contained and properly managed.

(See Quantitative Benefit Analysis section starting on page 5 of this Report for a detailed discussion of special benefits to be conveyed for the various land use categories).

CENTRAL AVENUE HISTORIC BUSINESS IMPROVEMENT DISTRICT – ENGINEER'S REPORT

Boundary Description:

Beginning at the southeast corner of E. Washington Boulevard and S. Central Avenue; thence southwest to the northeast corner of parcel number 5129-003-037; thence southwest along the eastern line of the parcels bordering the east side of S. Central Avenue and its southerly prolongation to the south side of E. 33rd Street; thence east along the south side of E. 33rd Street to the northeast corner of parcel number 5114-02-6037; thence south to the southeast corner of parcel number 5114-026-037; thence west along the south line of parcel number 5114-026-037 and its westerly prolongation to a point in the east line of parcel number 5114-026-038, said point being the northwest corner of the alley south of said parcels; thence south along the eastern line of the parcels bordering the east side of S. Central Avenue and its southerly prolongation to the south side of E. 43rd Street; thence east along the south side of E. 43rd Street to the northeast corner of parcel number 5115-033-039; thence south along the east line of parcel number 5115-033-039 and its southerly prolongation to the south side of E. 43rd Place; thence east along the south side of E. 43rd Place to the northeast corner of parcel number 5115-034-028; thence south to the southeast corner of parcel number 5115-034-028; thence west along the south line of parcel number 5115-034-028 to the east line of parcel number 5115-034-029; thence south along the eastern line of the parcels bordering the east side of S. Central Avenue to the southeast corner of parcel number 5107-001-001; thence west along the south line of parcel numbers 5107-001-001 and 5108-028-028 to the southwest corner of parcel number 5108-028-028; thence northerly along the western line of the parcels bordering the west side of S. Central Avenue and its northerly prolongation to the north side of E. 29th Street; thence northeast along the northwest line of parcel numbers 5128-022-044 and 5128-022-033 and its northerly prolongation to the southerly line of parcel number 5128-022-002; thence northwesterly to the southwesterly corner of parcel number 5128-022-002; thence northeasterly along the western line of the parcels bordering the west side of S. Central Avenue to the south side of E. Washington Boulevard; thence east along the south side of E. Washington Boulevard to the point of beginning.

Boundary Justification

Northern Boundary:

The northern boundary of the District is E. Washington Boulevard. This border is clearly delineated by the Metro Blue Line which runs along E. Washington Boulevard. North of E. Washington Blvd. the parcels on S. Central Ave. become all industrial uses. This area is distinctly different in uses and character from the commercial corridor south of Washington Boulevard, and because of this difference will not be included in the District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District.

Eastern and Western Boundaries:

The eastern and western boundaries of the District were determined by focusing only on the parcels that directly face S. Central Ave. and that are part of the S. Central Ave. business corridor, and by the zoning of the parcels east and west of the District boundaries. The parcels facing S. Central Ave. are primarily zoned commercial in this commercial corridor, with a few parcels zoned industrial and public facilities. In most cases the parcels immediately east or west of the District boundaries are zoned residential and as per State of California Streets and Highways code section 36632(c) "are

conclusively presumed not to benefit from the improvements and service funded through these assessments..." There are presently no parcels zoned solely for residential use within the boundaries of the District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District

Southern Boundary: The southern boundary of the Business Improvement District is the southern parcel line of the two commercial corner parcels on the south side of Vernon Avenue. The Vernon Avenue and Central Avenue intersection is considered the entrance to the core of the historic part of S. Central Ave. around which this District is based. This intersection provides a natural entrance point to the District. The parcels south of the District boundaries are primarily residential and Government/institutional use. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, safety ambassador patrols, security monitoring, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries.

There is one benefit zone within the proposed District.

All identified parcels within the above-mentioned boundaries shall be assessed to fund special benefit programs, services and improvements as outlined in this Report as well as the Management District Plan. Services, programs and improvements will only be provided to these assessed parcels inside the District boundaries and none will be provided outside of the District boundaries. Each assessed parcel and land use within the Central Avenue Historic BID will proportionately benefit from the BID funded programs, services and improvements (i.e. streetscape services, community safety ambassadors, security monitoring, parking demand management, branding, district management. and management costs). These programs and services improve commerce, employment and livability for patrons, visitors, employees and residents within the Central Avenue Historic BID by reducing crime, litter and debris, all considered detractions if not contained and properly managed. All BID funded services and improvements are considered supplemental above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the Central Avenue Historic BID. "Special benefit" is defined in "Finding 2" of this Engineer's Report.

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

QUANTITATIVE BENEFIT ANALYSIS

As stipulated by Proposition 218, assessment District programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the

assessed properties. For the purposes of this analysis, a "general benefit" is hereby defined as: "A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied". "Special benefit" as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the District or to the public at large.

The property uses within the boundaries of the BID that will receive special benefits from BID funded programs and services are currently a mix of commercial, industrial, Government, non-profit, and residential. Services, programs and improvements provided and funded by the BID are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the District.

See pages 13-18 of this Report for more detailed descriptions of proposed Central Avenue Historic BID programs, services and improvements and how each broad land use specially benefit from each BID funded activity. The proposed BID programs, improvements and services are as shown in the following Table:

Year 1 – 2016 District Special Benefit Cost Allocations (Assessment Revenue Only)

Program/Service	YR 1 - 2016 Budget	% of Total
Streetscape Services	$139,325	33.2%
Enhanced Safety	$151,050	36.0%
Parking Demand Management	$10,500	2.5%
Branding	$33,000	7.9%
District Management	$85,689	20.4%
TOTAL	**$419,564**	**100.0%**

Assessed commercial and industrial parcels are conferred proportionate special benefits from BID funded programs, services and improvements which are intended to attract more customers, visitors, employees, tenants and investors. For assessed commercial and industrial parcels BID programs, services and improvements are designed to increase business volumes, sales transactions, commercial occupancies, commercial rental income and return on investments. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for patrons, visitors and employees of assessed commercial parcels within the Central Avenue Historic BID by reducing crime, litter and debris, all considered detractions to commerce, commercial occupancy rates and investment return if not contained and properly managed.

For Government owned parcels and facilities within the BID, each of these parcels specially benefit but differently than commercial/industrial parcels, from BID funded programs and services from cleaner and safer facilities for their employees, students, visitors, vendors and other users of these public locations and facilities. (See Step 1, pages 23-24 of this Report for a more detailed explanation of building area rates and special benefits for Government owned/occupied parcels). Government owned and occupied parcels will not benefit from parking and branding related programs and will

not be assessed for them. In the case of assessed Government owned parcels, BID funded programs and services are designed to provide safer and enhanced facility entrances and perimeters for their employees, students, visitors, vendors and users of these Government facilities.

For non-profit owned and occupied parcels and facilities within the BID, each of these parcels specially benefit but differently than commercial/industrial parcels, from BID funded programs and services from cleaner and safer facilities for their employees, visitors, vendors and other users of these non-profit locations and facilities. (See Step 1, pages 23-24 of this Report for a more detailed explanation of building area rates and special benefits for non-profit owned/occupied parcels). Non-profit owned and occupied parcels will not benefit from parking and branding related programs and will not be assessed for them. In the case of assessed non-profit owned parcels, BID funded programs and services are designed to provide safer and enhanced facility entrances and perimeters for their employees, students, visitors, vendors and users of these parcels and facilities.

For the residential parcels within the BID (all located on commercial or industrial zoned parcels), each of these parcels specially benefit but differently than commercial/industrial parcels, from the streetscape services and enhanced safety programs by improving the security and livability of tenants. (See Step 1, pages 23-24 of this Report for a more detailed explanation of building area rates and special benefits for residential uses). Residential portions of parcels will not benefit from parking and branding related programs and will not be assessed for them. In the case of assessed residential uses, BID funded programs and services are designed to improve the security and aesthetic appeal of these parcels for tenants, visitors and landlords.

These special benefits are particular and distinct to each and every assessed parcel within the Central Avenue Historic BID and are not provided to non-assessed parcels outside of the District. The City of Los Angeles does not provide these supplemental programs, services or improvements.

In the case of the Central Avenue Historic BID, the very nature of the purpose of this District is to fund supplemental programs, improvements and services to assessed parcels within the BID boundaries above and beyond what is being currently funded either via normal tax supported or other funding sources. All benefits derived from the assessments to be levied on assessed parcels within the BID are for services, programs and improvements directly benefiting each individual assessed parcel within the BID. No BID funded services, activities or programs will be provided outside of the BID boundaries.

While every attempt is made to provide BID services and programs to confer benefits only to those identified assessed parcels within the BID, the California State Constitution was amended via Proposition 218 to stipulate that general benefits exist, either by design or unintentional, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the District, or "spillover" onto parcels surrounding the

District, or to the public at large who might be passing through the District with no intention of transacting business within the District or interest in the District itself.

Empirical assessment engineering analysis throughout California has found that general benefits within a given business improvement district tend to range from 1-5% of the total costs. There are three methods that have been used by this Engineer for determining general and special benefit values within assessment districts:

(1) The parcel by parcel allocation method
(2) The program/activity line item allocation method, and
(3) The composite district overlay determinant method.

A majority of PBIDs in California for which this Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for the Central Avenue Historic BID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the District, general benefit to the public at large within the District and general benefit to parcels outside the District.

General Benefit – Assessed Parcels within District

BID funded programs are narrowly designed and carefully implemented to specially benefit the assessed District parcels and are only provided for the special benefit to each and every assessed parcel within the District. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that 100% of benefits conferred on assessed parcels within the District are distinct and special and that there are 0% general benefits conferred on these parcels. This is because the BID funded programs and services are specially geared to the unique needs of each assessed parcel within the BID and are directed specially only to these assessed parcels within the BID. This concept is further reinforced by the proportionality of special benefits conferred on each assessed parcel within the District as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics unique to each assessed parcel.

General Benefit - Public At Large

While the Central Avenue Historic BID funded programs are narrowly designed and carefully implemented to specially benefit the assessed District properties and are only provided for the special benefit to each and every assessed parcel within the District, these BID funded programs may also provide an incidental general benefit to the public at large within the District. Assessment Engineering experience in California has found that generally over 95% of people moving about within BID boundaries are engaged in business related to assessed parcels and businesses contained on them within the District, while the public at large "just passing through" is typically much less than 5%. Based on this experience curve and the focused nature of the proposed Central Avenue Historic BID funded programs and over 30 years of assessment engineering experience, it is the opinion of this Engineer that a general benefit factor of 0.01 (1%) of BID funded special benefit program costs that might provide an immediate general benefit to the public at large will be applied to these

applicable program costs in order to compute the dollar and percent value of general benefits to the public at large. It is the opinion of this Engineer that the programs that may provide immediate general benefits to the public at large are the combined "Clean and Safe" programs. The dollar value of this general benefit type equates to $2,004 as delineated in the following Table:

General Benefits To "Public At Large"

	A	B	C	D	E
Program Element	**Dollar Allocation**	**% Allocation of Special Benefit Cost**	**General Benefit Factor**	**General Benefit Percent (B x C)**	**General Benefit Value (A x D)**
Clean and Safe Related Services	$290,375	69%	0.01	0.69%	$2,004

General Benefits – Outside Parcels

While District programs and services will not be provided directly to parcels outside the District boundaries, it is reasonable to conclude that District services may confer an indirect general benefit on parcels outside the District boundaries. An inventory of the District boundaries finds that the District is surrounded by 115 parcels, either tangent to assessed parcels within the District or across streets and alleys from the District boundaries. Of these 115 parcels, 69 parcels are zoned solely residential with residential uses on them. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that general benefits are not conferred on parcels lying outside of the District boundaries that are zoned solely residential with residential uses. This leaves 46 parcels outside of the District that can reasonably be assumed to receive some level of indirect general benefit as a result of BID funded programs, services and improvements. Of the 46 parcels, 14 parcels have commercial uses and are directly tangent to assessed parcel within the District; 14 parcels are also tangent to assessed parcels within the District but contain non-commercial "special uses" such as Government owned and occupied, non-profit owned and occupied, or residential uses; and, 18 parcels have commercial uses but are separated from the District boundaries by either public streets or alleys.

Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor of 1.0 be attributed to the 188 identified and assessed parcels within the District; a benefit factor of 0.05 be attributed to general benefits conferred on the 14 commercial parcels tangent to assessed parcels within the District; and, a benefit factor of 0.01 be attributed to general benefits conferred on the 18 commercial parcels across streets and alleys from the exterior boundaries of the District and the 14 "special-use" parcels tangent to assessed parcels within the District or a total of 32 such parcels. The cumulative dollar value of this general benefit type equates to $2,276 ($1,562 + 714) as delineated in the Table below.

General "Spillover" Benefits To Parcels Outside District

Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Parcels in the District	188	1	188	99.4604%	$419,564
Commercial parcels outside District (tangent)	14	0.05	0.7	0.3703%	$1,562
All other "spillover" parcels outside the District	32	0.01	0.32	0.1693%	$714

TOTAL			189.02	100.00%	$421,840

Composite General Benefit

Based on the general benefit values delineated in the three sections above, the total value of general benefits conferred on assessed parcels within the District, the public at large and parcels outside the District equates to $4,280 ($0 + $2,004 + $2,276) or 1.01% of total program costs of $423,844 [$419,564 (special benefit) + $4,280 (general benefits)]. For the purposes of this analysis, this 1.01% value will be rounded to 1%. This leaves a value of 99% assigned to special benefit related costs. The 1% general benefit value now equates to $4,238 and when added to the special benefit value of $419,564 (Year 1 –2016 assessments) equates to a total Year 1 – 2016 program cost of $423,802. Remaining costs that are attributed to general benefits of $4,238 will need to be derived from other sources. A comparison of special and general benefit funding sources is shown on the Table on page 30, later in this Report.

BID Programs, Services and Improvements

The Proposed Central Avenue Historic BID provides the following Year 1 – 2016 special benefit services for each individual assessed parcel in the BID:

Year 1 – 2016 District Special Benefit Cost Allocations (Assessment Revenue Only)

Program/Service	YR 1 - 2016 Budget	% of Total
Streetscape Services	$139,325	33.2%
Enhanced Safety	$151,050	36.0%
Parking Demand Management	$10,500	2.5%
Branding	$33,000	7.9%
District Management	$85,689	20.4%
TOTAL	**$419,564**	**100.0%**

A more detailed description of each program element and total cost (special + general benefit) is delineated in the following Table:

Streetscape Services This program will consist of sidewalk and gutter cleaning, graffiti removal, trash collection and removal, and other cleaning as necessary.	$140,732	33.2%

Enhanced Safety Community Safety Ambassadors Community Safety Ambassadors will assist visitors and employees, pass out information about the local businesses and programs, and report concerns to the local police and other security services. The Safety Ambassadors will patrol the District by bicycle and foot and will deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys. Security Monitoring A security camera system with an online monitoring program will be created that the Safety Ambassadors can access through their cell phones and laptops.	$152,576	36.0%
Parking Demand Management This program will consist of a parking demand analysis report in the first year only. In addition, each year parking location maps will be created.	$10,606	2.5%
Branding This program will tell the story of the District, its history, its cultural attractions, and its ongoing improvements, and will consist of developing a website, social media sites, videos promoting the District, a newsletter promoting the area, and flyers and brochures promoting the district. It will also include installing wayfinding signage and holding business development and cultural events.	$33,333	7.9%
District Management Oversee BID contracts, facilitate community development and public policy efforts and promote the District. Administration and office costs, and city and county fees.	$86,555	20.4%

Assessment funds may be used as matching funds in order to apply for grants such as the Los Angeles County Metropolitan Transportation Authority's Call for Projects, the City of Los Angeles Department of Transportation's People Street Improvements, and foundation grants for marketing and business development. These grant funds may be used to enhance landscaping, wayfinding signage, and business development. These improvements and activities will be provided only to individual assessed parcels defined as being within the boundaries of the District and will provide benefits which are particular and distinct to each of the individual assessed parcels within the proposed District. These improvements and activities will be used to support increased commerce, business attraction and retention, and enhanced overall safety and image for the individual assessed parcels within the district.

The projected program special benefit cost allocation for the 5 year BID term is below. Certain items will be purchased in the first year and will not need to be purchased in the same quantity in subsequent years, such as trash canisters, pressure washing equipment, bicycles, and uniforms. Also, the quantity of some budget items increase after the first year, such as the number of events, the amount of collateral materials, and frequency of Community Safety Ambassador patrols. For all budget items, the projections below illustrate a 4% annual increase in the overall budget. Any accrued interest or delinquent payments will be expended in the categories listed.

5 Year Projected District Special Benefit Costs - Assessment Revenue Only

Program/Service	YR 1 2016	YR 2 2017	YR 3 2018	YR 4 2019	YR 5 2020
Streetscape Services	$139,325	$132,158	$137,444	$142,942	$148,659
Enhanced Safety	$151,050	$165,911	$172,547	$179,449	$186,628

Parking Demand Management	$10,500	$520	$541	$562	$585
Branding	$33,000	$45,557	$47,379	$49,274	$51,245
District Management	$85,689	$92,202	$95,890	$99,726	$103,714
TOTAL	**$419,564**	**$436,348**	**$453,801**	**$471,953**	**$490,831**

As discussed earlier in this Report, the general benefits (i.e. benefits to the general public and surrounding parcels outside the District but not to the assessed parcels themselves) of the proposed improvements, activities and services represent 1.0% of the total benefits generated and, in turn, 1.0% of the costs of the BID funded improvements, activities and services provided. Thus, 1.0% of the total District costs will need to be funded by non-assessment revenue sources such as grants, donations, program income, etc. A delineation of both special and general benefit costs for each program element for each year of the five year BID term is shown in the following Table:

Total Year 1-5 (2016 – 2020) Special + General Benefit Costs

Program/Service	YR 1 - 2016 Assessment Cost	YR 1 - 2016 Non-Assessment Cost	YR 1 - 2016 Total Cost	% of Total
Streetscape Services	$139,325	$1,407	$140,732	33.2%
Enhanced Safety	$151,050	$1,526	$152,576	36.0%
Parking Demand Management	$10,500	$106	$10,606	2.5%
Branding	$33,000	$333	$33,333	7.9%
District Management	$85,689	$866	$86,555	20.4%
TOTAL	**$419,564**	**$4,238**	**$423,802**	**100%**
Program/Service	**YR 2 - 2017 Assessment Cost**	**YR 2 - 2017 Non-Assessment Cost**	**YR 2 - 2017 Total Cost**	**% of Total**
Streetscape Services	$132,158	$1,335	$133,493	30.3%
Enhanced Safety	$165,911	$1,676	$167,587	38.0%
Parking Demand Management	$520	$5	$525	0.1%
Branding	$45,557	$460	$46,017	10.4%
District Management	$92,202	$931	$93,133	21.2%
TOTAL	**$436,348**	**$4,407**	**$440,755**	**100%**
Program/Service	**YR 3 - 2018 Assessment Cost**	**YR 3 - 2018 Non-Assessment Cost**	**YR 3 - 2018 Total Cost**	**% of Total**
Streetscape Services	$137,444	$1,388	$138,832	30.3%
Enhanced Safety	$172,547	$1,743	$174,290	38.0%
Parking Demand Management	$541	$5	$546	0.1%
Branding	$47,379	$479	$47,858	10.4%
District Management	$95,890	$969	$96,859	21.2%

TOTAL	**$453,801**	**$4,584**	**$458,385**	**100.00%**
Program/Service	**YR 4 - 2019 Assessment Cost**	**YR 4 - 2019 Non-Assessment Cost**	**YR 4 - 2019 Total Cost**	**% of Total**
Streetscape Services	$142,942	$1,444	$144,386	30.3%
Enhanced Safety	$179,449	$1,813	$181,262	38.0%
Parking Demand Management	$562	$6	$568	0.1%
Branding	$49,274	$498	$49,772	10.4%
District Management	$99,726	$1,007	$100,733	21.2%
TOTAL	**$471,953**	**$4,768**	**$476,721**	**100.00%**
Program/Service	**YR 5 - 2020 Assessment Cost**	**YR 5 - 2020 Non - Assessment Cost**	**YR 5 - 2020 Total Cost**	**% of Total**
Streetscape Services	$148,659	$1,502	$150,161	30.3%
Enhanced Safety	$186,628	$1,885	$188,513	38.0%
Parking Demand Management	$585	$6	$591	0.1%
Branding	$51,245	$518	$51,763	10.4%
District Management	$103,714	$1,048	$104,762	21.2%
TOTAL	**$490,831**	**$4,959**	**$495,790**	**100.00%**

WORK PLAN

Overview

The property types within the boundaries of the BID which will receive special benefits from BID funded programs and services are currently a mix of commercial, industrial, government, non-profit, and residential. Programs, services and improvements provided by the BID are designed to provide proportionate special benefits as described in Finding 2 on pages 6-7 of this Report to identified assessed parcels and the array of land uses within the boundaries of the District.

The proposed Central Avenue Historic BID will provide the following programs, services and improvements for the special benefit of each individual identified and assessed parcel in the BID:

Streetscape Services **$140,732 – 33.2% (Special and General Benefit Costs)**

A multi-dimensional series of regular and systematic streetscape services (a.k.a. "Clean Streets Program" will be implemented within the proposed BID consisting of the following elements:

Sidewalk and Gutter Cleaning: Uniformed, radio equipped personnel will sweep litter, debris and refuse from sidewalks and gutters of the individual assessed parcel in the District. District personnel will also pressure wash the sidewalks of the individual assessed parcels in the District.

Trash Collection: One trash canister per block will be placed on either side of the street, minus the 10 City of LA provided

canisters. Personnel will collect trash from sidewalk trash canisters three times per week. Bulky item removal will also be coordinated each month by the Supervisor.

Graffiti Removal: District personnel will remove graffiti by painting, using solvent and pressure washing 5 days per week.

Streetscape services will assist in enhancing the image of each individual assessed parcel in the BID. For commercial and industrial parcels streetscape services are designed to increase vehicular and pedestrian traffic within the BID that is intended to increase commerce and customer activity, attract and retain new business and patrons for assessed commercial and industrial parcels within the BID boundaries, as well as increase commercial/industrial rents and occupancies. In the case of assessed Government owned parcels and facilities, BID funded streetscape services provide cleaner entrances and perimeters for their employees, students, visitors, vendors and users of these public facilities. For non-profit owned parcels and facilities within the BID, each of these parcels specially benefit from BID funded streetscape services from cleaner entrances and perimeters for their employees, visitors, vendors and other users of these non-profit locations and facilities. Further, in the case of assessed residential parcels, BID funded streetscape services improve the aesthetic appeal of each assessed residential type parcel for tenants and visitors, which, in turn, is intended to increase residential occupancies.

Enhanced Safety **$152,576 – 36.0% (Special and General Benefit Costs)**

A) Community Safety Ambassadors Program

Uniformed Community Safety Ambassadors will create a perception of safety in the proposed BID and will provide a variety of public safety services by assisting visitors and employees, passing out information about the local businesses and programs, and reporting concerns to the local police and other security services. The Safety Ambassadors will provide safety services for each and every individual assessed parcel located within the District in the form of patrolling bicycle personnel, and foot patrol. The Safety Ambassadors will deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys of the individual assessed parcels in the District. The Safety Ambassadors Program will supplement, not replace, other ongoing police, safety and patrol efforts within the District.

B) Security Monitoring

In order to optimize the ability of the Safety Ambassadors to deter and report illegal activities taking place on the streets, sidewalks, storefronts, parking parcels and alleys, a security camera system will be installed, with an online monitoring program that the Safety Ambassadors can access through their cell phones and laptops.

The entire security program (Safety Ambassadors and Security Monitoring) will assist in creating a safe and secure environment for each individual assessed parcel in the Central Avenue Historic BID. For commercial and industrial parcels, BID funded security program and services are designed to increase vehicular and pedestrian traffic, increase commerce and customer activity, attract and retain new business and patrons, as well as increase commercial rents and commercial occupancies for the assessed parcels commercial and industrial parcels within the BID boundaries. In the case of assessed Government owned parcels and facilities, BID funded security programs and services are designed to provide

safer entrances and perimeters of Government owned parcels and facilities for their employees, students, visitors, vendors and users of these public facilities. For non-profit owned parcels and facilities within the BID, each of these parcels specially benefit from BID funded security programs and services from safer entrances and perimeters for their employees, visitors, vendors and other users of these non-profit locations and facilities. Further, in the case of assessed residential uses, BID funded security programs and services are designed to improve the security of each residential type parcel for tenants and visitors, which, in turn, is intended to increase residential occupancies. Each assessed parcel will proportionally specially benefit from the security programs and services.

Parking Demand Management **$10,606 - 2.5% (Special and General Benefit Costs)**

This program will aim to improve the ability of visitors and customers to access the BID area by determining ways to better manage and increase the parking supply. A parking demand analysis report will be created only in the first year of the five year life of the District. For this reason the cost of this program will go down significantly after the first year. This parking demand analysis report will be used to identify areas for better parking management. In addition, parking location maps will also be produced annually. These can be handed out by Safety Ambassadors and can be given to property and business owners to distribute to visitors and customers.

Assessed commercial and industrial parcels will specially benefit from the parking demand management program by attracting more customers, employees, tenants and investors as a result of increased parking opportunities intended to increase business volume, sales transactions, commercial occupancies, commercial rental income, and investment return. As discussed in other sections of this Report, it is the opinion of this Engineer that "Special Use" parcels (defined below) including government owned parcels will not specially benefit from this program element and, thus, will not be assessed for these program costs.

Branding **$33,333 - 7.9% (Special and General Benefit Costs)**

The branding program will tell the story of the District, its history, its cultural attractions, and its ongoing improvements. The BID will carry out a number of initiatives that will strengthen the image of the District, including developing and updating a website and social media site with 30 second and 1 minute videos promoting the District, publishing a quarterly newsletter promoting the area and its businesses, installing way-finding signage to help visitors to the District, the design and production of flyers and brochures promoting the district, and 5 business development and cultural events per year. These programs will provide an increased awareness of the businesses within the district and their individual offerings which will attract new customers to the District businesses and provide an increase in commercial activity. The District website and newsletter will target the ongoing informational needs of Central Avenue Historic BID property owners and tenants.

Assessed commercial and industrial parcels will specially benefit from the branding programs by attracting more customers, employees, tenants and investors as a result of positive communications between and among BID parcels that will result in an enhanced marketing image of the District intended to increase business volume, sales transactions, commercial and industrial occupancies, rental income, and investment return. As discussed in other sections of this

Report, it is the opinion of this Engineer that "Special Use" parcels, including Government owned parcels will not specially benefit from this program element and, thus, will not be assessed for these program costs.

District Management **$86,555 – 20.4% (Special and General Benefit Costs)**

The District will be managed by an Executive Director. The Executive Director will negotiate and monitor service contracts and program operations, facilitate community development, and manage public policy, planning and economic development initiatives to promote the district. Included will also be production of the Annual Planning Report and Budget and quarterly reports, facilitation of meetings of the Owners' Association, Brown Act compliance and outreach to District property and business owners. Other management costs will include the lease of a computer, printer, software, and phone equipment, the purchase of phone service, and office supplies, the printing of quarterly district management packages, bookkeeping, insurance, and organizational management and business filings costs including travel mileage, meetings, memberships, annual statement of information, event licensing and other fees.

This component, district management, is key to the proper expenditure of BID assessment funds and the administration of BID programs and activities that are intended to specially benefit each identified and assessed parcel and land use in the proposed BID.

Work Plan Summary

Assessed commercial and industrial parcels are conferred proportionate special benefits from BID funded programs, services and improvements which are intended to attract more customers, visitors, employees, tenants and investors. BID programs, services and improvements are designed to increase business volumes, sales transactions, commercial occupancies, commercial rental income and return on investments. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for patrons, visitors and employees of assessed commercial parcels within the Central Avenue Historic BID by reducing crime, litter and debris, all considered detractions to commerce, commercial occupancy rates and investment return if not contained and properly managed.

For Government owned parcels and facilities within the BID, each of these parcels specially benefit, but differently than commercial/industrial parcels, from BID funded programs and services from cleaner and safer facilities for their employees, students, visitors, vendors and other users of these public locations and facilities. (See Step 1, pages 24-25 of this Report for a more detailed explanation of building area rates and special benefits for Government owned/occupied parcels). Government owned and occupied parcels will NOT benefit from parking and branding related programs and will not be assessed for them as they are not commercial parcels and are not attempting to attract customers. In the case of assessed Government owned parcels, BID funded programs and services are designed to provide cleaner and safer and enhanced facilities for their employees, students, visitors, vendors and users of these public parcels and facilities.

For non-profit owned and occupied parcels and facilities within the BID, each of these parcels specially benefit but differently than commercial/industrial parcels, from BID funded programs and services from cleaner and safer facilities for their employees, visitors, vendors and other users of these non-profit locations and facilities. (See Step 1, pages 24-25

of this Report for a more detailed explanation of building area rates and special benefits for non-profit owned/occupied parcels). Non-profit owned and occupied parcels will not benefit from parking and branding related programs and will not be assessed for them as they are not commercial parcels and are not attempting to attract customers. In the case of assessed non-profit owned parcels, BID funded programs and services are designed to provide cleaner and safer and enhanced facilities for their employees, visitors, vendors and users of these parcels and facilities.

For the residential parcels within the BID (all located on non-residentially zoned parcels), each of these parcels specially benefit but differently than commercial/industrial parcels, from the clean and safe programs by improving the security and livability of tenants. (See Step 1, pages 24-25 of this Report for a more detailed explanation of building area rates and special benefits for residential uses). Residential portions of parcels will not benefit from parking and branding related programs and will not be assessed for them as they are not commercial parcels and are not attempting to attract customers. In the case of assessed residential parcels, BID funded programs and services are designed to improve the security and aesthetic appeal for tenants, visitors and landlords.

Programs, services and improvements provided by the BID are designed to provide special benefits as described above to each and every identified assessed parcels and the array of land uses within the boundaries of the District. The proposed BID assessments will only be levied on identified parcels within the BID boundaries and assessment revenues will be spent to deliver services that only provide a direct and special benefit to assessed parcels. As described above, each assessed parcel and land use within the Central Avenue Historic BID will uniquely and proportionately benefit from all or some of the proposed BID funded supplemental streetscape services, enhaced security, parking demand management, branding, and district management.

The Proposed Central Avenue Historic BID may increase the assessment for each individual parcel each year during the five year effective operating period by a maximum of 4% per year as approved by the Board of Directors and included in the Annual Planning Report and adopted by the City of Los Angeles City Council. The accrued interest and delinquent payments will be expended within the budgeted categories. The Board of the Directors of the Owners Association of the proposed Central Avenue Historic BID shall determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The BID Director shall communicate the annual increase to the City of Los Angeles each year in which the BID operates at a time determined in the Administration Contract held between the Owners Association and the City of Los Angeles. Accrued interest and delinquent payments will be expended within the budget categories in the percentage amount indicated. No bonds are to be issued in conjunction with this proposed BID.

Assessments for the Fiscal Year beginning January 1, 2016 and assessments for subsequent fiscal years, through and including the Fiscal Year ending December 31, 2017 will be collected at the same time and in the same manner as ad valorum taxes paid to the County of Los Angeles. The City of Los Angeles 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 the Management District Plan.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year. Accordingly, the Owners' Association shall have the right to reallocate up to 10% of any budget line item within the budget categories based on such cost fluctuations subject to the review and approval by the Board and included in the Annual Planning Report that will be approved by the Los Angeles City Council pursuant to Streets and Highways Code Section 36650. Accrued interest or delinquent payments may be expended in any budget category.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the fifth year of operation will be rolled over into the renewal budget or returned to stakeholders. Funds may be used, as available, to renew the BID for a new term. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners.

Finding 3. From Section 4(a): "(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified parcel within the district will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed Central Avenue Historic BID (i.e. streetscape services, enhanced safety, parking demand management, branding, and district management), it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage within one benefit zone.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified parcel within the district as a whole. Larger commercial/industrial parcels and building areas and/or street frontages are expected to impact the demand for services and programs to a greater extent than smaller commercial/industrial land and building areas and/or street frontages and thus, are assigned a greater proportionate degree of assessment program and service costs. Identified "special use" parcels are assessed only for the BID funded programs, services and improvements from which they will specially benefit and only for the proportionate amount of special benefit conferred upon them. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

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

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

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed Central Avenue Historic BID, they are also considerably less than other options considered by the proposed Central Avenue Historic BID formation proponent group. The actual assessment rate for each parcel within the BID directly relate to the level of service and, in turn, special benefit to be provided based on the respective building area, land area and street frontage of each parcel.

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

There are 16 identified and assessed Government owned parcels within the Central Avenue Historic BID for which BID funded special benefit programs, services and improvements will be provided. Of the 16 Government owned parcels, 11 are owned by the City of Los Angeles, 3 by the Los Angeles Unified School District (LAUSD), and 2 by the Metropolitan Transit Authority (LACMTA).

For Government owned parcels and facilities within the BID, each of these parcels specially benefit from BID funded programs, services and improvements, but differently than commercial/industrial parcels,. The special benefits include cleaner and safer facility entrances and perimeters for their employees, students, visitors, vendors and other users of these public locations and facilities. It is the opinion of this Engineer that Government owned and occupied parcels will NOT benefit from commercial oriented parking demand management and branding related programs and, thus, will not be assessed for them. It is further the opinion of this Engineer that Government owned parcels and facilities within the BID will specially benefit from "clean and safe" programs and related management, but differently, as explained below, than the special benefits conferred on commercial/industrial parcels.

It is important to note that the difference in special benefits conferred on Government owned parcels and facilities attributed to BID funded streetscape and security services is explained by the fact that Government agencies already provide a consistent and programmed level of professional perimeter and facility streetscape and security services with Government or contract personnel. These programmed service levels vary from one Government agency to another. BID funded streetscape and security services will supplement those similar services already consistently provided by the respective Government agencies for the parcels and facilities that they own and occupy within the District, and not replace these services. Although the Government parcels require a different frequency of services than other individually assessed parcels in the district, Government parcels will pay for one hundred percent of the special benefits they receive.

To account for the differences in proportionate special benefits conferred on Government owned and occupied parcels from BID funded parking demand management, branding, streetscape services and security, it is the opinion of this Engineer that building areas on all Government owned and occupied parcels shall not be assessed. This assessment formula component, building area, funds 100% of the BID funded parking demand management and branding costs from which, in the opinion of this Engineer, Government owned and occupied parcels and facilities within the District do not specially benefit. This assessment formula component, building area, also funds about 30% of the BID funded streetscape and security services from which all Government owned and occupied parcels proportionately specially benefit from these BID funded services but only to the extent that these BID funded services supplement the levels of service already being provided by the respective Government agency for their respective parcels.

Based on a review of streetscape and security services that the Los Angeles Unified School District (LAUSD) provides for the 3 parcels that they own and occupy within the BID it is the opinion of this Engineer that assessment formula rate modifications are further warranted as follows: 1). The Year 1 – 2016 land area assessment rate shall be set at 25% of the District land area assessment rate of $0.095 per square foot of land or $0.02375 per square foot of land. 2). The Year 1 2016 street frontage assessment rate shall be set at 40% of the District street frontage assessment rate of $3.71 per linear foot of street frontage or $1.484 per linear foot of street frontage. These modified assessment rates fund supplemental BID streetscape and security services that coincide with the levels of perimeter streetscape and security services already provided by LAUSD for the 3 parcels that they own within the District.

Based on a review of streetscape and security services that all other Government agencies (non-LAUSD) provide for the parcels that they own and occupy within the BID, land and street frontage assessment rates shall be set at the rates set forth herein for all other non-LAUSD District parcels.

Each identified and assessable Government owned parcel and facility within the Central Avenue Historic BID will proportionately specially benefit as delineated herein from the BID funded supplemental clean and safe and management programs, services and improvements. For identified assessable Government owned parcels and facilities, each of these parcels specially benefit from BID funded programs and services from cleaner and safer facility entrances and perimeters for their employees, students, visitors, vendors and other users of these public locations and facilities. These services are designed to improve the safety and cleanliness for visitors, their employees and users of public facilities on Government owned parcels within the Central Avenue Historic BID by reducing crime, litter and debris, all considered detractions to employment, visitation and use of public facilities if not contained and properly managed.

There is no compelling evidence that these identified and assessed Government owned parcels and facilities would not proportionately specially benefit from BID funded programs, services and improvements and, thus, will be assessed as delineated herein. All current Government owned parcels within the Central Avenue Historic BID are shown in the following Table:

Publicly Owned Parcels Within the Central Avenue Historic BID

CITY OF LOS ANGELES					
APN	Parcel Address	Owner	Use	2016 Asmnt	%
5115027900	4226 S. CENTRAL AVE.	CITY OF LOS ANGELES	Central Ave Jazz Park	$1,535.08	0.37%
5115015900	4301 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,924.58	0.46%
5115015902	4307 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$944.76	0.23%
5115015901	4315 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,245.32	0.30%
5115015903	4323 S. CENTRAL AVE.	CITY OF LOS ANGELES, DEPARTMENT OF GENERAL SERVICES, REAL ESTATE DIVISION	CD9 Service Center	$1,578.72	0.38%
		CITY OF LOS ANGELES SUBTOTAL		**$7,228.46**	**1.74%**
5114015901	3401 S. CENTRAL AVE.	CITY OF LOS ANGELES, FIRE DEPARTMENT	Fire Station #14	$2,106.40	0.50%
5114015902	NO ADDRESS	CITY OF LOS ANGELES, FIRE DEPARTMENT	Fire Station #14	$113.10	0.03%
		CITY OF LOS ANGELES, FIRE DEPARTMENT SUBTOTAL		**$2,219.50**	**0.53%**
5114029908	3400 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$2,207.69	0.53%
5114029900	3406 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$566.40	0.13%
5114029907	3412 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$604.40	0.14%
5114029909	3420 S. CENTRAL AVE.	CITY OF LOS ANGELES, POLICE DEPARTMENT	Newton Police Station	$4,761.93	1.14%
		CITY OF LOS ANGELES, POLICE DEPARTMENT SUBTOTAL		**$8,140.42**	**1.94%**
		CITY OF LOS ANGELES TOTAL		**$17,588.38**	**4.21%**
OTHER GOVERNMENTAL PARCELS					
APN	Parcel Address	Owner	Use	2016 Asmnt	%
5129004906	1926 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$323.35	0.08%
5129004907	1932 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$251.19	0.06%
5129004908	1940 S. CENTRAL AVE.	L A UNIFIED SCHOOL DISTRIST, REAL ESTATE DIVISION	Elementary School	$746.56	0.18%
		L A UNIFIED SCHOOL DISTRICT TOTAL		**$1,321.10**	**0.32%**
5119016900	NO ADDRESS	METRO-LOS ANGELES (LACMTA)	Vacant/Storage	$7,671.36	1.83%
5128021901	NO ADDRESS	METRO-LOS ANGELES (LACMTA)	Vacant/Storage	$2,468.40	0.59%
		METRO-LOS ANGELES TOTAL		**$10,139.76**	**2.42%**
		OTHER GOVERNMENT TOTAL		**$11,460.86**	**2.74%**
		TOTAL ALL GOVERNMENT ASSESSMENTS		**$29,049.24**	**6.95%**

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

This report serves as the "detailed engineer's report" to support the benefit property assessments proposed to be levied within the proposed Central Avenue Historic BID.

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

The individual and total parcel assessments attributable to special property benefits are shown on Appendix 1 to this Report. The proposed District and resultant assessment payments will continue for 5 years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to building area, land area and street frontage. There is a single benefit zone.

Assessment Formula Methodology

Step 1. Select "Basic Benefit Unit(s)"

General Assessment Formula Development

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

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

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

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

The method and basis of spreading program costs varies from one BID to another based on local geographic conditions,

types of programs and activities proposed, and size and development complexity of the District. BIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable or "stepped-down" benefits derived.

Central Avenue Historic BID Assessment Formula

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed Central Avenue Historic BID (i.e. streetscape services, enhanced safety, parking demand management, branding, and district management) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each identified parcel within the District, except as noted herein, all within a single benefit zone along the Central Avenue Historic business corridor between Washington Boulevard and Vernon Avenue.

The "Basic Benefit Units" will be expressed as a combined function of gross building square footage (Benefit Unit "A"), land square footage (Benefit Unit "B"), and street frontage (Benefit Unit "C"). Based on the shape of the proposed Central Avenue Historic BID, as well as the nature of the District program elements, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area, land area and street frontage, except as noted herein, within one benefit zone.

For commercial, industrial, and all "special use" land uses (except as noted herein for publicly owned parcels) within the proposed BID, the interactive application of building area, land area and street frontage quantities are a proven method of fairly and equitably spreading special benefit costs to these beneficiaries of BID funded services, programs and improvements. Each of these factors directly relates to the proportionate special benefit each assessed parcel will receive from BID funded activities.

Building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on BID funded activities such as "clean and safe", parking management and branding. In the opinion of this Assessment Engineer, this factor, building area, should fund approximately 30% of "clean and safe" programs and 100% of parking management and branding programs. (See discussion in Finding 5 beginning on page 19 of this Report how this assessment component is applied to assessments for Government owned and occupied parcels).

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on BID funded activities such as "clean and safe", district management and other management/operation costs. In the opinion of this Assessment Engineer, this factor, land area, should fund approximately 35% of "clean and safe" programs and 100% of the district management and other management/operation costs and services. (See discussion in Finding 5 beginning on page 19 of this Report how this assessment component is applied to assessments for Government owned and occupied parcels).

Street Frontage is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on BID funded activities such as "clean and safe". In the opinion of this Assessment Engineer, this factor, street frontage, should fund approximately 35% of "clean and safe" programs. (See discussion in Finding 5 beginning on page 19 of this Report how this assessment component is applied to assessments for Government owned and occupied parcels).

Special Assessment Circumstances

"Special Uses"

There are several ownership and land use types within the proposed Central Avenue Historic BID that, in the opinion of this Engineer, will proportionately specially benefit from certain BID funded programs, services and improvements different than commercial and industrial parcels. These "special uses" include residential, non-profit owned/occupied parcels and facilities (including places of worship), and Government owned/occupied parcels and facilities. The reason for this finding is rooted in the fact that commercial/industrial building areas provide the double benefit of directly generating income for the parcel in the form of market driven rents and, in turn, generate income to business owners as a function of retail sales areas, food and other service business space and office space to house revenue generating employees. This double benefit does not hold true for the specified "special uses" and, thus, the total level of special benefit per square foot of building area for these "special use" parcels is different than a similar commercial/industrial building space or in the case of Government owned and occupied parcels, non-existent. In the opinion of this Engineer, the level of benefit for the proposed BID funded programs, services and improvements for "special use" parcels is as follows:

A. "Special use" parcels will specially benefit fully from all management related programs, services and operation costs and will be assessed fully for these work plan elements.
B. "Special use" parcels will **NOT** specially benefit from the branding and parking demand management programs and thus, will not be assessed for these programs, services and improvements, as they are not commercial parcels and are not attempting to attract customers..
C. "Special use" parcels will proportionately specially benefit, from "clean and safe" related programs, services and improvements.

Accordingly, it is the opinion of this Engineer that building area assessment rates for "special use" parcels shall be as follows:

1. "Special use" building areas on parcels with either residential or non-profit owned and occupied uses shall be assessed at 6.3 cents per square foot of building area. These special use parcels will pay for 100% of the special benefits they receive.
2. "Special use" building areas on parcels that are Government owned and occupied shall be assessed at **0%** of the commercial/industrial building area assessment rate because in the opinion of this Engineer,

such parcels and facilities do not specially benefit from BID funded activities as a function of building area. (See discussion within Finding 5 beginning on page 19 of this Report for a more detailed explanation of rationale of not assessing building areas on Government owned and occupied parcels.)

All other assessment rates for these "special uses" – i.e. the land area assessment rate and the street frontage assessment rate shall be applied equally to all parcels, regardless of the ownership type or land uses within building areas, except as noted in Finding 5 starting on page 19 of this Report for LAUSD parcels. It is the opinion of this Engineer that parcels with "special uses" will receive proportionate special benefits based on the same property characteristics as other commercial/industrial parcels, except as noted herein.

Residential Condominiums (future, if any)

It is noted that, while there are not currently any residential condominium units within the proposed Central Avenue Historic BID, a rate structure will be established for such developments and land uses, should they be built in the future. It is the opinion of this Engineer that residential condominiums shall be assessed based solely on the unit square footage (Benefit Unit "D") of each unit.

For residential condominiums, the application of condo unit area is a proven method of fairly and equitably spreading special benefit costs to these unique beneficiaries of BID funded services, programs and improvements. It is not practical to assess based on land area and/or street frontage since many units have no direct frontage and upper floor units have no direct land area. This factor, internal building pad area, directly relates to the degree of special benefit each assessed residential condominium parcel will receive from BID funded activities.

Commercial and Mixed-Use Condominiums (future, if any)

While there are no current commercial or mixed-use condominiums within the Central Avenue Historic BID, it is the opinion of this Engineer that such units, if and when built, shall be assessed based on actual land area covered, condo building pad area and direct street frontage for each unit. Because such uses are typically developed as part of a multi-floor mixed-use complex, special methodologies are needed to address the levy of assessments on such land uses as follows:

Multi-Floor Commercial Only Condominiums

- Building pad area assessed at respective building area rate
- Land assessed at land area rate but pro-rated for each unit relative to total building area
- Frontage assessed at frontage rate but pro-rated relative to total building area

Multi-Floor Mixed-Use Condominiums

- Commercial condo building pad area assessed at respective commercial building area rate

- Residential condo units would be assessed at 20 cents per square foot of unit square footage plus any annual approved rate adjustments
- Land assessed at land area rate (assessed on 1st floor commercial condos for land area covered)
- Frontage assessed at frontage rate (assessed on 1st floor commercial. condos for actual street frontage)

Future Development (Government Code Section 53750)

Other than future maximum rates and the assessment methodology delineated in this Report, per State Law (Government Code Section 53750), future assessments may change for any given parcel if such a change is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Report would require a new State mandated ballot procedure in order to approve any such changes.

Step 2. Quantify Total Basic Benefit Units

The property characteristics (or basic benefit units) upon which to base BID assessments and apply the assessment methodology for this District were determined from data extracted from County Assessor records and maps. These data sources delineate current land uses, building areas, property areas and dimensions of record for each parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the BID for their review. All known or reported discrepancies, errors or misinformation will be corrected. The total applicable property characteristics are shown in the following Table:

Estimated Property Quantities (Not assessable quantities)

PROPERTY CHARACTERISTIC	TOTAL QUANTITY
Commercial/Industrial Building Area	692,380 Sq Ft
Special Use Building Area *	530,589 Sq Ft *
Land Area	2,118,027 Sq ft
Street Frontage	27,132 Linear Ft

** It is noted that this building area total does not include buildings located on Government owned parcels. Such data from regular sources is unreliable plus this factor is not assessed as delineated in the assessment methodology detailed in this Report.*

Step 3. Calculate Benefit Units for Each Property.

The actual assessable benefit units upon which the District assessments are based are determined by calculating the "equivalent" assessment units for each assessment formula component. Equivalent benefit units are determined by applying the various benefit factor percentages set by this Assessment Engineer within the proposed assessment methodology. This allows for a simple calculation of the applicable District assessment rates, independent of the actual

final rates to be used for each formula factor for the array of parcel types and land uses within the District. The equivalent assessable benefit units are shown in the following Table:

Equivalent Assessable Benefit Units

Benefit Unit Formula Component	Total Equivalent Assessable Units
Commercial/Industrial Building Area	692,380 Units A-1
Special Use Building Area	265,295 Units A-2
Land Area	2,097,123 Units B
Street Frontage	26,865 Units C

Step 4. Determine Assessment Formula

In the opinion of this Engineer, the assessment formula for the proposed Central Avenue Historic BID shall be as follows:

Assessment = Building Area (Unit A-1) Sq Ft x Unit A-1 Rate, plus
Building Area (Unit A-2) Sq Ft x Unit A-2 Rate, plus
Land Area (Unit B) Sq Ft x Unit B Rate, plus
Street Frontage (Unit C) Linear Ft x Unit C Rate

It is noted that any future residential condominiums, if and when built, shall be assessed as follows:

Assessment = Condo Unit Area (Unit D) Sq ft x Unit D Rate

Computing Assessment Formula Unit Rates

Based on discussion in Step 1, pages 23-24 of this Report, each assessable property characteristic is targeted to generate the following approximate assessment revenue levels:

A. Building Area = $120,667 (about 30%* of Clean and Safe related costs + 100% of Parking and Branding)
B. Land Area = $199,227 (about 35%* of Clean and Safe related costs + 100% of Management related costs)
C. Street Frontage = $99,670 (about 35%* of Clean and Safe related costs)

** The initial targeted formula element revenue percentages allocated to clean and safe related services have been adjusted based on property data refinement during the BID formation process while the assessment rates have remained the same. The adjusted percentages and revenue projections are: 28.76009% or $120,667 for building area; 47.48429% or $199,227 for land area; and, 23.775561% or $99,670 for street frontage.*

Building Area Rates

First, convert building areas for commercial/industrial uses and "special uses" to "equivalent benefit units:

692,380 Units (A-1) x 1.0 = 692,380 equivalent units (commercial/industrial building areas)
530,589 Units (A-2) x 0.5 = 265,295 equivalent units ("special use" building areas)
Total = 957,675 equivalent building area units

Building Area (Unit A-1) Rate = $120,667 divided by 957,675 equivalent units = $0.126/square foot of building
Building Area (Unit A-2) Rate = $0.126 x 50% = $0.063/square foot of building

Land Area Rate
$199,227 divided by 2,097,123 equivalent land area units = $0.095/square foot of land)

Street Frontage Rate
$99,670 divided by 26,865 equivalent street frontage units = $3.71/linear hoot of street frontage

Future Residential Condominium Rate (Unit D) = $0.20/sq ft unit area*

* This is the base Year 1 – 2016 established rate for future residential condominiums. Future year assessment rates would be subject to any approved overall annual assessment rate increases, not to exceed 4% per year.

Applying the various benefit factors as set by this Assessment Engineer and discussed herein, the following Table shows the Year 1 – 2016 assessment rates for the various parcel and land use types within the District:

YEAR 1 –2016 ASSESSMENT RATE CHART FOR CURRENT LAND USES

ASSESSMENT FACTOR	Parcel Type	YR 1 2016
Building Area Rate ($/Sq Ft)	Commercial/Industrial	$0.12600
Building Area Rate ($/Sq Ft)	Non-Government Special Use	$0.06300
Building Area Rate ($/Sq Ft)	Government	$0.00000
Land Area Rate ($/Sq Ft)	Non-LAUSD	$0.09500
Land Area Rate ($/Sq Ft)	LAUSD	$0.02375
Frontage Rate ($/Linear Foot)	Non-LAUSD	$3.71000
Frontage Rate ($/Linear Foot)	LAUSD	$1.48400

SAMPLE ASSESSMENT CALCULATIONS:

Sample A

12,000 square foot commercial building on 15,000 square foot lot with 100 linear feet of street frontage
Commercial Building Assessment = 12,000 square feet x 12.6¢/square foot = $ 1,512
Land Assessment = 15,000 square feet x 9.5¢/square foot = $ 1,425

Street Frontage Assessment	= 100 linear feet x $3.71/linear foot	= $ 371

TOTAL YEAR 1 ASSESSMENT	= **$3,308**
PER MONTH	= $ 276 per month
PER DAY	= $ 9 per day
PER SQUARE FOOT OF BUILDING PER MONTH	= 2.3¢/square foot of building per month

Sample B

Same as "Sample A" above but with 6,000 square feet of each - commercial and residential use

Commercial Building Assessment	= 6,000 square feet x 12.6¢/square foot	= $ 756
Residential Building Assessment	= 6,000 square feet x 6.3¢/square foot	= $ 378
Land Assessment	= 15,000 square feet x 9.5¢/square foot	= $ 1,425
Frontage Assessment	= 100 linear feet x $3.71/linear foot	= $ 371

TOTAL YEAR 1 ASSESSMENT	= **$2,930**
PER MONTH	= $ 244 per month
PER DAY	= $ 8 per day
PER SQUARE FOOT OF BUILDING PER MONTH	= 2¢ per square foot building per month

Step 5. Estimate Total Special Benefit District Costs

The total projected 5 year special benefit District costs for 2016 – 2020 of the BID are shown below in the following Table assuming a maximum 4% increase per year:

5 Year Projected District Special Benefit Costs (assumes 4% annual increase)

Program/Service	YR 1 2016	YR 2 2017	YR 3 2018	YR 4 2019	YR 5 2020
Streetscape Services	$139,325	$132,158	$137,444	$142,942	$148,659
Enhanced Safety	$151,050	$165,911	$172,547	$179,449	$186,628
Parking Demand Management	$10,500	$520	$541	$562	$585
Branding	$33,000	$45,557	$47,379	$49,274	$51,245
District Management	$85,689	$92,202	$95,890	$99,726	$103,714
TOTAL	**$419,564**	**$436,348**	**$453,801**	**$471,953**	**$490,831**

Step 6. Separate General Benefits from Special Benefits and Related Costs

Total Year 1 –2016 program costs (special benefit costs and general benefit costs) are estimated at $423,802. General benefits are factored at 1% of total (see Finding 2 on page 10 of this report) with special benefits set at 99%. Article 13 (D) Section 4A of the California Constitution limits the levy of property assessments to costs attributed to special benefits

only. The 1% general benefit cost is computed to be $4,238 with a resultant 99% special benefit limit computed at $423,802. *This is the maximum amount of revenue that can be derived from property assessments from the subject BID based on current property characteristics.*

The total Year 1 –2016 program costs delineating special benefit costs and general benefit costs are shown in the following Table:

Program/Service	YR 1 - 2016 Budget	YR 1 - 2016 Non-Assessment Cost	YR 1 - 2016 Total Cost
Streetscape Services	$139,325	$1,407	$140,732
Enhanced Safety	$151,050	$1,526	$152,576
Parking Demand Management	$10,500	$106	$10,606
Branding	$33,000	$333	$33,333
District Management	$85,689	$866	$86,555
TOTAL	**$419,564**	**$4,238**	**$423,802**

The general benefit costs as well as the corresponding special benefit costs and the resulting total costs for each work plan element for each year of the BID 5 year term are shown on the Table of pages 12-13 of this Report.

All program costs associated with general benefits will be derived from sources other than BID assessments. Sample "other" revenue sources are shown in the following Table.

Special and General Benefit Revenue Sources

Revenue Source	Revenue
BID Assessments	$419,564
Other estimated grants, sponsors, program income, etc	$4,238
TOTAL	$423,802

Step 7. Calculate "Basic Unit Cost"

With a YR 1 - 2016 assessment revenue portion of the budget set at $419,564 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the BID is being proposed for a 5 year term, maximum assessments for future years (2017-2020) must be set at the inception of the proposed BID. An annual inflationary assessment rate increase of up to 4% may be imposed for future year assessments, on approval by the BID Property Owner's Association. The maximum assessment rates for the 5 year proposed BID term of 2016-2020 are shown in the Table below. The assessment rates listed constitute the maximum assessment rates that may be imposed for each year of the proposed BID term (2016-2020).

YR 1-5 (2016 & 2020) Maximum Assessment Rates (assumes 4% maximum annual increase)

ASSESSMENT FACTOR	Parcel Type	YR 1 2016	YR 2 2017	YR 3 2018	YR 4 2019	YR 5 2020
Building Area Rate ($/Sq Ft)	Commercial/Industrial	$0.12600	$0.13104	$0.13628	$0.14173	$0.14740
Building Area Rate ($/Sq Ft)	Non-Government Special Use	$0.06300	$0.06552	$0.06814	$0.07087	$0.07370
Building Area Rate ($/Sq Ft)	Government	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000
Land Area Rate ($/Sq Ft)	Non-LAUSD	$0.09500	$0.09880	$0.10275	$0.10686	$0.11114
Land Area Rate ($/Sq Ft)	LAUSD	$0.02375	$0.02470	$0.02569	$0.02672	$0.02778
Frontage Rate ($/Linear Foot)	Non-LAUSD	$3.71000	$3.85840	$4.01274	$4.17325	$4.34018
Frontage Rate ($/Linear Foot)	LAUSD	$1.48400	$1.54336	$1.60509	$1.66930	$1.73607

Step 8. Spread the Assessments

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

Miscellaneous District Provisions

Time and manner of collecting assessments:

The District assessments shall appear as a separate line item on the property tax bills issued by the Los Angeles County Assessor. If necessary, a manual billing may be prepared by the City of Los Angeles in lieu of the assessment's inclusion on the Assessor's property tax bills. Any delinquent assessments owed for a year for which the City billed will be added to the County property tax roll for the following year.

Bonds:

No bonds are to be issued in conjunction with this proposed BID.

Duration:

In accordance with State law, the District will have a five-year operational term from January 1, 2016 to December 31, 2020. The BID operation is expected to begin services on January 1, 2016. If the District is not renewed, services will end on December 31, 2020.

APPENDIX 1

YR 1 – 2015/2016 ASSESSMENT ROLL

APN	Parcel Address	YR 1 - 2016-17 Assessment	% of Total
5131008013	1232 E. WASHINGTON BLVD.	$3,691.49	0.88%
5114023005	1133 E. 32ND St.	$24,065.94	5.74%
5115022006	4151 S. CENTRAL AVE.	$1,941.40	0.46%
5115014031	4349 S. CENTRAL AVE.	$4,868.57	1.16%
5115014030	4365 S. CENTRAL AVE.	$2,304.29	0.55%
5119014009	2812 S. CENTRAL AVE.	$484.92	0.12%
5119014024	2814 S. CENTRAL AVE.	$1,903.76	0.45%
5119014032	2828 S. CENTRAL AVE.	$2,469.22	0.59%
5128021001	2901 S. CENTRAL AVE.	$2,560.46	0.61%
5114025037	3200 S. CENTRAL AVE.	$1,914.66	0.46%
5114025038	3216 S. CENTRAL AVE.	$346.96	0.08%
5114025015	3220 S. CENTRAL AVE.	$690.08	0.16%
5131026028	1011 E. ADAMS BLVD.	$13,748.49	3.28%
5131014018	2107 S. CENTRAL AVE.	$1,017.83	0.24%
5119005008	2224 S. CENTRAL AVE.	$814.58	0.19%
5119005009	2228 S. CENTRAL AVE.	$1,475.38	0.35%
5119003001	2100 S. CENTRAL AVE.	$1,648.71	0.39%
5114019013	3217 S. CENTRAL AVE.	$1,544.81	0.37%
5115027006	1112 E. 42ND ST.	$1,880.83	0.45%
5114034013	4058 S. CENTRAL AVE.	$823.74	0.20%
5115027003	4212 S. CENTRAL AVE.	$1,055.83	0.25%
5115027035	4208 S. CENTRAL AVE.	$1,214.19	0.29%
5115030001	4250 S. CENTRAL AVE.	$2,202.57	0.52%
5119011008	2614 S. CENTRAL AVE.	$876.70	0.21%
5119014021	2806 S. CENTRAL AVE.	$484.92	0.12%
5119016002	2900 S. CENTRAL AVE.	$6,923.20	1.65%
5131026027	1026 E. 25TH ST.	$2,915.80	0.69%
5131020027	2301 S. CENTRAL AVE.	$939.99	0.22%
5128023037	1034 E. 27TH ST.	$3,778.32	0.90%
5114034015	4066 S. CENTRAL AVE.	$1,234.94	0.29%
5128023034	2717 S. CENTRAL AVE.	$472.54	0.11%
5119009009	2526 S. CENTRAL AVE.	$919.85	0.22%
5114019015	3201 S. CENTRAL AVE.	$1,746.53	0.42%
5114019014	3207 S. CENTRAL AVE.	$2,790.09	0.66%
5119001028	1315 E 21ST ST.	$20,004.53	4.77%
5114026017	3324 S. CENTRAL AVE.	$946.87	0.23%
5114030037	3506 S. CENTRAL AVE.	$7,747.54	1.85%
5115027900	4226 S. CENTRAL AVE.	$1,535.08	0.37%
5115015900	4301 S. CENTRAL AVE.	$1,924.58	0.46%
5115015902	4307 S. CENTRAL AVE.	$944.76	0.23%
5115015901	4315 S. CENTRAL AVE.	$1,245.32	0.30%
5115015903	4323 S. CENTRAL AVE.	$1,578.72	0.38%
5114015901	3401 S. CENTRAL AVE.	$2,106.40	0.50%
5114015902	NO ADDRESS	$113.10	0.03%
5114029908	3400 S. CENTRAL AVE.	$2,207.69	0.53%

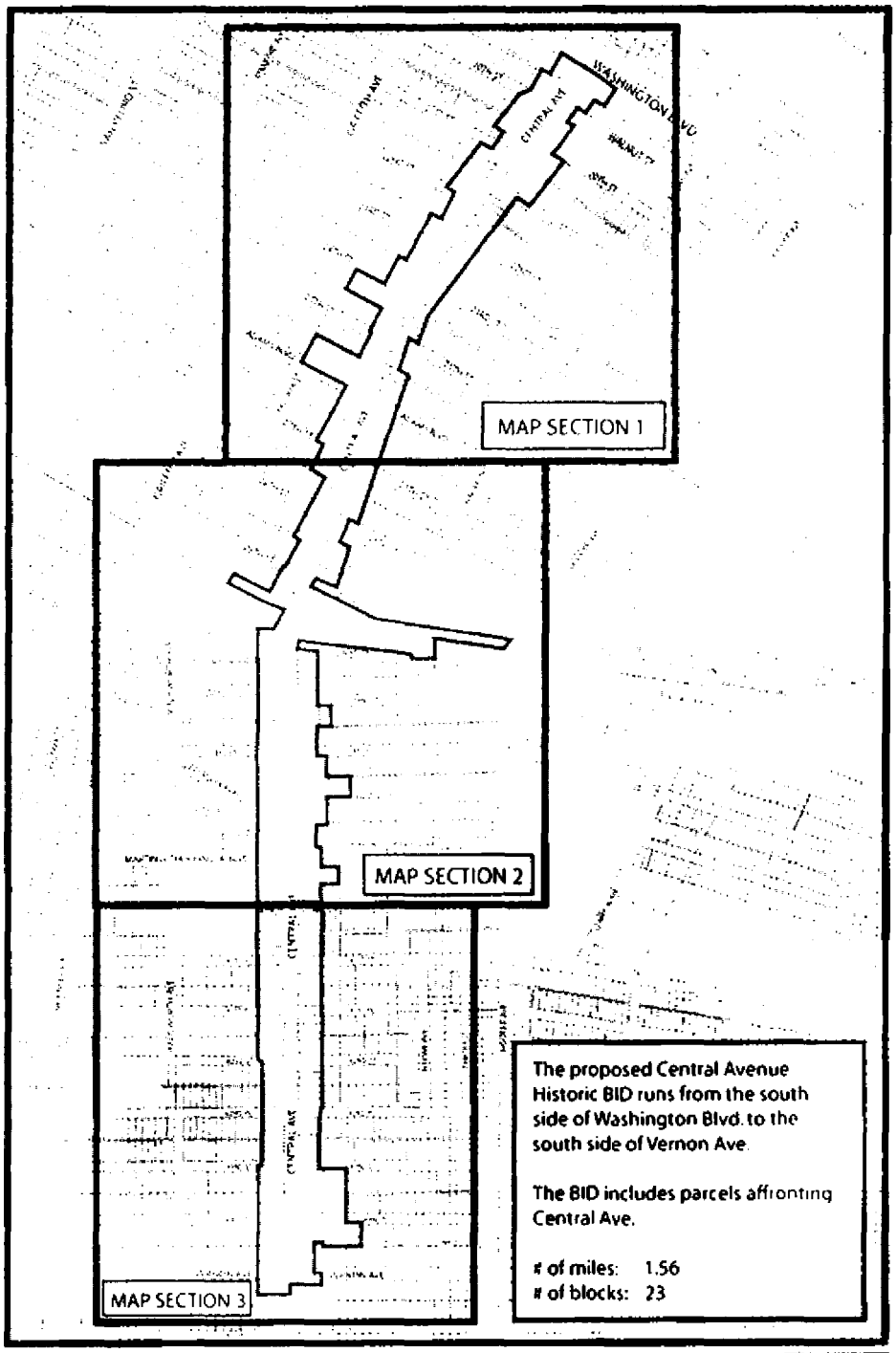
5114029900	3406 S. CENTRAL AVE.	$566.40	0.13%
5114029907	3412 S. CENTRAL AVE.	$604.40	0.14%
5114029909	3420 S. CENTRAL AVE.	$4,761.93	1.14%
5131021001	2413 S. CENTRAL AVE.	$1,901.48	0.45%
5114018029	3309 S. CENTRAL AVE.	$1,120.14	0.27%
5115023005	4103 S. CENTRAL AVE.	$1,591.37	0.38%
5115019034	4201 S. CENTRAL AVE.	$5,809.80	1.38%
5115019033	4225 S. CENTRAL AVE.	$5,086.50	1.21%
5115018033	4251 S. CENTRAL AVE.	$2,927.29	0.70%
5115018034	4257 S. CENTRAL AVE.	$389.25	0.09%
5115018035	4259 S. CENTRAL AVE.	$389.25	0.09%
5115018036	4261 S. CENTRAL AVE.	$1,320.39	0.31%
5131014021	2133 S. CENTRAL AVE.	$3,444.09	0.82%
5128022044	1049 E. 29TH ST.	$846.31	0.20%
5128022045	2829 S. CENTRAL AVE.	$1,060.83	0.25%
5119003002	2104 S. CENTRAL AVE.	$699.40	0.17%
5119003003	2108 S. CENTRAL AVE.	$699.40	0.17%
5119003004	2112 S. CENTRAL AVE.	$699.40	0.17%
5115033038	4312 S. CENTRAL AVE.	$5,979.73	1.43%
5115033039	4322 S. CENTRAL AVE.	$8,338.03	1.99%
5128021002	2911 S. CENTRAL AVE.	$1,698.99	0.40%
5131014039	2101 S. CENTRAL AVE.	$2,193.77	0.52%
5115022002	4165 S. CENTRAL AVE.	$1,301.38	0.31%
5115027036	4204 S. CENTRAL AVE.	$680.40	0.16%
5119005003	2212 S. CENTRAL AVE.	$874.04	0.21%
5115018031	4269 S. CENTRAL AVE.	$709.69	0.17%
5129003037	1900 S. CENTRAL AVE.	$8,073.22	1.93%
5114010007	1053 E. 40TH PL.	$1,471.42	0.35%
5119003024	2120 S. CENTRAL AVE.	$815.07	0.19%
5114010008	4021 S. CENTRAL AVE.	$1,784.46	0.43%
5115023004	4109 S. CENTRAL AVE.	$1,227.54	0.29%
5115034001	4374 S. CENTRAL AVE.	$1,050.62	0.25%
5115022001	4171 S. CENTRAL AVE.	$2,429.02	0.58%
5114019012	3223 S. CENTRAL AVE.	$950.24	0.23%
5114014006	3501 S. CENTRAL AVE.	$1,875.10	0.45%
5114014004	3509 S. CENTRAL AVE.	$907.50	0.22%
5115026008	4160 S. CENTRAL AVE.	$976.12	0.23%
5128023035	2719 S. CENTRAL AVE.	$2,505.85	0.60%
5119014022	2800 S. CENTRAL AVE.	$1,650.71	0.39%
5108028028	4401 S. CENTRAL AVE.	$2,452.49	0.58%
5131014019	2111 S. CENTRAL AVE.	$1,305.92	0.31%
5115025001	1118 E. 41ST ST.	$1,530.08	0.36%
5114025018	3232 S. CENTRAL AVE.	$930.74	0.22%
5119005005	2220 S. CENTRAL AVE.	$1,531.00	0.36%
5119003023	2116 S. CENTRAL AVE.	$885.88	0.21%
5119005004	2216 S. CENTRAL AVE.	$1,425.16	0.34%
5115026030	4150 S. CENTRAL AVE.	$2,119.02	0.51%
5114014003	3517 S. CENTRAL AVE.	$1,700.67	0.41%
5131020001	2315 S. CENTRAL AVE.	$3,341.69	0.80%

5119003008	2124 S. CENTRAL AVE.	$1,016.69	0.24%
5119003009	2130 S. CENTRAL AVE.	$1,434.34	0.34%
5115014001	4373 S. CENTRAL AVE.	$1,844.46	0.44%
5119013016	2706 S. CENTRAL AVE.	$861.91	0.21%
5128022001	1042 E 28TH ST.	$1,851.98	0.44%
5131009051	2025 S. CENTRAL AVE.	$7,568.90	1.81%
5114010001	1055 E. 41ST ST.	$2,000.62	0.48%
5129004906	1926 S. CENTRAL AVE.	$323.35	0.08%
5129004907	1932 S. CENTRAL AVE.	$251.19	0.06%
5129004908	1940 S. CENTRAL AVE.	$746.56	0.18%
5114030002	1113 E. MARTIN LUTHER KING JR. BLVD.	$403.37	0.10%
5131015020	2219 S. CENTRAL AVE.	$867.37	0.21%
5131015021	2225 S. CENTRAL AVE.	$1,074.05	0.26%
5119011015	2604 S. CENTRAL AVE.	$2,889.34	0.69%
5128024034	2603 S. CENTRAL AVE.	$2,844.63	0.68%
5131009025	2027 S. CENTRAL AVE.	$411.61	0.10%
5131009026	2031 S. CENTRAL AVE.	$731.55	0.17%
5114033033	4016 S. CENTRAL AVE.	$7,640.11	1.82%
5114010017	4011 S. CENTRAL AVE.	$3,458.95	0.82%
5131020029	2309 S. CENTRAL AVE.	$882.72	0.21%
5131020028	NO ADDRESS	$533.64	0.13%
5119016900	NO ADDRESS	$7,671.36	1.83%
5128021901	NO ADDRESS	$2,468.40	0.59%
5115034029	4364 S. CENTRAL AVE.	$1,525.80	0.36%
5115030002	4260 S. CENTRAL AVE.	$562.10	0.13%
5115030003	4262 S. CENTRAL AVE.	$722.70	0.17%
5115030004	4268 S. CENTRAL AVE.	$722.70	0.17%
5115030005	4272 S. CENTRAL AVE.	$1,927.05	0.46%
5119005001	2200 S. CENTRAL AVE.	$2,740.88	0.65%
5119007001	2300 S. CENTRAL AVE.	$2,956.01	0.70%
5119007026	2312 S. CENTRAL AVE.	$1,136.53	0.27%
5119007027	2320 S. CENTRAL AVE.	$679.93	0.16%
5119007028	2322 S. CENTRAL AVE.	$680.40	0.16%
5119007012	2324 S. CENTRAL AVE.	$888.56	0.21%
5119007011	2332 S. CENTRAL AVE.	$1,322.28	0.32%
5119009008	2522 S. CENTRAL AVE.	$1,060.60	0.25%
5115027034	4216 S. CENTRAL AVE.	$954.20	0.23%
5131015019	2201 S. CENTRAL AVE.	$2,356.38	0.56%
5114034014	4062 S. CENTRAL AVE.	$718.40	0.17%
5115022003	4159 S. CENTRAL AVE.	$1,523.89	0.36%
5115025005	4120 S. CENTRAL AVE.	$3,166.52	0.75%
5114026018	3328 S. CENTRAL AVE.	$1,260.47	0.30%
5114018014	3313 S. CENTRAL AVE.	$1,484.40	0.35%
5119013017	2712 S. CENTRAL AVE.	$1,091.69	0.26%
5119013018	2714 S. CENTRAL AVE.	$789.01	0.19%
5119013019	2718 S. CENTRAL AVE.	$1,154.91	0.28%
5128022002	2811 S. CENTRAL AVE.	$807.65	0.19%
5114019011	3227 S. CENTRAL AVE.	$2,422.60	0.58%
5119013015	1106 E. 27TH ST.	$1,823.30	0.43%

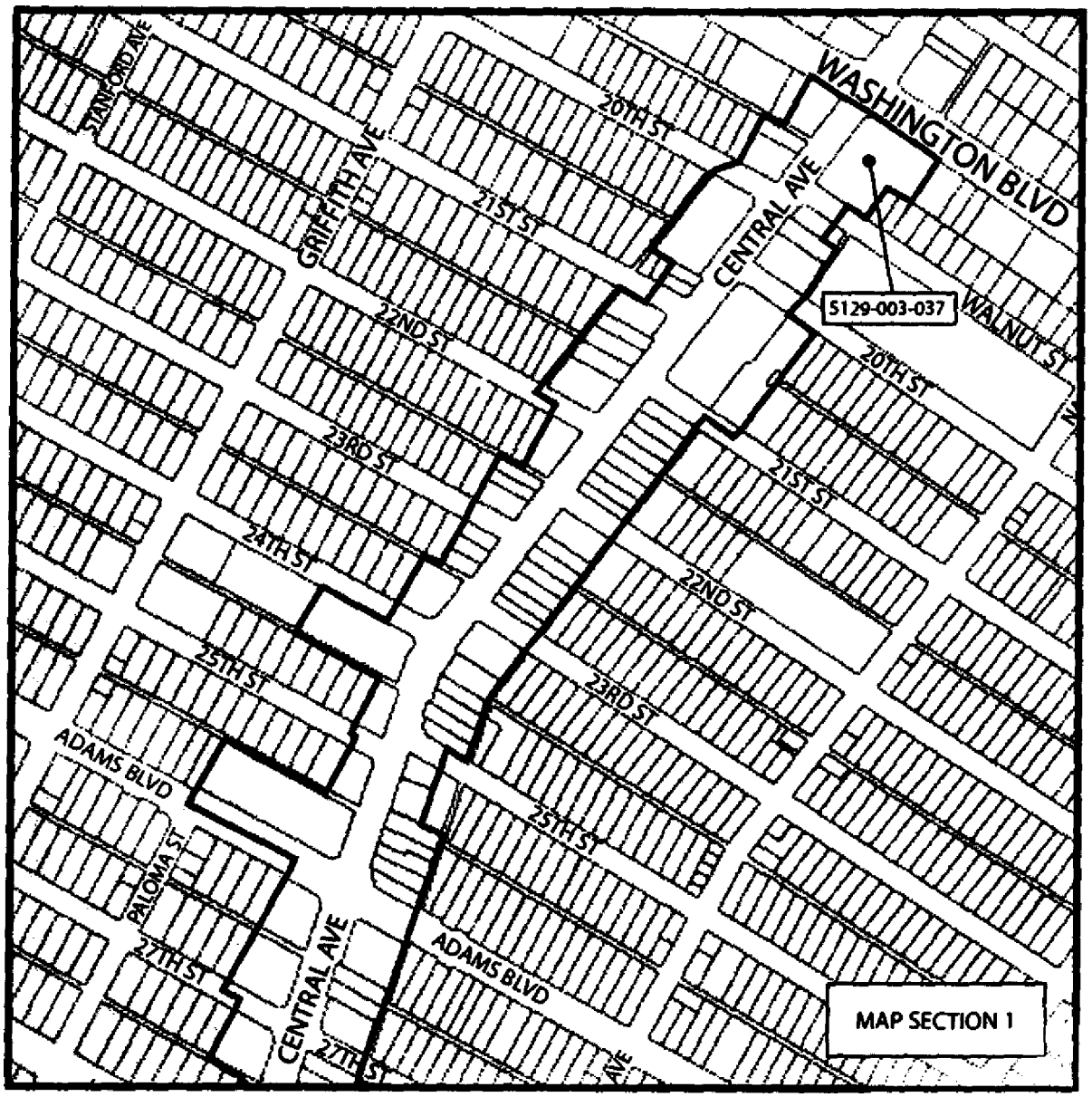
5119009013	2500 S. CENTRAL AVE.	$1,600.47	0.38%
5119009004	2508 S. CENTRAL AVE.	$2,771.80	0.66%
5119009006	2516 S. CENTRAL AVE.	$1,791.60	0.43%
5114025017	3228 S. CENTRAL AVE.	$1,045.65	0.25%
5131008014	1917 S. CENTRAL AVE.	$1,231.80	0.29%
5119014008	2808 S. CENTRAL AVE.	$665.72	0.16%
5114034012	1120 E. 40TH PL.	$2,800.33	0.67%
5115022005	4155 S. CENTRAL AVE.	$446.53	0.11%
5115022004	4157 S. CENTRAL AVE.	$858.43	0.20%
5115018005	4267 S. CENTRAL AVE.	$578.25	0.14%
5114025039	1101 E. 33RD ST.	$897.92	0.21%
5114026041	3310 S. CENTRAL AVE.	$9,893.61	2.36%
5128024037	2617 S. CENTRAL AVE.	$5,046.82	1.20%
5119011019	2624 S. CENTRAL AVE.	$3,166.26	0.75%
5131015022	2227 S. CENTRAL AVE.	$1,585.55	0.38%
5115026031	4156 S. CENTRAL AVE.	$1,242.61	0.30%
5114018031	3319 S. CENTRAL AVE.	$850.50	0.20%
5114018030	3323 S. CENTRAL AVE.	$4,165.35	0.99%
5131021028	2411 S. CENTRAL AVE.	$4,400.98	1.05%
5114022001	3001 S. CENTRAL AVE.	$1,172.07	0.28%
5114030001	1113 E. MARTIN LUTHER KING JR. BLVD.	$440.46	0.10%
5114025016	3224 S. CENTRAL AVE.	$803.48	0.19%
5114010003	4063 1/2 S. CENTRAL AVE.	$1,171.09	0.28%
5119011009	2620 S. CENTRAL AVE.	$944.62	0.23%
5128022033	2817 S. CENTRAL AVE.	$779.64	0.19%
5115023028	4111 S. CENTRAL AVE.	$1,296.50	0.31%
5115023001	4123 S. CENTRAL AVE.	$1,640.76	0.39%
5114018016	3301 S. CENTRAL AVE.	$2,503.30	0.60%
5115018007	4273 S. CENTRAL AVE.	$1,768.31	0.42%
5119009010	2534 S. CENTRAL AVE.	$1,258.10	0.30%
5107001001	4400 S. CENTRAL AVE.	$1,315.16	0.31%
5114010016	4057 S. CENTRAL AVE.	$3,313.10	0.79%
5114015044	3411 S. CENTRAL AVE.	$5,534.42	1.32%
5114010018	4069 S. CENTRAL AVE.	$1,463.29	0.35%
5115023002	4117 S. CENTRAL AVE.	$1,625.70	0.39%
5119005002	2208 S. CENTRAL AVE.	$999.03	0.24%
5115034028	1106 E. 43RD PL.	$8,065.79	1.92%
5131008015	1923 S. CENTRAL AVE.	$1,974.78	0.47%
5115025039	4114 S. CENTRAL AVE.	$2,835.50	0.68%
5114034016	4072 S. CENTRAL AVE.	$2,773.20	0.66%
5131014020	2119 S. CENTRAL AVE.	$901.71	0.21%
5114014001	3529 S. CENTRAL AVE.	$1,082.75	0.26%
5119009012	2520 S. CENTRAL AVE.	$914.74	0.22%
5115026032	4168 S. CENTRAL AVE.	$2,506.95	0.60%
5119013020	2726 S. CENTRAL AVE.	$2,443.99	0.58%
TOTAL		**$419,564.04**	**100.00%**

APPENDIX 2

CENTRAL AVENUE HISTORIC BID BOUNDARY MAP



Central Avenue Historic Business Improvement District
Property Based Business Improvement District
District Overview Map

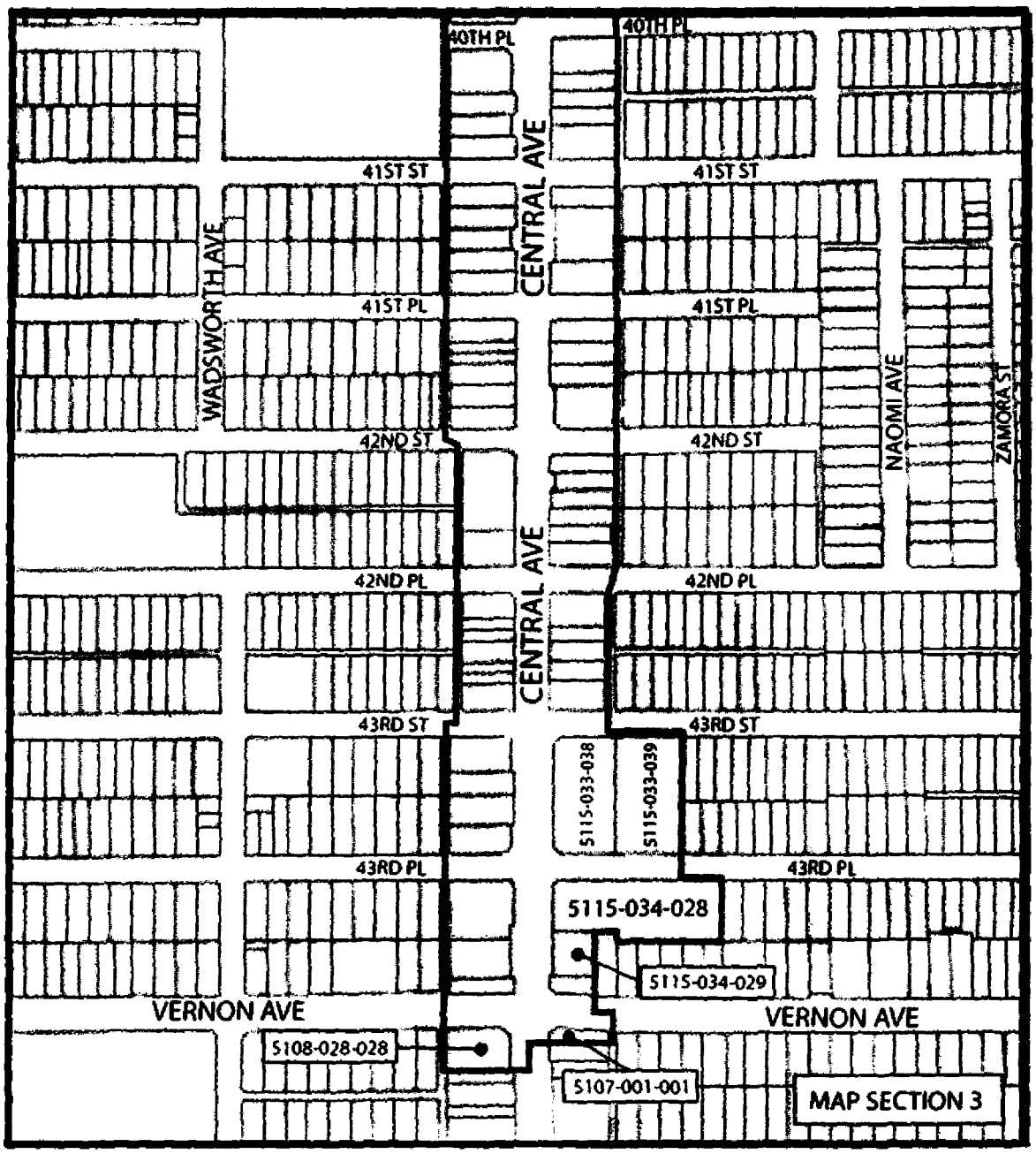


Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 1 of 3

BID BOUNDARY

Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 2 of 3

BID BOUNDARY



Central Avenue Historic Business Improvement District
Property Based Business Improvement District
Map Section 3 of 3

BID BOUNDARY