

**Pacific Palisades  
Business Improvement District  
Management District Plan**

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SERVICES SECTION

**For  
A Property Based  
Business Improvement District  
In Pacific Palisades**

**March 2015**

**Prepared By  
Urban Place Consulting Group, Inc.**

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**For the**  
**Pacific Palisades Business Improvement District (District)**  
**Los Angeles, California**

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**Section 1  
Management District Plan Summary**

The name of the proposed Property-based Business Improvement District is the Pacific Palisades Business Improvement District (the "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.

Developed by the Pacific Palisades Business Improvement District Steering Committee, the Pacific Palisades Business Improvement District Management Plan is proposed to improve and convey special benefits to properties located within the Pacific Palisades Business Improvement District area. The District will provide new improvements and activities, including clean/beautiful, communication/marketing, and management. Each of the programs are designed to meet the goals and mission of the District; to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for parcels within the District.

**Boundary:** See Section 2, Page 6 and map page 7.

**Budget:** The total District budget for the 2016 year of operation is approximately \$142,000.

**Improvements, Activities, Services:**

<b>CLEAN and BEAUTIFUL</b>	<b>\$92,000</b>	<b>65%</b>
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**Enhanced Clean and Beautiful Programs**

- Sidewalk Sweeping
- Sidewalk Pressure Washing
- Graffiti & Handbill Removal
- Trash Removal
- Landscape programs
- Tree Trimming
- Tree Lighting Program
- BID establishment expenses (split between year one and two only as reimbursement of \$25,000 in private sector contributions of funds to establish the District.)

<b>COMMUNICATION and MARKETING</b>	<b>\$20,000</b>	<b>14%</b>
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- Website
- Newsletter
- Social Media
- Events
- Pedestrian Use Improvement

- BID establishment expenses (split between year one and two only as reimbursement of \$25,000 in private sector contributions of funds to establish the District)

**MANAGEMENT/SLOW PAY/CITY FEES** **\$30,000**      **21%**

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. A reserve for delinquent assessment payments will be established and is included in this category. The City of Los Angeles charges an administrative fee to process District assessment payments. The City fee is included in this category.

**Method of Financing:** A levy of special assessments upon real property that receives special benefits from the improvements and activities. (See Section 4, for assessment methodology)

**Benefit Zones:** The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. In order to match assessment rates to special benefits received, one benefit zone which includes all District parcels has been created within the Pacific Palisades Business Improvement District.

**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:

Assessment Rates	All Parcels not including DWP/LAUSD	DWP & LAUSD Parcels
Lot Square Footage	\$0.0391	\$0.0326
Building Square Footage	\$0.0632	\$0.0536
Front Footage	\$3.8986	\$3.2677

**Cap:** Annual assessment increases will not exceed 3% per year. Increases will be determined by the business improvement district Owners' Association and will vary between 0 and 3% in any given year.

Assessments may be reduced by action of the owners association in any given year. Assessments so reduced may increase in the following year more than the 3% up to the maximum rate defined for that year in the charts on page 13 and 17.

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 owners association shall have the right to reallocate up to 10% by line item within the budgeted categories. The management/administration line item may only be increased by the annual increase subject to the 3% cap and cannot be increased through the 10% budget reallocation. Any change will be approved by the owner's 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.

**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 mail 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 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 Owners' Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

## **Section Two District Boundaries**

The Pacific Palisades Business Improvement District includes all property within a boundary formed by: (Also see map on page 7)

Beginning on the northwest corner of Monument Street and Swarthmore Avenue go south on Monument Street to Bashford Street. At Bashford Street, turn east along northern parcel line of 4423-017-024. Turn south along the eastern parcel line of 4423-017-024 and parcels facing west on Monument Street and Sunset Boulevard. Go west on the southern parcel line of 4423-017-026 across Sunset Boulevard to 4411-001-019. Go west along the southern parcel line of 4411-001-019 across Alma Real Drive to 4412-009-014. Head south along eastern parcel line of 4412-009-014, then go west along the southern parcel line of 4412-009-014. Turn north along the western parcel line of 4412-009-014. Go west along the southern parcel lines of parcels facing south on La Cruz Drive. Go across Swarthmore Avenue and west along Bowdoin Street to Via de la Paz. Turn north along the western parcel line of parcels facing west on Via de la Paz then head west along the southern parcel line of 4412-004-025. Turn north along the west parcel line of 4412-004-025 and continue north to Antioch Street. At Antioch Street go west along the southern parcel line of 4412-001-017, then north along the western parcel line of 4412-001-017. Cross Sunset Boulevard to the western parcel line of 4422-022-015. Turn east along the northern parcel line of 4422-022-015 and continue east northern parcel line of parcels facing south on Sunset Boulevard to Swarthmore Avenue. Turn north along the northern parcel lines of parcels facing southeast along Swarthmore Avenue to the northwest corner of Monument Street and Swarthmore Avenue.



## **District Boundary Rationale**

The property uses within the described boundaries of the Pacific Palisades Business Improvement District are a mix of retail, education, parking, office and public parcels. Retail parcels receive special benefit from the clean, beautiful and marketing programs in the form of an increased likelihood of an increase in customers and sales. The education parcels receive a special benefit from the clean and beautiful programs in the form of a cleaner and healthier environment around the education campuses which results in an increased likelihood of these campuses being chosen by parents for their children's education therefore providing a special benefit of increased attendance and increased income to the parcels. Office parcel properties special benefit from District services is an increased likelihood of an increase in lease rates and tenancy. Parking parcels will receive special benefit in the form of an increased likelihood of higher parking revenue. The City of Los Angeles parcel is a parking lot and will receive all the programs of the District and will be assessed the same as the privately owned parcels. The special benefit to this parcel is an increased likelihood of increased parking revenue. The Department of Water and Power parcel is a pumping station and will only benefit from the clean and beautiful programs and will only be assessed for the clean and beautiful programs. The special benefit to this parcel is increased maintenance in the form of graffiti removal and litter removal which will reduce the maintenance expense for the Department of Water and Power.

Services and improvements provided by the District are designed to provide special benefits to the retail, education, parking, office and public parcels. All of the services provided such as the work provided, by the Clean Team, are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District because of the unique nature of these services focusing on the particular needs of each individually assessed property within the District. These services provide particular and distinct benefits to each of the individually assessed parcels within the District.

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, cleaning / sanitation personnel, and similar service providers employed in connection with the District will only patrol and provide services to individually 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.

Northern Boundary: The northern boundary of the Pacific Palisades Business Improvement District was determined by the zoning and use of the parcels north of the District boundaries. The parcels north of the District boundaries are zoned solely 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..."* In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to assessed parcels



within the boundaries of the District. Specifically, maintenance personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries which are zoned solely residential.

Eastern Boundary: The eastern boundary of the Pacific Palisades Business Improvement District was determined by the zoning of the parcels east of the District boundaries and the lack of commercial business activity. The parcels east of the District boundaries are zoned solely 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...*” In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to assessed parcels within the boundaries of the District. Specifically, maintenance personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries which are zoned solely residential.

Southern Boundary: The southern boundary of the Business Improvement District was determined by the zoning and use of the parcels south of the District boundaries. The parcels south of the District boundaries are zoned solely 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...*” In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to assessed parcels within the boundaries of the District. Specifically, maintenance personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries which are zoned solely residential.

Western Boundary: The western boundary of the Pacific Palisades Business Improvement District was determined by the zoning and use of the parcels west of the District boundaries. The parcels west of the District boundaries are zoned solely 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...*” In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to assessed parcels within the boundaries of the District. Specifically, maintenance personnel, and similar service providers employed in connection with the District will only provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries which are zoned solely residential.

### **Section 3**

## **District Improvement and Activity Plan**

### **Process to Establish the Improvement and Activity Plan**

Through a series of property owner meetings the Pacific Palisades District Business Improvement District Steering Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district in order to support increased commerce, business attraction and retention, and increased property rental income. The primary needs as determined by the property owners were: clean and beautiful, and communication/marketing. Each of the services provided by the District are designed to meet the needs of the mix of retail, education, parking, office and public parcels that make up the District and provide special benefit to each of the assessed parcels. Retail parcels receive special benefit from the clean, beautiful and marketing programs in the form of an increased likelihood of an increase in customers and sales. The education parcels receive a special benefit from the clean and beautiful programs in the form of an increased likelihood of creating an increased positive learning experience because of a better physical environment for students, teachers and parents as they come and go through the Village. Office parcel properties special benefit from District services is an increased likelihood of an increase in lease rates and tenancy. Parking parcels will receive special benefit in the form of an increased likelihood of higher parking revenue. The City of Los Angeles parcel is a parking lot and will receive all the programs of the District and will be assessed the same as the privately owned parcels. The special benefit to this parcel is an increased likelihood of increased parking revenue. The Department of Water and Power parcel is a pumping station and will only benefit from the clean and beautiful programs and will only be assessed for the clean and beautiful programs. The special benefit to this parcel is increased maintenance in the form of graffiti removal and litter removal which will reduce the maintenance expense for the Department of Water and Power.

All of the services provided such as the work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each assessed property within the District provide particular and distinct benefits to each of the individually assessed parcels within the District.

All of the improvements and activities detailed below are provided only to assessed properties defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the assessed properties within the proposed District. No improvement or activities are provided to properties outside the District boundaries. All assessments outlined in this Management District Plan go only for services directly benefiting each of the individually assessed parcels in this District. All services will be provided to the individually assessed properties defined as being within the District boundaries and no services will be provided outside the District boundaries. Each of the services: clean, communication/marketing, and administration are unique to the District and to each of the Districts assessed properties therefore all benefits

provided are particular and distinct to each assessed property.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting each individually assessed property within this area and support increased commerce, business attraction and retention, increased property rental income and enhanced overall safety and image within this commercial core. All services, projects, promotions, cleaning and professional/administration services are provided solely to individual assessed properties within the district to enhance individual assessed properties and businesses within the Pacific Palisades Business Improvement District boundaries and are designed only for the direct special benefit of the assessed properties in the District. No services will be provided to parcels outside the District boundaries. (For a further definition of special benefits see Engineer's Report page 11 "Special Benefit")

The total improvement and activity plan budget for 2016 is \$142,000. Of the total the amount which is funded by property assessments is projected at \$140,510. The amount of the budget attributable to general benefit and funded by non-assessment income is \$1,490. The costs of providing each of the budgeted components was developed from actual experience providing these services in other districts with similar size and programs. Actual service hours and frequency may vary in order to match varying District needs over the 5 year life of the District. A detailed operation deployment for 2016 will be available from the property owners association. Private sector contributions used to fund BID establishment expenses in the amount of \$25,000 will be reimbursed during years 1 and 2 only as part of the Clean and Beautiful and Communication/Marketing budgets. The Clean and Beautiful and Communication/Marketing budgets will be smaller in years 1 and 2. In years three through five, these funds will be used to expand the clean and beautiful budget to the standard allocations below. The budget is made up of the following components.

**CLEAN and BEAUTIFUL PROGRAMS \$92,000**

In order to consistently deal with cleaning issues, a Clean and Beautiful Program is provided. A multi-dimensional approach has been developed consisting of the following elements. The clean team will only provide service to assessed properties within District boundaries. The special benefit to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers. Private sector contributions of \$25,000 used to fund BID establishment will be reimbursed during years one and two only and are included in the Clean and Beautiful program budget. In years three through five, these funds will be used to expand the clean and beautiful budget. The special benefit to the mix of retail, education, parking, office and public parcels that make up the assessed parcels from reimbursing the establishment funds is the establishment of the District and the Districts ability to provide clean and beautiful programs which lead to an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers.

**Sidewalk Cleaning:** Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel will pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

**Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles as needed. District trucks are often called to dispose of illegal food vendors' inventory. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

**Graffiti Removal:** District personnel remove graffiti by painting, using solvent and pressure washing. The District maintains a zero tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.

**Landscape Maintenance/Tree Lighting:** Landscape maintenance and street tree trimming are important programs that work to attract increased customers to the District. Landscape maintenance includes maintaining tree wells and weed abatement. A tree lighting program on existing street trees in the public right-of-way also increases the uniqueness of the District and increases the overall lighting within the District which works to attract more customers to the District. A well lit and well landscaped district supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

## **COMMUNICATION and MARKETING**

**\$20,000**

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The special benefit to District individual assessed parcels from these services is a likelihood of increased commercial activity which directly relates to increases in lease rates and enhanced commerce. For example, a Pacific Palisades BID website will specially benefit individual assessed parcels by providing resources, such as a searchable business directory, to property and business owners. Private sector contributions used to fund BID establishment will be reimbursed during years one and two only. In years three through five these funds will be used to expand the communication and marketing budget. The special benefit to assessed parcels from reimbursing the establishment funds is the establishment of the District and the Districts ability to provide communication and marketing programs which lead to an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and an increase in customers. Some of the communication/image programs being considered are:

- Quarterly Newsletter
- Pacific Palisades BID Website
- Social Media
- Customer Recruitment
- Pedestrian Use Improvement

**MANAGEMENT/CITY FEES AND SLOW PAY****\$30,000**

The improvements and activities are managed by a part time staff that requires centralized administrative support. Management staff oversees the District's services. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Future costs to renew the District, conduct a yearly financial review as well as City fees, uncollectible assessments and depreciation are included in this budget item. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is an effective and efficient delivery of District services because of management staff oversight, an increased transparency of District programs and financial transactions which will be available to parcel owners in the newsletter and on the web site, an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, and an increase in customers in part due to the work of the management staff as stated above. Any additional funds remaining will be spent in the Communication and Marketing, and Clean and Beautiful categories.

**FIVE YEAR OPERATING BUDGET**

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

Assessments will be subject to annual increases not to exceed 3% per year. 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. Increases will be determined by the District Owners Association and will vary between 0 and 3% in any given year. The projections below illustrate a maximum 3% annual increase for all budget items. Assessments may be reduced by action of the owners association in any given year. Assessments so reduced may, with approval of the District Owners Association Board, increase in the following year more than the 3% cap up to the maximum rate defined for that year in the chart on page 16, pursuant to Section 36650 of the California Streets and Highways Code.

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 owners association shall have the right to reallocate up to 10% by line item within the budgeted categories. The management/administration line item may only be increased by the annual increase subject to the 3% cap and cannot be increased through the 10% budget reallocation. Any change will be approved by the owner's 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. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

### Five Year Budget Projections \*

	2016	2017	2018	2019	2020
Clean & Beautiful	\$92,000	\$94,760	\$97,603	\$100,531	\$103,547
Communication/Marketing	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Management/Slow Pay/City Fees	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765
<b>Total Budget</b>	<b>\$142,000</b>	<b>\$146,260</b>	<b>\$150,648</b>	<b>\$155,167</b>	<b>\$159,822</b>

**\*Assumes 3% yearly increase on all budget items funded by the Pacific Palisades Business Improvement District.** Note: Any accrued interest or delinquent payments will be expended in the above categories.

### Section 4 Assessment Methodology

In order to ascertain the correct assessment methodology to equitably apply special benefits to each assessed parcel for property related services as proposed to be provided by the Pacific Palisades Business Improvement District, benefit will be measured by square feet of parcel size, square feet of building size and parcel street frontage. Special circumstances such as a parcel's location within the District area and need and/or frequency for services are carefully reviewed relative to the specific and distinct type of programs and improvements to be provided by the District in order to determine the appropriate levels of assessment or percentage values to be assigned to each type of assessment variable. (For a definition of special and general benefits see Engineer's Report page 11 "Special and General Benefit")

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

Building Square Footage Defined. Building square footage is defined as gross building square footage as determined by the outside measurements of a building.

Lot Square Footage Defined. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

Street Front Footage Defined. Street Front Footage is defined as the front footage of a parcel that fronts a public street.

### Calculation of Assessments

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the cleaning and operation expenses of an improvement or for the cost of the property service being provided. Due to the proportionate special benefits received by these parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable and these benefits must be separated from any general benefits. (See Engineers Report for separations of general and special benefits)

A number of factors enter into the determination of how much weight is to be given to each assessment variable, lot, building and frontage. The relationship between the current assessable footage of each of the three assessment variables to each other and the total of all assessment variables was reviewed.

The preceding methodology is applied to a database of properties receiving special benefit, which has been constructed by District Property Owners and its consultant team. The process for compiling the property database includes the following steps:

- Property data was first obtained from the County of Los Angeles Assessor's Office.
- A database was submitted to the City Clerk's office for verification.
- A list of properties to be included within the District is provided in Section 7.

### Total Assessable Footage within the District

Variables	All Parcels including DWP/LAUSD	All parcels not including DWP/LAUSD
Front Footage	12,170	10,462
Building Square Footage	763,833	710,366
Lot Square Footage	1,218,474	1,021,955

### Budget Distribution

Activity	All Parcels including DWP/LAUSD	All parcels not including DWP/LAUSD	Total Budget
Clean & Beautiful (Direct Programs)	\$92,000		\$92,000
Communication & Marketing		\$20,000	\$20,000
Management, Slow Pay, City Fees	\$30,000	\$0	\$30,000
Total Budget	\$122,000	\$20,000	\$142,000
Less General Benefit (Direct Programs)	\$1,490		\$1,490
Total Assessable Budget	\$120,510	\$20,000	\$140,510

**Assessments**

Based on the special benefit factors, assessable footages for each variable plus the proposed budget, all of which are discussed above, the following table illustrates the first year’s maximum annual assessment per parcel square foot plus building square foot.

**Assessment Rate Calculation:**

To calculate the assessment rate District parcels are in two categories. Those that are paying for all services and those that are paying for all services except marketing. DWP and LAUSD parcels do not pay for marketing services.

	All Parcels, no marketing included	Marketing Assessment
Assessable Budget	\$120,510	\$20,000
Total Assessable Budget	\$120,510	\$20,000

Lot Footage Assessment (Assessable Budget X 33% / Lot Sq Ft)

Building Footage Assessment (Assessable Budget X 34% / Building Sq Ft)

Front Footage Assessment (Assessable Budget X 33% / Front Ft)

Assessment Rates	All Parcels not including DWP/LAUSD	DWP & LAUSD Parcels
Lot Square Footage	\$0.0391	\$0.0326
Building Square Footage	\$0.0632	\$0.0536
Front Footage	\$3.8986	\$3.2677

For example, to calculate the assessment for a parcel with a 10,000 square foot building, a 5,000 square feet of parcel, and 100 linear feet = building square footage x building square foot assessment rate, plus parcel square footage x parcel square foot assessment rate, plus parcel linear frontage x linear frontage assessment rate = the total annual parcel assessment.

$$(10,000 \times \$0.0632) + (5,000 \times \$0.0391) + (100 \times \$3.8986) = \$1,217.36 \text{ initial annual parcel assessment}$$

The assessment calculation formula is the same for every parcel in the District.

**Maximum Annual Assessment Adjustments**

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The maximum assessment rate for each year is defined in the chart below. Assessments may be reduced by action of the owners association in any given year. Assessments so reduced may increase in the following year more than the 3% cap up to the maximum rate defined for that year in the chart above. Any change will be approved by the owner’s association board of directors and submitted to the City within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code.



### Maximum Assessment Table

Non LAUSD/LA DWP Parcels	2016	2017	2018	2019	2020
Front Footage	\$3.8986	\$4.0155	\$4.1360	\$4.2601	\$4.3879
Building Square Footage	\$0.0632	\$0.0651	\$0.0671	\$0.0691	\$0.0711
Lot Square Footage	\$0.0391	\$0.0403	\$0.0415	\$0.0427	\$0.0440
LAUSD/LA DWP Parcels					
Front Footage	\$3.2677	\$3.3658	\$3.4667	\$3.5707	\$3.6778
Building Square Footage	\$0.0536	\$0.0553	\$0.0569	\$0.0586	\$0.0604
Lot Square Footage	\$0.0326	\$0.0336	\$0.0346	\$0.0357	\$0.0367

### Budget Adjustments

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses that are carried forward. 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, will be prorated to the date they receive the temporary and/or permanent certificate of occupancy.

In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes and increases assessments then a Proposition 218 ballot will be required for approval of the formula 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/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer 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 assessments if the District is not renewed.

### **Government Assessments**

All publicly-owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. The City of Los Angeles parcel is a parking lot and will receive all the programs of the District and will be assessed the same as the privately owned parcels. The special benefit to this parcel is an increased likelihood of increased parking revenue. The Department of Water and Power parcel is a pumping station and will only benefit from the clean and beautiful programs and their share of the administration/city fees and will only be assessed for the clean and beautiful programs and administration/city fees. The special benefit to this parcel is increased maintenance in the form of graffiti removal and litter removal which will reduce the maintenance expense for the Department of Water and Power.

Los Angeles Unified School District (LAUSD) is a k through 6 school and will only benefit from the clean and beautiful programs and their share of the administration/city fees and will only be assessed for the clean and beautiful programs and administration/city fees. The special benefit to this parcel is increased maintenance in the form of graffiti removal and litter removal which will reduce the maintenance expense for the LAUSD parcel.

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.

APN	Situs Address	Owner Names	Front Ft	Bldg Area	Lot Area	Assessment	%
4412-002-900		L A City (public parking)	60	0	9000	\$585.78	0.42%
		<b>Total LA City</b>				<b>\$585.78</b>	<b>0.42%</b>
4412-003-900	800 Via De La Paz	L A Unified School Dist (elem school)	1508	50267	184419	\$13,643.14	9.71%
		<b>Total LA Unified School Dist</b>				<b>\$13,643.14</b>	<b>9.71%</b>
4423-016-900		L A City Dept Of Water & Power(pumping station)	200	3,200	12100	\$1,220.11	0.87%
		<b>Total LA City Dept of Water &amp; Power</b>				<b>\$1,220.11</b>	<b>0.87%</b>
		<b>Total Government Assessments</b>				<b>\$15,449.03</b>	<b>10.99%</b>

## Section 5 District Rules and Regulations

Pursuant to the Property and Business Improvement law of 1994, as amended, a business improvement district may establish rules and regulations that uniquely apply to the District. The District has adopted the following rules:

- **Competitive Procurement Process**  
The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.
- **Treatment of Residential Housing**  
In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed. The District does contain parcels that are zoned solely for residential use.
- **Renewal and Establishment**  
District funds may be used for renewing the District and for reimbursement of private sector contributions of funds to establish the District.

### Bonds

The Owners' Association will not issue bonds to finance any services or improvements in the District.

**Section 6**  
**Implementation Timetable**

The Pacific Palisades Business Improvement District is expected to be established and begin implementation of the Management District Plan on January 1, 2016. Consistent with State law the Pacific Palisades Business Improvement District will have a five-year life through December 31, 2020.

## Section 7 Parcel Roll

APN	Situs Address	Owner Names	Front Ft	Bldg Area	Lot Area	Assessment	%
4412-002-900		L A City (public parking)	60	0	9000	\$585.78	0.42%
		<b>Total LA City</b>				<b>\$585.78</b>	<b>0.42%</b>
4412-003-900	800 Via De La Paz	L A Unified School Dist (elem school)	1508	50267	184419	\$13,643.14	9.71%
		<b>Total LA Unified School Dist</b>				<b>\$13,643.14</b>	<b>9.71%</b>
4423-016-900		L A City Dept Of Water & Power(pumping station)	200	3,200	12100	\$1,220.11	0.87%
		<b>Total LA City Dept of Water &amp; Power</b>				<b>\$1,220.11</b>	<b>0.87%</b>
		<b>Total Government Assessments</b>				<b>\$15,449.03</b>	<b>10.99%</b>

APN	Situs Address	Front Ft	Bldg Area	Lot Area	Assessment	%
4411-001-016	15150 W Sunset Blvd	231	9099	8,280	\$1,799.47	1.28%
4411-001-017	15140 W Sunset Blvd	42	11731	10,450	\$1,313.86	0.94%
4411-001-018	890 Alma Real Dr	204	304	14,810	\$1,393.54	0.99%
4411-001-019		476	0	81,020	\$5,023.27	3.58%
4411-001-020	15120 W Sunset Blvd	0	20491	25,264	\$2,283.04	1.62%
4412-001-014	15400 W SUNSET BLVD	241	2,144	13,570	\$1,605.62	1.14%
4412-001-017	15424 W SUNSET BLVD	750	40,339	90,110	\$8,996.86	6.40%
4412-002-008	15244 W Sunset Blvd	70	3414	3,920	\$641.97	0.46%
4412-002-009	15260 Antioch St	47	2710	3,525	\$492.36	0.35%
4412-002-010	15270 Antioch St	214	4400	10,446	\$1,520.83	1.08%
4412-002-011		316	0	13,600	\$1,763.65	1.26%
4412-002-012	15300 W Sunset Blvd	484	29792	35,500	\$5,158.09	3.67%
4412-002-015	15243 La Cruz Dr	87	10356	15,240	\$1,589.64	1.13%
4412-002-016	864 Swarthmore Ave	464	33801	54,010	\$6,057.21	4.31%
4412-002-017	15239 La Cruz Dr	62	4025	3,480	\$632.20	0.45%
4412-002-018	15235 La Cruz Dr	219	12793	31,120	\$2,879.15	2.05%
4412-002-023	15200 W Sunset Blvd	251	30603	20,920	\$3,730.97	2.66%
4412-002-026	900 Via De La Paz	201	12932	10,094	\$1,995.73	1.42%
4412-003-003	872 Via de la Paz	50	3708	7,500	\$722.55	0.51%
4412-003-004	15326 Antioch St	127	3493	3,990	\$871.92	0.62%
4412-003-005	15314 Antioch St	80	3200	4,560	\$692.45	0.49%
4412-003-006	15300 Antioch St	257	8472	15,750	\$2,153.24	1.53%
4412-003-007	863 Swarthmore Ave	60	3457	9,000	\$804.31	0.57%
4412-003-008	859 Swarthmore Ave	40	1187	6,000	\$465.55	0.33%
4412-003-009	860 Via De La Paz	100	34533	15,000	\$3,159.27	2.25%
4412-004-015	881 Via De La Paz	206	2500	8,584	\$1,296.74	0.92%
4412-004-016	875 Via De La Paz	50	3107	7,400	\$680.64	0.48%
4412-004-017	871 Via De La Paz	50	5424	7,400	\$827.11	0.59%
4412-004-018	865 Via De La Paz	50	5304	7,400	\$819.53	0.58%

4412-004-019	859 Via De La Paz	50	3933	7,400	\$732.86	0.52%
4412-004-020	855 Via De La Paz	50	5280	7,400	\$818.01	0.58%
4412-004-021	853 Via De La Paz	50	4000	7,400	\$737.10	0.52%
4412-004-022	843 Via De La Paz	50	8240	7,400	\$1,005.12	0.72%
4412-004-023	839 Via De La Paz	50	7920	7,400	\$984.89	0.70%
4412-004-024	833 Via De La Paz	50	3150	7,400	\$683.36	0.49%
4412-004-025	827 Via De La Paz	50	3722	7,400	\$719.52	0.51%
4412-009-011	15240 La Cruz Dr	51	7193	11,000	\$1,083.58	0.77%
4412-009-012	15236 La Cruz Dr	222	43771	20,450	\$4,431.94	3.15%
4412-009-014	881 Alma Real Dr	150	89671	58,370	\$8,535.29	6.07%
4412-009-801		296	17,772	20,420	\$3,075.76	2.19%
4422-022-005	15401 W Sunset Blvd	231	1485	16,120	\$1,624.67	1.16%
4422-022-015	15441 W Sunset Blvd	190	27513	13,940	\$3,024.94	2.15%
4422-022-016	15415 W Sunset Blvd	75	9946	9,200	\$1,280.80	0.91%
4423-016-001	15333 W Sunset Blvd	50	2201	5,589	\$552.57	0.39%
4423-016-002	15323 W Sunset Blvd	50	3620	5,238	\$628.55	0.45%
4423-016-003	15317 W Sunset Blvd	50	1625	5,040	\$494.70	0.35%
4423-016-004	15305 W Sunset Blvd	200	3845	10,913	\$1,449.43	1.03%
4423-016-005	15281 W Sunset Blvd	217	912	12,200	\$1,380.61	0.98%
4423-016-006	15261 W Sunset Blvd	65	0	3,730	\$399.24	0.28%
4423-016-007	15245 W Sunset Blvd	40	12792	8,230	\$1,286.34	0.92%
4423-016-008	15237 W Sunset Blvd	50	4632	5,800	\$714.49	0.51%
4423-016-009	15231 W Sunset Blvd	40	2720	4,640	\$509.29	0.36%
4423-016-010	15229 W Sunset Blvd	24	1856	2,784	\$319.73	0.23%
4423-016-011	15219 W Sunset Blvd	50	6768	5,800	\$849.52	0.60%
4423-016-012	15215 W Sunset Blvd	57	7085	5,800	\$896.85	0.64%
4423-016-017	1013 Swarthmore Ave	50	6602	5,520	\$828.08	0.59%
4423-016-018	1021 Swarthmore Ave	50	3117	5,520	\$607.78	0.43%
4423-016-019	1027 Swarthmore Ave	59	3823	7,135	\$750.63	0.53%
4423-016-020	1033 Swarthmore Ave	47	4006	10,100	\$831.34	0.59%
4423-016-021	1037 Swarthmore Ave	100	5825	13,775	\$1,296.63	0.92%
4423-016-022	1049 Swarthmore Ave	146	2150	4,500	\$881.03	0.63%
4423-016-023	1022 Swarthmore Ave	313	11949	18,785	\$2,710.02	1.93%
4423-016-024	1012 Swarthmore Ave	77	5761	7,670	\$964.23	0.69%
4423-016-025		375	0	42,710	\$3,131.75	2.23%
4423-016-073	15207 W Sunset Blvd A	287	10413	7,410	\$2,066.84	1.47%
4423-017-003	15113 W Sunset Blvd	50	5434	4,498	\$714.29	0.51%
4423-017-004	15115 W Sunset Blvd	50	5200	4,498	\$699.50	0.50%
4423-017-005	15121 W Sunset Blvd	50	3450	4,498	\$588.87	0.42%
4423-017-006	15125 W Sunset Blvd	50	3270	4,210	\$566.23	0.40%
4423-017-008		50	0	6,500	\$449.05	0.32%
4423-017-009	960 Monument St	200	31327	26,000	\$3,776.52	2.69%
4423-017-023	15135 W Sunset Blvd	92	5921	6,210	\$975.75	0.69%
4423-017-024	984 Monument St 110	212	11778	8,639	\$1,908.78	1.36%
4423-017-026	15101 W Sunset Blvd	257	5369	9,770	\$1,723.30	1.23%
	Total Non-Govt Asmts				\$125,060.57	89.00%
	Total Govt Asmts				\$15,449.03	10.99%
	<b>Total All Asmts</b>				<b>\$140,509.60</b>	<b>100.00%</b>