

City of Los Angeles

CALIFORNIA



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MAYOR

OFFICE OF THE
CITY CLERK

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SPECIAL ASSESSMENTS SECTION

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MIRANDA PASTER
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June 30, 2011

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

Council District 12

REGARDING: OLD GRANADA VILLAGE BUSINESS IMPROVEMENT DISTRICT
RENEWAL

Honorable Members:

This Office has received materials relative to the renewal of the existing Old Granada Village Business Improvement District ("District"), located in Council District 12. The District would be renewed pursuant to the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California). All previous Council actions taken on the current District are contained in Council Files 96-1008, 04-1406 and 07-2188.

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

BACKGROUND

The District is being renewed in accordance with the provisions of the Property and Business Improvement District Law of 1994 (Section 36600 et seq., Streets and Highways Code, State of California)("State Law"), which allows for the renewal of a district in which operations would be supported by revenue collected from property owners in the district.

The proposed District programs include, but are not limited to the following: Image Enhancement, Maintenance, Administration and Special Projects/Contingency.

PRELIMINARY PETITIONS

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

The petitions received indicate affirmative financial support of the project in an amount equivalent to \$61,561.30. This represents 51.95 percent (51.95%) of the proposed District's projected first year assessment revenue of \$118,494. Because the more than 50 percent threshold of preliminary support has been achieved, the formal business improvement district renewal process, including a public hearing before the City Council, may be initiated.

PROPOSED DISTRICT BOUNDARIES

The boundaries of the proposed District are detailed in the Management District Plan and include approximately 12 blocks in Granada Hills. A general description of the boundaries of the District is as follows: The properties fronting Chatsworth Street between Encino Avenue on the east and Aliso Creek on the west, and the commercially zoned properties fronting Zelzah Avenue, Yarmouth Avenue, White Oak Avenue and Shoshone Avenue between Tribune Street on the north and Kingsbury Street on the south.

There are 100 parcels owned by 77 stakeholders in the proposed District. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

DISTRICT RENEWAL AND PROPOSITION 218 COMPLIANCE

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

Proposition 218 also includes certain notice, protest and hearing requirements. Those requirements are codified in the Proposition 218 Omnibus Implementation Act ("Act") (California Government Code Section 53750 et seq.). This report recommends that the

City Council direct the City Clerk to comply with the Act. Renewal of the proposed District is contingent upon the City's receipt of a weighted majority of financially supportive ballots as submitted by the affected property owners. The City Clerk will tabulate the ballot returns and will report the results to the City Council.

EXEMPTION UNDER PROPOSITION 26

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

PROPOSED IMPROVEMENTS AND PROGRAMS

The District is expected to generate \$118,494 annually over a five-year period. Assessments will not be increased during the District's five year operational period. The revenue will be utilized to fund the proposed District's improvements and activities that include, but are not limited to: Image Enhancement, Maintenance, Administration and Special Projects/Contingency.

ASSESSMENT FORMULA AND DISBURSEMENTS

The District's proposed assessment formula is based upon an allocation of program costs by three benefit zones as described in the attached Management District Plan with differing rates depending on type and frequency of special benefit services provided for properties in each zone. Assessments are a calculation of assessable parcel square footage.

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

CONTRACTING WITH OWNERS' ASSOCIATION

Upon the renewal of the District, State law requires that the City enter into an agreement with an Owners' Association for the administration of the District. City policy dictates that competitive bidding requirements are to be met when contracting. However, Charter section 371(e)(10) provides an exception to the competitive bidding requirements, and states, in relevant part, that the competitive bidding process does not apply to contracts "where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements."

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

ASSESSABLE CITY PROPERTY

There are currently no City-owned parcels within the District.

FISCAL IMPACT

There are no City-owned parcels within the District, therefore there is no impact on the General Fund.

RECOMMENDATIONS

1. FIND that the petitions submitted on behalf of the proponents of the proposed Old Granada Village Business Improvement District are signed by property owners who will pay more than fifty (50) percent of the assessments proposed to be levied.
2. FIND that all parcels that will have a special benefit conferred upon them and upon which an assessment would be imposed are those as identified in the Management District Plan.
3. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, the assessment levied on each parcel within the proposed District is proportionate to the special benefit derived from the improvements and activities that are to be provided.
4. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, there are no general benefits to be separated from the special benefits conferred on each parcel within the proposed District.
5. FIND that in accordance with Article XIID of the California Constitution and based on the facts and conclusions contained in the attached Engineer's Report, no assessment imposed on any parcel exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
6. FIND that the assessments for the proposed District are not taxes and that the District qualifies for exemption from Proposition 26 under exemption 7 of Article XIIC §1(e).

7. FIND that the services provided by the Owners' Association are in the nature of professional, expert, technical or other special services, that the services are of a temporary and occasional character, and that the use of competitive bidding would be impractical, not advantageous, undesirable or where the common law otherwise excuses compliance with competitive bidding requirements.
8. APPROVE the Granada Hills Improvement Association to serve as the Owners' Association to administer the Old Granada Village Business Improvement District if the District is renewed.
9. ADOPT the Preliminary Report of the City Clerk.
10. ADOPT the attached Management District Plan.
11. ADOPT the attached Engineer's Report.
12. ADOPT the attached Ordinance of Intention to renew the Old Granada Village Business Improvement District.
13. AUTHORIZE the City Clerk, upon establishment of the District, to prepare, execute and administer a contract between the City of Los Angeles and the Granada Hills Improvement Association, a non-profit corporation, for the administration of the District's programs.
14. DIRECT the City Clerk to comply with the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 et seq.).
15. REQUEST the City Attorney, with the assistance of the City Clerk, to prepare an enabling Ordinance renewing the Old Granada Village Business Improvement District for Council consideration at the conclusion of the required public hearing.

Sincerely,



June Lagmay
City Clerk

JL:HLW:MCP:RMH:PM:ev

Attachments:

Management District Plan
Engineer's Report
Draft Ordinance of Intention

**OLD GRANADA VILLAGE
BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN**

*Formed Under California Streets and Highways Code Section 36600 et seq.
Property Business Improvement District Act of 1994, as amended
(Hereinafter "State Law")*

PRESENTED BY:

GRANADA HILLS IMPROVEMENT ASSOCIATION

APRIL 21, 2011

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OLD GRANADA VILLAGE BUSINESS IMPROVEMENT DISTRICT
MANAGEMENT DISTRICT PLAN
GRANADA HILLS, CALIFORNIA**

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SECTION 1

MANAGEMENT DISTRICT PLAN SUMMARY

The name of the proposed renewed Property-based Business Improvement District is the Old Granada Village Business Improvement District (the “District”). The District is being renewed 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 Granada Hills Improvement Association Board of Directors, the Old Granada Village Business Improvement District Management Plan is proposed to continue to improve and convey special benefits to properties located within the Old Granada Village Business Improvement District area. The District will provide new and continued improvements and activities, including image enhancement, maintenance, and special projects to improve commerce for the individual District property owners and continue the special benefits to individual parcels which began with the establishment of the first District in 1999. Each of the programs is designed to meet the goals of the District: to enhance maintenance in order to draw greater pedestrian activity, to increase building occupancy and lease rates to the parcels within the District, to encourage new business development and to attract ancillary businesses and services for the individual parcels and properties within the District.

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

Budget: The total District budget for the 2011 year of operation is approximately \$118,494 and is composed of the following elements:

Improvements, Activities, Services:

Image Enhancement: \$60,651 (51%)

Maintenance: \$21,218 (18%)

Administration: \$28,644 (24%)

Special Projects/Contingency: \$7,981 (7%)

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: There are three benefit zones in the BID.

- **Zone 1** consists of commercially zoned properties fronting Chatsworth Street between Encino Avenue on the east and Zelzah Avenue on the west. Since pedestrian traffic is highest in this portion of the BID, these properties will receive the maximum services provided by the BID.

- **Zone 2** consists of commercially zoned properties within the BID boundaries which front Zelzah Avenue, Yarmouth Avenue, White Oak Avenue and Shoshone Avenue. These secondary streets have less pedestrian traffic than the properties fronting Chatsworth Street and require a lower level of service from the BID (see below chart of services and frequencies).
- **Zone 3** consists primarily of major shopping centers located west of Zelzah Avenue. These large shopping centers provide landscape, day porter, sweeping and other services within their parcel boundaries for the benefit of their tenants and require little to no such services from the BID. The benefits and services that Zone 3 parcels receive from the BID are limited to administrative and marketing efforts, partial image enhancements (sidewalk benches and light poles/decorations) and minimal maintenance (a few sidewalk trees along Zelzah.)

SERVICE	ZONE 1	ZONE 2	ZONE 3
Landscape Maintenance	1 – 2 times per week	1 time per week	As needed
New benches & trash cans	2 – 4 per block	4 or less in total	2 or less in total
Light pole painting	8 – 10 poles	2 – 4 poles	2 or less poles
Beautification, Landscaping	As needed	As needed	None
Decorative amenities (pole medallions)	12 – 20 medallions	8 or less	4 or less
Cross walk enhancements	16 cross walks	None	1 cross walk
Business directories	2 – 4 signs	None	None
Storefront painting/remodeling	Entire zone	None	None
Sidewalk repairs	As needed	As needed	None
Regular sidewalk sweeping	3 -5 days per week	1 -3 days per week	As needed
Steam cleaning	6 – 10 times per year	3 – 5 times per year	As needed
Trash emptying	Daily	6 days per week	6 days per week
Graffiti removal	As needed	As needed	As needed
Special Events	Seasonally	Not applicable	Not applicable
Marketing and Promotions	Based upon programs	Based upon programs	Based upon programs
Newsletters	Quarterly	Quarterly	Quarterly
Advertising	As determined	As determined	As determined
Administration	Ongoing oversight	Ongoing oversight	Ongoing oversight

Cost: Annual assessments are based upon an allocation of program costs and a calculation of assessable footage.

Cap: Annual assessments will not be increased during the 5 year life of the District.

District Renewal: District renewal 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 weighed 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, 2011 and ending December 31, 2015.

Governance: The Owner's 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 Owner's Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

Section 2

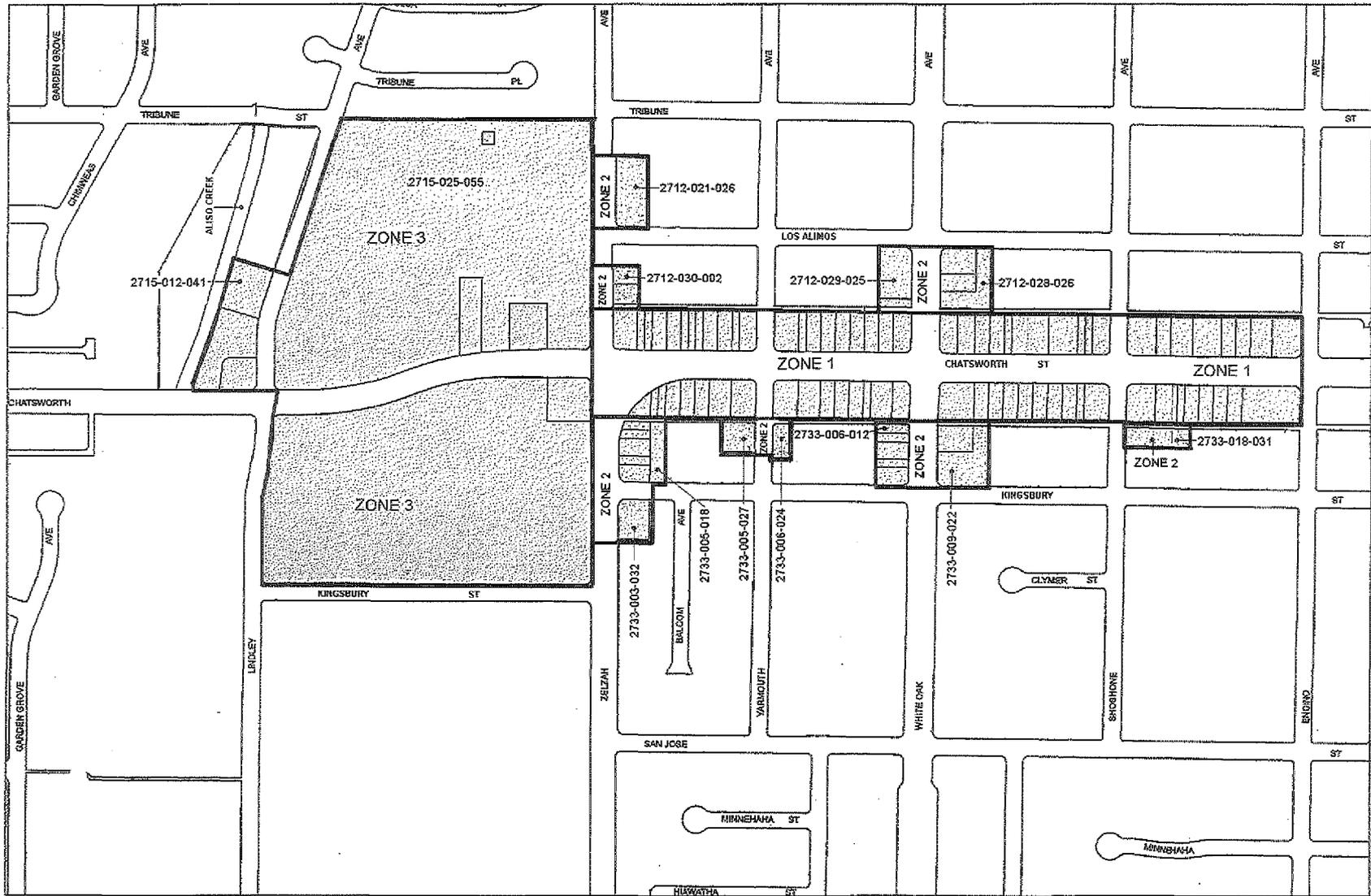
OLD GRANADA VILLAGE BUSINESS IMPROVEMENT DISTRICT BOUNDARIES

The boundaries of the district have been determined based upon the commercially zoned, retail related properties in the heart of Old Granada Hills Village, and are described as follows:

Beginning at the northeast corner of the intersection of Lindley Avenue and Kingsbury Street; thence east along the north side of Kingsbury Street to the northwest corner of the intersection of Kingsbury Street and Zelzah Avenue; thence north along the west side of Zelzah Avenue to the westerly prolongation of the south side of Parcel 2733-003-032; thence east along the south side of Parcel 2733-003-032 and its westerly prolongation to the southeast corner of Parcel 2733-003-032; thence north along the east side of Parcel 2733-003-032 and its northerly prolongation to the north side of Kingsbury Street; thence east along the north side of Kingsbury Street to the southeast corner of Parcel 2733-005-018; thence north along the east side of Parcel 2733-005-018 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the northerly prolongation of the west side of Parcel 2733-005-027; thence south along the west side of Parcel 2733-005-027 and its northerly prolongation to the southwest corner of said Parcel; thence east along the south side of Parcel 2733-005-027 and its easterly prolongation to the east side of Yarmouth Avenue; thence south along the east side of Yarmouth Avenue to the southwest corner of Parcel 2733-006-024; thence east along the south side of Parcel 2733-006-024 to the southeast corner of said Parcel; thence north along the east side of Parcel 2733-006-024 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the northerly prolongation of the west side of Parcel 2733-006-012; thence south along the west side of Parcel 2733-006-012 and its northerly prolongation to the north side of Kingsbury Street; thence east along the north side of Kingsbury Street to the southeast corner of Parcel 2733-009-022; thence north along the east side of Parcel 2733-009-022 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street and its easterly prolongation to the east side of Shoshone Street; thence south along the east side of Shoshone Street to the southwest corner of Parcel 2733-018-031; thence east along the south side of Parcel 2733-018-031 to the southeast corner of said Parcel; thence north along the east side of Parcel 2733-018-031 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the west side of Encino Avenue; thence north along the west side of Encino Avenue to the north side of the Parcels fronting the north side of Chatsworth Street; thence west along the north side of the Parcels fronting the north side of Chatsworth Street to the southerly prolongation of the east side of Parcel 2712-028-026; thence north along the east side of Parcel 2712-028-026 and its southerly prolongation to the south side of Los Alimos Street; thence west along the south side of Los Alimos Street to the northwest corner of Parcel 2712-029-025; thence south along the west side of Parcel 2712-029-025 and its southerly prolongation to the north side of the Parcels fronting the north side of Chatsworth Street; thence west along the north side of the Parcels fronting the north side of Chatsworth Street to the southerly prolongation of the east side of Parcel 2712-030-002; thence north along the east side of Parcel 2712-030-002 and its southerly

prolongation to the northeast corner of said Parcel; thence west along the north side of Parcel 2712-030-002 and its westerly prolongation to the west side of Zelzah Avenue; thence north along the west side of Zelzah Avenue to its intersection with the westerly prolongation of the north side of Los Alimos Street; thence east along the north side of Los Alimos Street and its westerly prolongation to the southeast corner of Parcel 2712-021-026; thence north along the east side of Parcel 2712-021-026 to the northeast corner of said Parcel; thence west along the north side of Parcel 2712-021-026 and its westerly prolongation to the west side of Zelzah Avenue; thence north along the west side of Zelzah Avenue to the northeast corner of Parcel 2715-025-055; thence west along the north side of Parcel 2715-025-055 to the east side of Lindley Avenue; thence south along the east side of Lindley Avenue to its intersection with the easterly prolongation of the north side of Parcel 2715-012-041; thence west along the north side of Parcel 2715-012-041 and its easterly prolongation to the east side of Aliso Creek; thence southerly along the east side of Aliso Creek to the north side of Chatsworth Street; thence east along the north side of Chatsworth Street to the northeast corner of the intersection of Chatsworth Street and Lindley Avenue; thence south along the east side of Lindley Avenue to the point of beginning.

The parcels that front Chatsworth Street between Encino and Zelzah receive the most benefits from the BID's activities and are the central focus of the "old village" portion of the BID district. As a result, these parcels are assessed the highest rates of all three parcels as described throughout this plan and as reflected in the budget allocation between the zones and each zone's corresponding benefits. The parcels that do not front Chatsworth Street between Encino and Zelzah but rather front the cross-streets of Shoshone, White Oak, Yarmoth and the East side of Zelzah receive the 2nd greatest benefit from the BID's activities and therefore are assessed a lower rate than Zone 1 parcels as described throughout this plan and as reflected in the budget allocation of funds and services to each zone. Finally, the parcels West of Zelzah, which are primarily the two large shopping centers, receive the least amount of benefits from the BID's activities and therefore have the lowest assessment rate. Again, this lowest assessment rate is demonstrated in the budget matrix of allocated services and funds to each zone as well as described throughout this plan.



 B.I.D. PROPERTIES (PROPERTY BASED)
 B.I.D. BOUNDARY

OLD GRANADA VILLAGE
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
 Not to Scale



District Boundary Rationale

In order to ensure parcels outside the district will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to individual assessed properties within the boundaries of the District. Specifically, maintenance and similar service providers employed in connection within the District will not provide services outside District boundaries, nor will District promotional efforts promote activities outside District boundaries.

Northern Boundary: The northern boundary of the Old Granada Village Business Improvement District was determined by the zoning of the parcels north of the District boundaries. The properties located to the north of the District boundaries are zoned for residential purposes 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.

All of the services provided, such as maintenance of Old Granada Village, are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels within the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District.

Eastern Boundary: The properties located to the east of the District boundaries are a mix of properties zoned primarily for residential purposes, including higher density duplex, quadplex and larger multi-family buildings, as well as a limited number of non-retail and non-traditional quasi-retail related businesses all of which lack "storefronts" and thus are outside of the purpose and target of this BID, which is to serve commercially zoned properties. The property parcels West of Encino within the BID boundaries are 100% zoned commercial rather than a miss-match of residential and commercial zoning East of Encino, which do not share the same needs as the properties within the District boundaries. In conclusion, the limited number of commercially zoned properties West of Encino is sparsely mixed with a majority of residential parcels and therefore does not cohesively or densely extend commercial zoned parcels more than a partial block making Encino a natural and reasonable boundary for the BID.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District.

Southern Boundary: The southern boundary of the Old Granada Village Business Improvement District was determined by the zoning of the parcels south of the District boundaries. The properties located to the south of the District boundaries and East of Zelzah are zoned for residential purposes and as per State of California Streets and Highways Code Section 36632.(c) are conclusively presumed not to benefit from the improvements and services funded through these assessments. The property to the south of the District boundary and West of Zelzah is a charter high school, which is surrounded by a security fence and is self-maintained within its parcel boundary and for similar reasons is presumed not to benefit from the improvements and services funded through these assessments.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District.

Western Boundary: The western boundary of the Old Granada Village Business Improvement District was determined where the commercially zoned parcels end along Chatsworth. The majority, if not all, of parcels West of the boundary are zoned for residential purposes and as per State of California Streets and Highways Code Section 36632.(c) are conclusively presumed not to benefit from the improvements and services funded through these assessments, which primarily benefit commercial zoned areas where businesses and pedestrian traffic is expected. Moreover, the flood control channel is a physical boundary that practically cuts off the commercial areas to the East and the residential areas to the West. Both the parcel zoning and the flood control channel make for a natural and practical boundary to the BID.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District.

SECTION 3

DISTRICT IMPROVEMENTS AND ACTIVITY PLAN

Process to Establish the Improvement and Activity Plan

Through a series of property owner meetings the Old Granada Village Business Improvement District Renewal Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were: maintenance, promotion, administration and streetscape improvements (“Image Enhancements”). All of the improvements and activities detailed below are provided only to the properties defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the properties within the proposed District. No improvements 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 individual assessed properties in this specialized zone. In as much as no services will be provided outside the District boundaries and each of the services: maintenance, promotion, administration and image enhancement are unique to the District and to each of the District properties all benefits provided are particular and distinct to each property.

All benefits derived from the assessments outlined in the Management District Plan are for services directly benefiting the assessed property within this area and support increased commerce, business attraction and retention and enhanced overall safety and image of individual properties within the commercial core. All maintenance, promotion and streetscape improvements are provided solely to properties within the district to enhance the image and viability of properties and businesses within the Old Granada Village Business Improvement District. They are designed only for the direct special benefit of the assessed commercially zoned properties in the District. No services will be provided to non-assessed parcels outside the district boundaries.

As stipulated by Prop 218, assessment district programs and activities may confer a combination of general and special benefits to properties, but the only program benefits which can be funded through assessments are those attributed to special property related benefits.

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 benefit unique and special to identified properties resulting from the improvement, activity, or service to be provided by the assessment levied”.

Existing City services will be enhanced, not replaced or duplicated, by new Management District services.

The total improvement and activity plan for 2011, which is funded entirely by property assessments, is projected at \$118,494. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services for the last 10 years. Actual service frequency may vary in order to match varying District needs over the five year life of the District. The budget is made up of the following components.

Image Enhancement

The Image Enhancement category includes: a) Streetscape Improvements – inclusive of landscaped medians, and cleaning of parkways and sidewalks in all three zones; additional street furniture and tree planting; balance of street light poles will be painted; decorative amenities such as medallions or

flags, for example, may be affixed to the street light poles; crosswalk enhancements and other improvements, as approved by the Owner's Association; b) The Marketing/Promotions budget will include newsletters and other promotional materials, seasonal decorations, special events and other programs that will promote the BID.

Services will only be provided within the BID boundaries. These services are designed to increase foot traffic, improve the commercial core, increase marketing of commercial entities in the District and improve the aesthetic appearance of the District. Because the services focus on increasing commercial activity for the individual assessed parcels within the district boundaries only, any spillover of general benefits to the surrounding community is intangible and unquantifiable. It is not feasible to measure the general benefits.

Maintenance

Trees will be kept trimmed and shaped to maintain pedestrian clearance. Newly planted trees will be watered on a regular basis until mature enough to be self-sustaining, at which time the funds will be re-allocated towards additional maintenance services. Landscaped medians will be kept clear of trash and debris, weeded weekly, and fertilized regularly. Irrigation systems will be continually checked and serviced. Sidewalks will be kept clean and benches will be wiped down and kept graffiti free. These services will be primarily provided in Zones 1 and 2 since similar services are already provided in Zone 3 by the individual parcel owners, which consists primarily of the two large shopping centers.

Administration

Included in the Administration component are the costs for a part-time Executive Director, bookkeeping, office expenses, legal and accounting fees, bank charges, annual report, Directors & Officers and General Liability insurance. Services will be provided in all three Zones.

Special Projects/Contingency

The Special Projects/Contingency budget includes City/County collection fees, and additional projects the Owners' Association (BID) deems appropriate such as programs to incentivize property owners to remodel storefronts or make other improvements, advertising campaigns, and leasing assistance, and will only be provided within the BID boundaries.

Each of the aforementioned programs, improvements and services are designed to provide special benefits to individual commercial parcels within the BID boundaries only.

The proposed BID assessments will only be levied on identified properties within the BID boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to individual assessed parcels and to improve the economic vitality of these properties and the aesthetic appearance of the District. Inasmuch as no services will be provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

Five Year Operating Budget

A projected five-year operating budget for the Old Granada Village Business Improvement District is provided below. The BID proposes no increases in the assessment rates throughout the term, which means the 2011 rates shall remain the same for the balance of the operating period 2012-2015.

**LIST OF IMPROVEMENTS AND ACTIVITIES PROPOSED FOR EACH YEAR OF OPERATION
AND MAXIMUM COSTS**

Budget & Assessment Rate by Parcel

SERVICE	ZONE 1	ZONE 2	ZONE 3	TOTAL
IMAGE ENHANCEMENT	\$ 37,843	\$ 7,192	\$ 15,616	\$ 60,651
MAINTENANCE	\$ 18,218	\$ 3,000	\$ -	\$ 21,218
ADMINISTRATION	\$ 18,990	\$ 3,854	\$ 5,800	\$ 28,644
SPECIAL PROJECTS/ CONTINGENCY	\$ 4,005	\$ 1,500	\$ 2,476	\$ 7,981
TOTALS:	\$ 79,056	\$ 15,546	\$ 23,892	\$ 118,494

SQ. FT. SIZE OF ZONE	547,932	215,487	1,657,566	2,420,985
ASSESSMENT RATES (Zone Budget \$ / Zone Sq.Ft.)	\$ 0.1443	\$ 0.0721	\$ 0.0144	

Annual Projected Budget for BID Term

<u>IMPROVEMENTS</u>	<u>2011</u>	<u>2012**</u>	<u>2013**</u>	<u>2014**</u>	<u>2015**</u>
IMAGE ENHANCEMENT	\$60,651	\$60,651	\$60,651	\$60,651	\$60,651
MAINTENANCE	\$21,218	\$21,218	\$21,218	\$21,218	\$21,218
ADMINISTRATION	\$28,644	\$28,644	\$28,644	\$28,644	\$28,644
SPECIAL PROJECTS/ CONTINGENCY	\$ 7,981	\$ 7,981	\$ 7,981	\$ 7,981	\$ 7,981
TOTAL*	\$118,494	\$118,494	\$118,494	\$118,494	\$118,494

* Plus any rollover funds as defined in 2010 District Rollover paragraph below. Note: Any accrued interest or delinquent payments will be expended in the above categories.

** No CPI increase adjustment will be adopted during the BID term

2010 District Rollover

Any unexpended assessment funds at the end of the current Old Granada Village Business Improvement District will be rolled over to the renewed Old Granada Village Business Improvement District and will be added to each budget item based on the percentage of each budget line item.

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. Each annual budget, including surpluses from rollover, will be outlined in the annual planning report submitted to City Council for approval.

Bonds

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

SECTION 4**ASSESSMENT METHODOLOGY**

The method of financing the special services is based upon the levy of assessments on real property that benefit from proposed improvements and activities. This represents a "benefit assessment district" as defined in the State Law.

Each property owner will pay based on benefit received. The variable used for the assessment formula is gross lot square footage. Lot square footage is relevant to the highest and best use of a property and will reflect the long-term value implications of the BID. The property owners have endorsed this method as the most fair and equitable for apportionment of individual assessments to participating parcels. Lot size will be assessed based upon the data submitted to the City.

The BID Property Variable:

<i>Property Variable</i>	<i>Total in BID</i>
Lot Size	2,420,985 gross square feet

Annual BID Rates, Quantities and Revenue by Zone

<i>Property Variable</i>	<i>Total in BID</i>	<i>Year 1-5 Annual Rates</i>	<i>Revenue Generated by Variable, First Year</i>
Zone 1	547,932 sq. feet	\$0.1443	\$79,055.93
Zone 2	215,487 sq. feet	\$0.0721	\$15,545.53
Zone 3	1,657,566 sq. feet	\$0.0144	\$23,892.30
Total	2,420,985 sq. feet		\$118,493.76

Assessment Formula:

(Lot size x rate per square foot) = assessment. For example, a parcel in Zone 1 with 1,000 square feet of parcel area would pay approximately \$1,360.00 per year (1,000 x .136= 1360.00). The same parcel in Zone 2 would pay approximately \$680 per year (1,000 x .068=680). The same parcel in Zone 3 would pay approximately \$136 per year (1,000 x .0136=136).

Maximum Annual Assessment Adjustments

There will be no increases to the annual assessment during the 5 year life of the District.

Future Development

As future new development occurs within the District, current property characteristics and parcel configurations may also change. This may occur due to various land related modifications such as new subdivisions, lot line adjustments, reversions to acreage and parcel consolidations. In turn, parcel size and changes in street frontage measurements affecting parcel size may occur. Any such modifications will result in recalculation of assessments for new and/or modified parcels based on assessment rates in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Plan and the Engineer's Report.

It is noted that any change in assessment formula methodology or rates other than as stipulated in the this Plan and the Engineer's Report would require a new Proposition 218 ballot procedure in order to approve 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 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 the first fiscal year of operation and then by the County for all subsequent years. Any delinquent assessments owed for the first years will be added to the 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 the 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 2010 assessments if the District is not renewed.

Government Assessments

The Old Granada Village Business Improvement District Management Plan assumes that the City of Los Angeles and other governmental entities will pay assessments for property owned within the boundaries of the District. Article XIII D of the California Constitution was added in November of 1996 to provide for these payments.

Proposition 218, also known as "The Right to Vote on Taxes Act states *"Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."*

Currently, there are no governmental owned parcels in the Old Granada Village Business Improvement District.

Residential Assessments

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.

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 Old Granada Village Business Improvement District has not adopted any rules.

SECTION 6

IMPLEMENTATION TIMETABLE

The Old Granada Village Business Improvement District is expected to begin implementation of the Management District Plan on January 1, 2011. Consistent with State law the Old Granada Village Business Improvement District will have a five-year life through December 31, 2015.

SECTION 7

PARCEL ROLL AND ANNUAL ASSESSMENTS

APN	YR 1 ASSMT
2712-021-026	\$1,977.54
2712-027-026	\$988.03
2712-027-027	\$1,185.99
2712-027-028	\$1,778.98
2712-027-029	\$1,481.91
2712-027-030	\$988.03
2712-027-031	\$1,964.09
2712-027-033	\$1,967.12
2712-027-036	\$1,481.91
2712-028-001	\$773.86
2712-028-013	\$1,173.43
2712-028-014	\$494.02
2712-028-015	\$494.02
2712-028-016	\$1,976.64
2712-028-020	\$494.02
2712-028-021	\$988.03
2712-028-022	\$988.03
2712-028-023	\$1,185.99
2712-028-024	\$1,175.89
2712-028-025	\$519.78
2712-028-026	\$1,277.48
2712-028-027	\$2,470.80
2712-029-016	\$1,173.43
2712-029-017	\$988.03
2712-029-018	\$988.03
2712-029-019	\$988.03
2712-029-020	\$988.03
2712-029-021	\$988.03
2712-029-022	\$988.03
2712-029-023	\$494.02
2712-029-024	\$1,667.31
2712-029-025	\$1,421.98
2712-029-026	\$237.85
2712-030-012	\$1,173.43

APN	YR 1 ASSMT
2712-030-013	\$494.02
2712-030-014	\$988.03
2712-030-015	\$988.03
2712-030-016	\$494.02
2712-030-017	\$494.02
2712-030-018	\$494.02
2712-030-019	\$988.03
2712-030-020	\$988.03
2712-030-032	\$2,581.18
2715-012-039	\$192.13
2715-012-040	\$481.33
2715-012-041	\$339.77
2715-025-048	\$302.26
2715-025-055	\$11,973.52
2731-008-022	\$318.65
2731-008-023	\$10,284.64
2733-003-032	\$1,096.41
2733-005-003	\$434.28
2733-005-004	\$441.21
2733-005-005	\$905.65
2733-005-006	\$930.18
2733-005-010	\$1,406.59
2733-005-018	\$757.34
2733-005-021	\$230.64
2733-005-024	\$206.76
2733-005-025	\$194.49
2733-005-026	\$1,581.89
2733-005-027	\$738.01
2733-005-031	\$937.68
2733-005-032	\$455.65
2733-005-033	\$727.17
2733-005-034	\$448.43
2733-006-006	\$937.68
2733-006-007	\$937.68

APN	YR 1 ASSMT
2733-006-008	\$937.68
2733-006-009	\$468.91
2733-006-010	\$1,406.59
2733-006-011	\$1,112.98
2733-006-012	\$237.85
2733-006-013	\$237.85
2733-006-014	\$476.06
2733-006-015	\$237.85
2733-006-016	\$469.78
2733-006-025	\$1,406.59
2733-006-026	\$1,581.89
2733-009-001	\$2,240.53
2733-009-002	\$937.68
2733-009-003	\$937.68
2733-009-004	\$937.68
2733-009-005	\$937.68
2733-009-006	\$937.68
2733-009-007	\$937.68
2733-009-008	\$937.68
2733-009-009	\$468.91
2733-009-010	\$1,581.31
2733-009-021	\$780.07
2733-009-022	\$1,033.71
2733-018-012	\$1,862.81
2733-018-013	\$704.53
2733-018-014	\$468.91
2733-018-015	\$937.68
2733-018-016	\$937.68
2733-018-017	\$937.68
2733-018-018	\$937.68
2733-018-031	\$1,031.62
2733-018-806	\$3,741.63
Total	\$118,493.76

ATTACHMENT A

**OLD GRANADA VILLAGE
BUSINESS IMPROVEMENT DISTRICT
ENGINEER'S REPORT**

**OLD GRANADA VILLAGE
BUSINESS IMPROVEMENT DISTRICT**

ATTACHMENT A

**DISTRICT
ASSESSMENT ENGINEER'S
REPORT**

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

APRIL 6, 2011

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 renewed Old Granada Village Business Improvement District ("OGVBID") 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



Edward V. Henning

Edward V. Henning

RPE #26549

4-6-11

Date

(NOT VALID WITHOUT CERTIFICATION SEAL AND SIGNATURE HERE)

Introduction

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

Background

The OGVBID is a property-based benefit assessment district being renewed as a Property and Business Improvement District (PBID) under California Streets and Highways Code Section 36600 et seq. Property and Business Improvement District Act of 1994, as amended (hereinafter "State Law"). Due to the benefit assessment nature of assessments levied within a PBID, district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of program benefit each property is expected to derive from the assessments collected. Within the State Law, frequent references are made to the concept of relative "benefit" received from PBID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from PBID funded programs and activities may be assessed and only in an amount proportional to the relative benefits expected to be received.

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

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

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

From this, the value of a basic benefit unit or "basic net unit cost" can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be

computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all properties within the PBID.

The method and basis of spreading program costs varies from one PBID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the District. PBIDs may require secondary benefit zones to be identified to allow for a tiered assessment formula for variable benefits derived.

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 OGVBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIII D of the California Constitution.

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

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

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

Each of the “identified” individual parcels within the OGVBID will derive special benefit from the District programs and activities. The benefits are special and unique only to the identified properties within the District because programs and services (i.e. image enhancement; maintenance; administration; and special projects/contingency) will only be provided directly for the identified properties. These identified benefiting parcels are shown on the Boundary Map within the Management District Plan and are listed as an attachment to the Plan and this Report - identified by assessor parcel number. Three benefit zones have been identified within the OGVBID:

Zone 1: Includes both sides of Chatsworth Street, the major commercial thoroughfare in the Old Granada Village, between Zelzah Avenue on the west and Encino Avenue on the east. Zone 1 has the highest level of pedestrian and auto traffic and retail density, and, in turn, the greatest demand and need for BID funded services. Zone 1 properties receive maximum special benefits and a full array of services and programs at the highest level within the BID as shown on the service frequency table on page 10. Zone 1 BID funded services and programs include image enhancement, regular maintenance, administration and special

projects/contingency.

Zone 2: Includes the commercial portions of secondary streets in Old Granada Village inclusive of Zelzah Avenue, Yarmouth Avenue, White Oak Avenue and Shoshone Avenue. These secondary streets have less pedestrian and auto traffic and retail density than Zone 1 and, in turn, a lower demand and need for BID funded services. Zone 2 properties receive a moderate degree, estimated at 50%, of special benefit services and programs compared with Zone 1 as shown on the service frequency table on page 10. Zone 2 BID funded services and programs include image enhancement, regular maintenance, administration and special projects/contingency.

Zone 3: Includes several parcels west of Zelzah Avenue consisting primarily of two major shopping centers. These centers currently provide self-funded and regular uniform programmed physical services such as landscaping, day porters, sweeping and other related services around their perimeter and within their parcel boundaries for the benefit of their business tenants and do not need many of the uniform programmed services provided by the BID. It is noted, and stressed, that one of the prime reasons for enabling business improvement districts to be formed via State statute is due to the inability of business districts to be managed, maintained, secured and promoted on a uniform and regular professional basis as their shopping center counterparts which have the advantage of single ownership and “common area” fees assessed and collected through store rents. As such, the Zone 3 properties do not have the same unmet needs as properties within Zones 1 and 2. Zone 3 properties receive a low degree, estimated at 10%, of special benefit services and programs from the BID compared with Zone 1 as shown on the service frequency table on page 10. Zone 3 BID funded services and programs include image enhancement (marketing, advertising, periodic sidewalk cleaning, light pole painting/decorations), administration and special projects/contingency.

All identified parcels and uses within the OGV BID will be assessed to fund special benefit services as outlined in this Report. Each identified parcel will benefit proportionately to the BID funded programs and services based on its benefit zone, the levels of service provided and the assessed property characteristic (land area).

Boundary Description and Rationale

The boundaries of the renewed Old Granada Village Business Improvement District are generally bounded on the east by Encino Avenue, on the south by Kingsbury Street, on the west by Lindley Avenue and the retail parcels west of Lindley between Chatsworth Street and Tribune Street, and on the north by Tribune Street and Los Alimos Street. The boundaries of the district represent the contiguous, retail related properties in the heart of Old Granada Hills Village, and are more specifically described as follows:

Beginning at the northeast corner of the intersection of Lindley Avenue and Kingsbury Street; thence east along the north side of Kingsbury Street to the northwest corner of the intersection of Kingsbury Street and Zelzah Avenue; thence north along the west side of Zelzah Avenue to the westerly prolongation of the south side of Parcel 2733-003-032; thence east

along the south side of Parcel 2733-003-032 and its westerly prolongation to the southeast corner of Parcel 2733-003-032; thence north along the east side of Parcel 2733-003-032 and its northerly prolongation to the north side of Kingsbury Street; thence east along the north side of Kingsbury Street to the southeast corner of Parcel 2733-005-018; thence north along the east side of Parcel 2733-005-018 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the northerly prolongation of the west side of Parcel 2733-005-027; thence south along the west side of Parcel 2733-005-027 and its northerly prolongation to the southwest corner of said Parcel; thence east along the south side of Parcel 2733-005-027 and its easterly prolongation to the east side of Yarmouth Avenue; thence south along the east side of Yarmouth Avenue to the southwest corner of Parcel 2733-006-024; thence east along the south side of Parcel 2733-006-024 to the southeast corner of said Parcel; thence north along the east side of Parcel 2733-006-024 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the northerly prolongation of the west side of Parcel 2733-006-012; thence south along the west side of Parcel 2733-006-012 and its northerly prolongation to the north side of Kingsbury Street; thence east along the north side of Kingsbury Street to the southeast corner of Parcel 2733-009-022; thence north along the east side of Parcel 2733-009-022 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street and its easterly prolongation to the east side of Shoshone Street; thence south along the east side of Shoshone Street to the southwest corner of Parcel 2733-018-031; thence east along the south side of Parcel 2733-018-031 to the southeast corner of said Parcel; thence north along the east side of Parcel 2733-018-031 and its northerly prolongation to the south side of the Parcels fronting the south side of Chatsworth Street; thence east along the south side of the Parcels fronting the south side of Chatsworth Street to the west side of Encino Avenue; thence north along the west side of Encino Avenue to the north side of the Parcels fronting the north side of Chatsworth Street; thence west along the north side of the Parcels fronting the north side of Chatsworth Street to the southerly prolongation of the east side of Parcel 2712-028-026; thence north along the east side of Parcel 2712-028-026 and its southerly prolongation to the south side of Los Alimos Street; thence west along the south side of Los Alimos Street to the northwest corner of Parcel 2712-029-025; thence south along the west side of Parcel 2712-029-025 and its southerly prolongation to the north side of the Parcels fronting the north side of Chatsworth Street; thence west along the north side of the Parcels fronting the north side of Chatsworth Street to the southerly prolongation of the east side of Parcel 2712-030-002; thence north along the east side of Parcel 2712-030-002 and its southerly prolongation to the northeast corner of said Parcel; thence west along the north side of Parcel 2712-030-002 and its westerly prolongation to the west side of Zelzah Avenue; thence north along the west side of Zelzah Avenue to its intersection with the westerly prolongation of the north side of Los Alimos Street; thence east along the north side of Los Alimos Street and its westerly prolongation to the southeast corner of Parcel 2712-021-026; thence north along the east side of Parcel 2712-021-026 to the northeast corner of said Parcel; thence west along the north side of Parcel 2712-021-026 and its westerly prolongation to the west side of Zelzah Avenue; thence north along the west side of Zelzah Avenue to the northeast corner of Parcel 2715-025-055; thence west along the north side of Parcel 2715-025-055 to the east side of Lindley Avenue; thence south along the east side of Lindley Avenue to its intersection with the easterly prolongation of the north side of Parcel 2715-012-041; thence west along the north side of Parcel 2715-012-041 and its easterly prolongation to the east side of Aliso Creek; thence southerly along the east side of Aliso Creek to the north side of Chatsworth Street; thence east along the north side of Chatsworth Street to the northeast

corner of the intersection of Chatsworth Street and Lindley Avenue; thence south along the east side of Lindley Avenue to the point of beginning.

District Boundary Rationale

In order to ensure parcels outside the district will not specifically benefit from the improvements and services funded with the assessment, improvements and services will only be provided to individual assessed properties within the boundaries of the District. Specifically, maintenance and similar service providers employed in connection within the District will not provide services outside District boundaries, nor will District promotional efforts promote activities outside District boundaries.

Northern Boundary: The northern boundary of the Old Granada Village Business Improvement District is somewhat irregular and was determined by the parcel zoning and land uses along the northern edge of the District. Generally, commercially zoned and used properties located between Chatsworth Street and Los Alimos Street (east of Zelzah Avenue) and between Chatsworth Street and Tribune Street west of Zelzah are included in the District. All other parcels along the northern edge are either zoned residential or have residential uses and are excluded from the District boundaries. Per State of California Streets and Highways Code Section 36632(c) residentially zoned properties are conclusively presumed not to benefit from the improvements and service funded through these assessments.

All of the services provided, such as maintenance of Old Granada Village, are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels within the boundaries of the District.

Eastern Boundary: The area to the east of Encino Avenue is a mix of properties zoned for residential purposes and non-retail related businesses or land uses, many without conventional storefronts. These properties do not share the same needs as the properties within the District boundaries in the area historically known to all as the Old Granada Village business district and thus, are excluded from the District boundaries. No services are provided to any properties located east of Encino Avenue.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels with the boundaries of the District.

Southern Boundary: The southern boundary of the Old Granada Village Business Improvement District is somewhat irregular and was determined by the parcel zoning and land uses along the southern edge of the District. Generally, commercially zoned and used properties located between Chatsworth Street and Kingsbury Street are included in the District. All other parcels along the southern edge are either zoned residential or have residential uses and are excluded from the District boundaries. Per State of California Streets and Highways Code Section 36632(c) residentially zoned properties are conclusively presumed not to benefit from the improvements and service funded through these assessments.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels with the boundaries of the District.

Western Boundary: The western boundary of the Old Granada Village Business Improvement District was determined by the zoning and land uses of the parcels along the western edge of the District. The properties generally located to the west of Lindley Avenue and/or the Aliso Creek Flood Control Channel are zoned for residential purposes 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.

All of the services provided, such as maintenance of Old Granada Village are services that are over and above the City's baseline level of services and are not provided by the City. These services are not provided outside the District and because of the unique nature of these services focusing on the particular needs of each property within the District provide particular and distinct benefits to each of the parcels with the District. Each property within the District receives special benefits and is assessed regardless of property use. In order to ensure that parcels outside of District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual parcels with the boundaries of the District.

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

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

In the case of the OGV BID, the very nature of the purpose of this district is to fund supplemental programs, improvements and services within the PBID boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources.

The following special benefit services shall only be provided to benefiting parcels within the district at a frequency and extent determined by their benefit zone.

Image Enhancement (\$60,651)

The Image Enhancement category includes: a) Streetscape Improvements – inclusive of new landscaped medians and parkways; additional street furniture and tree planting; balance of street light poles will be painted; decorative amenities such as medallions or flags, for example, may be affixed to the street light poles; crosswalk enhancements and other improvements, as approved by the Owner’s Association; b) The Marketing/Promotions program will include newsletters and other promotional materials, seasonal decorations, special events and other programs that will promote the BID; c) Periodic, as needed, sidewalk cleaning in Zone 3 and coordination of volunteer district-wide “cleanup days” with area High Schools.

Services will only be provided within the BID boundaries. These services are designed to increase foot traffic, improve the commercial core, increase marketing of commercial entities in the District and improve the aesthetic appearance of the District. Because the services focus on increasing commercial activity within the district boundaries only, any spillover of general benefits to the surrounding community is intangible and unquantifiable. It is not feasible to measure the general benefits.

Maintenance (\$21,218)

Trees will be kept trimmed and shaped to maintain pedestrian clearance. Newly planted trees will be watered on a regular basis until mature enough to be self-sustaining, at which time the funds will be re-allocated towards additional maintenance services. Landscaped medians will be regularly kept clear of trash and debris, weeded weekly, and fertilized on a scheduled basis. Irrigation systems will be continually checked and serviced. Sidewalks will be regularly kept clean and benches will be wiped down and kept graffiti free. These regularly programmed services will only be provided in Zones 1 and 2 with no regular services provided by the BID in Zone 3 since they are already provided with similar services by the two shopping centers in Zone 3. Zone 2 will have half the service level of Zone 1 because of lower need and demand for these maintenance services.

Administration (\$28,644)

Included in the Administration component are the costs for a part-time Executive Director, bookkeeping, office expenses,

legal and accounting fees, bank charges, annual report, Directors & Officers and General Liability insurance. Services will be provided in all three zones, pro-rated based on the percent of targeted revenue to be generated by each zone.

Special Projects/Contingency (\$7,981)

The Special Projects/Contingency budget includes City/County collection fees, and additional projects the Owners' Association (BID) deems appropriate such as incentives to property owners for storefront remodeling and other physical property improvements, marketing of lease space availability, and supplemental special advertising campaigns. Services will be provided in all three zones, pro-rated based on the projected special benefits to be derived by properties within each zone. Each of these programs, improvements and services are designed to provide special benefits to individual commercial parcels within the BID boundaries only.

The proposed BID assessments will only be levied on identified properties within the BID boundaries and assessment revenues will be spent to deliver services that provide a direct and special benefit to assessed parcels and to improve the economic vitality of these properties and the aesthetic appearance of the District.. Inasmuch as no services will be provided beyond the BID boundaries to the surrounding communities or to the public in general, any general benefit is unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

Frequency of Services

The service frequencies, as shown in the table below, are pre-programmed and determined by the costs apportioned to each benefiting zone. Benefit Zone 1 parcels will derive the greatest benefit and shall pay for all special benefit services. Benefit Zone 2 parcels will receive approximately half of the overall levels of service as Zone 1. Benefit Zone 3 parcels will be provided with very basic levels of service (including little or no maintenance services) with an estimated 10% of the services of Zone 1.

SERVICE	ZONE 1	ZONE 2	ZONE 3
Landscape Maintenance	1 – 2 times per week	1 time per week	As needed
New benches & trash cans	2 – 4 per block	4 or less in total	2 or less in total
Light pole painting	8 – 10 poles	2 – 4 poles	2 or less poles
Beautification, Landscaping	As needed	As needed	None
Decorative amenities (pole medallions)	12 – 20 medallions	8 or less	4 or less
Cross walk enhancements	16 cross walks	None	1 cross walk
Business directories	2 – 4 signs	None	None
Storefront painting/remodeling	Entire zone	None	None
Sidewalk repairs	As needed	As needed	None
Regular sidewalk sweeping	3 -5 days per week	1 -3 days per week	As needed
Steam cleaning	6 – 10 times per year	3 – 5 times per year	As needed
Trash emptying	Daily	6 days per week	6 days per week
Graffiti removal	As needed	As needed	As needed
Special Events	Seasonally	Not applicable	Not applicable
Marketing and Promotions	Based upon programs	Based upon programs	Based upon programs
Newsletters	Quarterly	Quarterly	Quarterly
Advertising	As determined	As determined	As determined
Administration	Ongoing oversight	Ongoing oversight	Ongoing oversight

Five Year Operating Budget:

A projected five-year operating budget for the OGVVID is shown below. Assessment rates will remain fixed through the five year term of the District and budget line items, unless reallocated as stipulated in the Management Plan, will remain the same.

Revenues for specific programs may be reallocated from year-to-year among District activities within a 10% range within each budget line item and may not exceed 10% of the total budget for all program and activities. If deviation in a budget line item exceeds 10%, or if the District decides to make budget allocation changes that exceed 10% of the total budget for all programs, improvements and activities, and such changes could or may adversely impact the benefits received by the assessed property owners in the District, the District will request City Council authorization to modify the programs, improvements and activities to be funded pursuant to the OGVVID ordinance. However, in no event may the Owners Association spend more than the total amount budgeted in the Management District Plan for any given year, including

delinquent payments, interest income and rollover fund. The 5 year projected budget is as follows:

FIVE YEAR BUDGET PROJECTION (0% Increase per Year)

<u>CATEGORY</u>	<u>2011-2015</u>
IMAGE ENHANCEMENT	\$60,651 (51%)
MAINTENANCE	\$21,218 (18%)
ADMINISTRATION	\$28,644 (24%)
SPECIAL PROJECTS/CONTINGENCY	\$ 7,981 (7%)
TOTAL	\$118,494 (100%)

The breakdown of program budgets by benefit zone is shown in the table below.

SERVICE	ZONE 1	ZONE 2	ZONE 3	TOTAL	%
IMAGE ENHANCEMENT	\$ 37,843	\$ 7,192	\$ 15,616	\$ 60,651	51.18%
MAINTENANCE	\$ 18,218	\$ 3,000	\$ -	\$ 21,218	17.91%
ADMINISTRATION	\$ 18,990	\$ 3,854	\$ 5,800	\$ 28,644	24.17%
SPECIAL PROJECTS/ CONTINGENCY	\$ 4,005	\$ 1,500	\$ 2,476	\$ 7,981	6.74%
TOTALS:	\$ 79,056	\$ 15,546	\$ 23,892	\$ 118,494	100.00%
% Budget by Zone	66.72%	13.12%	20.16%		
Total Land Area by Zone (SF)	547,932	215,487	1,657,566	2,420,985	
Assessment Rates (\$/SF)	0.144280547	0.072141404	0.014414087		

It is noted that Zone 1 generates about 67% of the BID revenue, Zone 2 generates about 13% and Zone 3 about 20%. The subtotal allocation of expenses within each benefit zone equates to the revenue generated by that zone.

Each of these programs and activities work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of the commercial corridor through the attraction and retention of new business and increased commerce. The programs, improvements and services are designed to specifically benefit the assessed properties within the OGVBID boundaries. The proposed OGVBID assessments will only be levied on properties within the OGVBID boundaries that specially benefit from OGVBID services, improvements and activities. Assessment revenues will be spent to deliver services that provide a direct and special

benefit to assessed parcels and to improve the economic vitality of these properties. Inasmuch as no services will be provided beyond the OGVBID boundaries to the surrounding communities or to the public in general, any general benefits are unintentional. It is hereby determined that general benefits, if any, are not quantifiable, measurable, or tangible.

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. 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 its respective benefit zone and the District as a whole. Larger parcels are expected to impact the demand for services and programs to a greater extent than smaller ones and thus are assigned a higher proportionate degree of the District program and service costs. The proportionality is further achieved by setting targeted formula component relationships for the respective parcel by each identified benefit zone.

The proportionate special benefit cost for each parcel has been calculated based on optimum proportionate formula component and are listed in the Management District Plan and as an attachment to 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 OGVBID, they are also considerably less than other options considered by the OGVBID steering committee. The actual assessment for each parcel within the OGVBID directly relates to the level of service to be provided within the benefit zones and the respective parcel size.

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

The Old Granada Village Business Improvement District Management Plan assumes that the City of Los Angeles and other governmental entities will pay assessments for property owned within the boundaries of the District. Article XIII D of the California Constitution was added in November of 1996 to provide for these payments.

Proposition 218, also known as “The Right to Vote on Taxes Act states *“Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.”*

Currently, there are no governmental owned parcels in the Old Granada Village Business Improvement District.

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 OGVBID.

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 A to the Management District Plan. The District and resultant assessment payments will continue for five 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 in Zone 1, 2 and 3 is attributed to the specific amount of land area of each parcel. There are three (3) Benefit Zones identified.

Assessment Formula Methodology

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

PBID assessment formulas typically are based on either property street frontage or parcel and building size or location, all which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of factors.

The specific nature of the program activities to be funded by the OGVBID (i.e. image enhancement; maintenance; administration; and special projects/contingency) relate directly to the proportionate amount of land area of each parcel.

The “Basic Benefit Units” will be expressed as a function of land area (Benefit Unit “A”). Based on the shape of the OGVBID, as well as the nature of the District program elements, it is determined that all properties will gain a direct and proportionate degree of special benefit based on the respective amount of parcel size. It is noted that three benefit zones have been identified within the BID. In the opinion of this Engineer, Zone 2 rates will be set and weighted at

50% of Zone 1 rates based on corresponding reduced programmed services and, in turn, benefits conferred. In the opinion of this Engineer, Zone 3 rates shall be set and weighted at 10% of Zone 1 rates, again, based on reduced programmed services and, in turn, benefits conferred.

Residential Uses/Residential Zones/Agricultural Zones: Residential and agriculture zoned parcels and/or those with residential uses have been excluded from the District boundaries. Whether zoned solely for residential or not, these parcels are presumed not to benefit from OGVBID funded programs and improvements and thereby are not included and will not be assessed.

Assessment Formula Factor

The application of a single assessment formula rate factor, i.e. land area, is an acceptable method of fairly and equitably spreading special benefit costs to the beneficiaries of PBID funded services, programs and improvements in districts where a generally homogeneous development pattern exists without extreme building FAR and height differentials. This single property factor directly relates to the degree of benefit each parcel will receive from PBID funded activities.

Land Area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on PBID funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate 100% of the total PBID revenue.

Based on cost projections and service level allocations, Zone 1 should generate about 67% of the assessment revenue, Zone 2 about 13% and Zone 3 about 20%.

Future Development

As future new development occurs within the District, current property characteristics and parcel configurations may also change. This may occur due to various land related modifications such as new subdivisions, lot line adjustments, reversions to acreage and parcel consolidations. In turn, parcel size and changes in street frontage measurements affecting parcel size may occur. Any such modifications will result in recalculation of assessments for new and/or modified parcels based on assessment rates in affect when such changes occur in accordance with future maximum rates and the assessment methodology delineated in this Plan and the Engineer's Report. **It is noted that any change in assessment formula methodology or rates other than as stipulated in the this Plan and the Engineer's Report would require a new Proposition 218 ballot procedure in order to approve such changes.**

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified benefiting properties, the respective assessable benefit units are listed below:

Zone 1 = 547,932

Zone 2 = 215,487
Zone 3 = 1,657,566
Total = 2,420,985

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the OGVBID was computed from data extracted from County of Los Angeles Assessor records and maps. These data source delineate current land uses, property areas and dimensions of record for each tax 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 PBID for their review. All known or reported discrepancies, errors or misinformation will be corrected.

Step 4. Determine Assessment Formula

The OGVBID assessment is to be based on one Basic Benefit Unit factor - parcel size (Benefit "A" Units), within three (3) Benefit Zones. The current proposed assessment rates within each benefit zone are determined by dividing the projected BID expenditures in each zone (from chart on page 11) by the applicable total property quantities (identified assessable land area) within that zone. The proposed 2011 assessment rates for each zone are as follows:

Zone 1

(Benefit Unit "1-A") = $\$79,056/547,932$ units = $\$0.144280547$ /unit

Zone 2

(Benefit Unit "2-A") = $\$15,546/215,487$ units = $\$0.072141404$ /unit

Zone 3

(Benefit Unit "3-A") = $\$23,892/1,657,566$ units = $\$0.014414087$ /unit

The assessment formula is: *Land Area x Unit A factor*

Step 5. Estimate Total District Costs

The total District costs are shown below.

Total 2011-2015 Annual District Costs

PROGRAM OR ACTIVITY FUNDED BY OLD GRANADA VILLAGE BUSINESS IMPROVEMENT DISTRICT	APPROXIMATE % 2011 BUDGET	ESTIMATED 2011 COSTS
Image Enhancement	51 %	\$ 60,651
Maintenance	18 %	\$ 21,218
Administration	24 %	\$ 28,644
Special Projects/Contingency	7 %	\$ 7,981
TOTAL	100%	\$118,494

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

All general benefits (if any) are intangible and unquantifiable. All benefits derived from the assessments outlined in the District Management Plan are for services directly benefiting the property owners within this area and support increased commerce. All programs, services and improvements are provided solely to identified properties within the district to enhance the image of the properties and businesses within the OGVBID. No services are delivered outside the boundaries. Any potential spill over effect is unquantifiable. Total District revenues are shown below.

Total 2011-2015 Annual District Revenues

Funding Source	Subtotal Revenue	% of Total
PBID Assessments	\$118,494	100.00%
TOTAL DISTRICT REVENUE	\$118,494	100.00%

Step 7. Calculate "Basic Unit Cost"

With a 2011 annual budget of \$118,494, the Basic Unit Costs ("A") are shown above in Step 4. Since the renewed OGVBID is planned for a five year term, maximum assessments for future years (2012-2015) must be set at the inception of the renewal period. Since no increase in assessment rates is proposed in the renewed District, the 2011 rates shall remain the same for 2012-2015. The maximum rates per Zone for 2011-2015 are as follows:

Year 1-5 Maximum Assessment Rates (Per Sq Ft of Land Area)

(0% increase per year)

Zone	2011	2012	2013	2014	2015
1	\$0.144280547	\$0.144280547	\$0.144280547	\$0.144280547	\$0.144280547
2	\$0.072141404	\$0.072141404	\$0.072141404	\$0.072141404	\$0.072141404
3	\$0.014414087	\$0.014414087	\$0.014414087	\$0.014414087	\$0.014414087

Step 8. Spread the Assessments

The resultant assessment spread calculations for each parcel within the PBID are shown in Appendix A attached hereto and were determined by applying the District assessment formula to each identified benefiting property.

APPENDIX A 2011 ASSESSMENT ROLL

APN	2011 AssMT
2712-021-026	\$1,977.54
2712-027-026	\$988.03
2712-027-027	\$1,185.99
2712-027-028	\$1,778.98
2712-027-029	\$1,481.91
2712-027-030	\$988.03
2712-027-031	\$1,964.09
2712-027-033	\$1,967.12
2712-027-036	\$1,481.91
2712-028-001	\$773.86
2712-028-013	\$1,173.43
2712-028-014	\$494.02
2712-028-015	\$494.02
2712-028-016	\$1,976.64
2712-028-020	\$494.02
2712-028-021	\$988.03
2712-028-022	\$988.03
2712-028-023	\$1,185.99
2712-028-024	\$1,175.89
2712-028-025	\$519.78
2712-028-026	\$1,277.48
2712-028-027	\$2,470.80
2712-029-016	\$1,173.43
2712-029-017	\$988.03
2712-029-018	\$988.03
2712-029-019	\$988.03
2712-029-020	\$988.03
2712-029-021	\$988.03
2712-029-022	\$988.03
2712-029-023	\$494.02
2712-029-024	\$1,667.31
2712-029-025	\$1,421.98
2712-029-026	\$237.85
2712-030-012	\$1,173.43

APN	2011 AssMT
2712-030-013	\$494.02
2712-030-014	\$988.03
2712-030-015	\$988.03
2712-030-016	\$494.02
2712-030-017	\$494.02
2712-030-018	\$494.02
2712-030-019	\$988.03
2712-030-020	\$988.03
2712-030-032	\$2,581.18
2715-012-039	\$192.13
2715-012-040	\$481.33
2715-012-041	\$339.77
2715-025-048	\$302.26
2715-025-055	\$11,973.52
2731-008-022	\$318.65
2731-008-023	\$10,284.64
2733-003-032	\$1,096.41
2733-005-003	\$434.28
2733-005-004	\$441.21
2733-005-005	\$905.65
2733-005-006	\$930.18
2733-005-010	\$1,406.59
2733-005-018	\$757.34
2733-005-021	\$230.64
2733-005-024	\$206.76
2733-005-025	\$194.49
2733-005-026	\$1,581.89
2733-005-027	\$738.01
2733-005-031	\$937.68
2733-005-032	\$455.65
2733-005-033	\$727.17
2733-005-034	\$448.43
2733-006-006	\$937.68
2733-006-007	\$937.68

APN	2011 AssMT
2733-006-008	\$937.68
2733-006-009	\$468.91
2733-006-010	\$1,406.59
2733-006-011	\$1,112.98
2733-006-012	\$237.85
2733-006-013	\$237.85
2733-006-014	\$476.06
2733-006-015	\$237.85
2733-006-016	\$469.78
2733-006-025	\$1,406.59
2733-006-026	\$1,581.89
2733-009-001	\$2,240.53
2733-009-002	\$937.68
2733-009-003	\$937.68
2733-009-004	\$937.68
2733-009-005	\$937.68
2733-009-006	\$937.68
2733-009-007	\$937.68
2733-009-008	\$937.68
2733-009-009	\$468.91
2733-009-010	\$1,581.31
2733-009-021	\$780.07
2733-009-022	\$1,033.71
2733-018-012	\$1,862.81
2733-018-013	\$704.53
2733-018-014	\$468.91
2733-018-015	\$937.68
2733-018-016	\$937.68
2733-018-017	\$937.68
2733-018-018	\$937.68
2733-018-031	\$1,031.62
2733-018-806	\$3,741.63
Total	\$118,493.76

ORDINANCE NO. _____

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

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

WHEREAS, the Old Granada Village was established by City Council on June 2, 1999 by adoption of Ordinance No. 172,635; and

WHEREAS, the District's operational term ended on December 31, 2010; and

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

NOW THEREFORE,

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

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

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

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

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

cost of the proportional benefit conferred on that parcel.

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

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

Sec. 7. DISTRICT BOUNDARIES. The City Council hereby declares that the boundaries of the proposed District are as detailed in the Management District Plan. The proposed Old Granada Village BID area consists of approximately 12 blocks along the commercial corridor on Chatsworth Street between Encino Avenue and Aliso Creek. A general description of the boundaries of the District is as follows: The properties fronting Chatsworth Street between Encino Avenue on the east and Aliso Creek on the west, and the commercially zoned properties fronting Zelzah Avenue, Yarmouth Avenue, White Oak Avenue and Shoshone Avenue between Tribune Street on the north and Kingsbury Street on the south. All property within the approximate boundaries described above are included in the Old Granada Village BID.

There are 100 parcels owned by 77 stakeholders in the proposed District. The map included in the District's Management District Plan gives sufficient detail to locate each parcel of property within the proposed District.

Sec. 8. IMPROVEMENTS AND ACTIVITIES. The City Council hereby declares that the proposed activities and improvements to be funded by the levy of assessments on property within the District are detailed in the Management District Plan. They include, but are not limited to, Image Enhancement, Maintenance, Administration and Special Projects/Contingency.

Sec. 9. ANNUAL ASSESSMENTS AND DURATION. The District's total assessment for five years is estimated to be \$592,470. The District's total annual assessment for the first year is estimated to be \$118,494. Annual assessments will not be adjusted during the District's five year term. It is proposed that the District be established for a five year period. The District will not issue bonds.

Sec. 10. COLLECTION OF ASSESSMENTS. The City Council hereby declares that to the extent possible, assessments shall be collected at the same time and in the same manner as County ad valorem property taxes and shall be subject to all laws providing for the collection and enforcement of assessments. For properties that do not appear on the County tax rolls or for assessments for any years in which the City is unable to transmit the assessment information to the County in sufficient time for the County to collect the assessments with the County ad valorem property taxes, the City

Clerk may bill and collect the assessments by mailing assessment notices (Statement of Assessment Due) to each property owner within the District at the address shown on City records. Assessments billed by the City Clerk are due 45 calendar days after the Statement of Assessment Due.

Sec. 11. NOTICE, PROTESTS AND HEARING PROCEDURES. The City Clerk shall follow the notice, protest, and hearing procedures prescribed in the Proposition 218 Omnibus Implementation Act (California Government Code, Section 53750 *et seq.*).

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

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

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

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

Sec. 16. AMENDMENT TO ENABLING STATUTE. The properties and

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

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

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

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By  **CHRISTY NUMANO-HIURA**
Deputy City Attorney

Date 7-5-11

File No. CF _____