

Westwood Property-Based Assessment District Engineer's Report

**Los Angeles, California
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***Prepared by:*
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*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
And Article XIID of the California Constitution
to create a property-based business improvement district*

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ENGINEER'S STATEMENT

This Report is prepared pursuant to Article XIID of the California State Constitution (Proposition 218) and the State of California Property and Business Improvement District Law of 1994 as amended.

The Westwood Property-Based Business Improvement District ("PBID") will provide activities either currently not provided or are above and beyond what the City of Los Angeles provides. These activities will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities; parcels contiguous to and outside the PBID and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the proposed PBID is ten (10) years, commencing January 1, 2017. An estimated budget for the PBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 5% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 5% in any given year. Funding for the PBID improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the PBID will receive a special benefit over and above the benefits conferred to those parcels outside of the PBID boundary and to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than the special benefits received.



Respectfully submitted,

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

The Property and Business Improvement District Law of 1994 (the "State Law") is the legislation that authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the PBID. The purpose of the PBID is to encourage commerce, investment, and business activities. In order to meet these goals PBIDs typically fund activities and improvements, such as, enhanced safety and cleaning. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, PBIDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts of its cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the PBID are over and above those already provided by the City within the PBID's boundaries. Each of the PBID activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract businesses that serve the community, and improve the quality of life.

Specifically, the State Law defines "Improvements" and "Activities" as follows:

"Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years...¹

"Activities" means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.*
- (b) Furnishing of music in any public place within the district.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Activities which benefit businesses and real property located in the district.²*

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements, Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

benefits from the special benefits conferred on a parcel. 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.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.³

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portions of cases that apply to assessment districts in general and this Westwood PBID in particular are noted below.

"The engineer's report describes the services to be provided by the PBID [i.e. the PBID]; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties within the PBID, not to the public at large—they 'affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share."⁵

"...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits."⁶

"...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners."⁷

"...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."⁸

The contents of this Engineer's Report are prepared in compliance with the above noted authorizing legislation, the State Constitution and the judicial opinions.

³ Section 4, Article XIID of the State Constitution.

⁴ Section 2 (i), Article XIID of the State Constitution.

⁵ Dahms v. Downtown Pomona Property and Business Improvement District (2009) 174 Cal.App. 4th 708, 722.

⁶ Beutz v. County of Riverside (2010) 184 Cal. App. 4th 1516, 1532.

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 438.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 439.

SECTION B: IMPROVEMENTS AND ACTIVITIES

The Westwood PBID Steering 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 are Clean, Safe and Beautiful programs as well as Communication and Development activities. Specifically, the Westwood PBID shall provide the following activities.

CLEAN, SAFE, BEAUTIFUL PROGRAMS

Safe Team Program

The Safety Program will provide security services for the individual assessed parcels located within the District in the form of walking and segway patrols. The purpose of the Safe Team Program is to prevent, deter and report illegal activities. The presence of the Safe Team Program is intended to deter such illegal activities as public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping for individually assessed parcels. The Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safe Team Program will maintain communication with the Los Angeles Police Department (LAPD) area patrols and with the University of California at Los Angeles Police Department patrols (UCLAPD) and intends to report illegal activities to the LAPD and UCLAPD. The Safe Team Program will only provide its services to individually assessed properties within the District boundaries. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. Retail parcels benefit from District programs that work to attract and retain pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Theater parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and a positive user experience which increases ticket sales. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase membership, and increase donations. Parking parcels benefit from District programs which work to provide an enhanced business climate and offering, new business attraction, business retention, and District investment, and increased sales all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which work to increase pedestrian foot traffic, provide an enhanced sense of safety and a positive user experience which all work to increase occupancy, enhance business climate, and new business attraction, business retention, and business investment. Mixed use residential parcels benefit from District programs that work to provide an enhanced sense of safety and a positive user experience which in turn enhances the business climate and improves the business offering, retains and attracts new businesses, and District investment.

Clean and Beautiful Program

In order to consistently deal with cleaning issues, a Clean and Beautiful Program is provided. The clean team will only provide service to assessed properties within District boundaries. The special benefit to individually assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. In order to consistently deal with clean and beautiful issues, a multi-dimensional approach has been developed consisting of the following elements.

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

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

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

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

Retail parcels benefit from District programs that work to attract and retain pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Theater parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and a positive user experience which increases ticket sales. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase membership, and increase donations. Parking parcels benefit from District programs which work to provide an enhanced business climate and offering, new business attraction, business retention, and District investment, and increased sales all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which work to increase pedestrian foot traffic, provide an enhanced sense of safety and a positive user experience which all work to increase occupancy, enhance business climate, and new business attraction, business retention, and business investment. Mixed use residential parcels benefit from District programs that work to provide an enhanced sense of safety and a positive user experience which in turn enhances the business climate and improves the business offering, retains and attracts new businesses, and District investment.

COMMUNICATION & DEVELOPMENT

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The special benefit to District parcels from the programs below is an increased awareness of the businesses within the district and their individual offerings which attracts new customers to the District businesses and provides an increase in commercial activity which directly relates to increases in lease rates and enhanced commerce. Retail parcels benefit from District programs that work to attract and retain pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Theater parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and a positive user experience

which increases ticket sales. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase membership, and increase donations. Parking parcels benefit from District programs which work to provide an enhanced business climate and offering, new business attraction, business retention, and District investment, and increased sales all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which work to increase pedestrian foot traffic, provide an enhanced sense of safety and a positive user experience which all work to increase occupancy, enhance business climate, and new business attraction, business retention, and business investment. Mixed use residential parcels benefit from District programs that work to provide an enhanced sense of safety and a positive user experience which in turn enhances the business climate and improves the business offering, retains attracts new businesses, and District investment.

Some of the communication/image programs being considered are:

- Quarterly Newsletter
- Westwood BID Web Site
- Social Media
- Business Retention
- Business Recruitment
- Broker Support and Outreach
- Customer Recruitment
- Parking Use Improvement
- Pedestrian Use Improvement

MANAGEMENT/CITY FEES AND SLOW PAY

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered seven days a week. Management staff actively works on behalf of the District parcels to insure that City and County services and policies support the District. Included in this item are management labor, office expense and organizational expenses such as insurance and the cost to conduct a yearly financial review. A well managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce. Included in this budget item are City fees to collect and process the assessments.

SECTION C: BENEFITTING PARCELS

PBID Boundary Description

Beginning at the intersection of Levering Avenue and Le Conte Avenue the northern boundary of the District follows the south side of Le Conte Avenue east to the intersection with the eastern parcel line of parcels facing on the east side of Hilgard Avenue. Turn south along the eastern parcel line of parcels facing on the east side of Hilgard Avenue until the intersection with Weyburn Avenue. Turn west along the north side of Weyburn Avenue to the intersection with Hilgard Avenue. At Hilgard Avenue turn south following the west side of Hilgard Avenue to the intersection with Lindbrook Drive. Turn south along the east parcel line of parcel number 4360-003-028 and 4360-003-029 to the intersection with Wilshire Boulevard. Cross Wilshire Boulevard and continue south along the east parcel line of parcel number 4325-005-019, then follow the south parcel line of parcel number 4325-005-019 to the eastern parcel line of parcel number 4325-005-074. Turn south along the eastern parcel line of parcel 4325-005-074 to the south parcel line of the same parcel. Turn west along the south parcel line of parcel 4325-005-074 to the intersection with Glendon Avenue. Cross Glendon Avenue continuing west along the south parcel line of parcel number 4325-005-083 to Westwood Boulevard. Cross Westwood Boulevard and continue west on the north side of Ashton Avenue to the intersection with the west parcel line of parcel number 4324-002-028. Turn north along the west parcel line of parcel number 4324-002-028 to the intersection with the south parcel line of parcel number 4324-002-027. Turn west along the south parcel line of parcel number 4324-002-027 to Veteran Avenue. Turn north on the east side of Veteran Avenue to the intersection with Wilshire Boulevard. Turn east on the south side of Wilshire Boulevard to the intersection with the west parcel line of parcel number 4363-023-001. Turn north along the west parcel line of parcel number 4363-023-001 and continue along the west parcel line of parcels facing on the west side of Gayley Avenue to the intersection with Weyburn Avenue. Turn east along the south side of Weyburn Avenue to the eastern side of Gayley Avenue. Turn north along the east side of Gayley Avenue to Levering Avenue. Continue north along the east side of Levering Avenue to the starting point at the intersection of Levering Avenue and Le Conte Avenue.

District Boundary Rationale

The property uses within the general boundaries of the Westwood Business Improvement District are a mix of retail, theater, religious, parking, office and mixed-use residential. Services and improvements provided by the District are designed to provide special benefits to the retail, theater, religious, parking, office and mixed-use residential parcels.

Retail parcels benefit from District programs that work to attract and retain pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Theater parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and a positive user experience which increases ticket sales. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase membership, and increase donations. Parking parcels benefit from District programs which work to provide an enhanced business climate and offering, new business attraction, business retention, and District investment, and increased sales all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which work to increase pedestrian foot traffic, provide an enhanced sense of safety and a positive user experience which all work to increase occupancy, enhance business climate, and new business attraction, business retention, and business investment. Mixed use

residential parcels benefit from District programs that work to provide an enhanced sense of safety and a positive user experience which in turn enhances the business climate and improves the business offering, retains and attracts new businesses, and District investment.

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

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

The boundary of the Westwood Business Improvement District was created to include what has historically and traditionally been the Westwood Village Business District. It includes the area commonly known as "The Village" and the commercial office area directly south of the Village that supplies many of the users of the Village and has been historically considered a part of Westwood Village. Westwood Village consists of an area bounded by Westwood Boulevard, Le Conte Avenue, Gayley Avenue, and Hilgard Avenue. This area is considered the primary commercial area of Westwood. The proposed boundaries have not changed since the establishment of the District in 2011.

Northern Boundary: Le Conte Avenue represents the northern boundary of the Westwood Business Improvement District. The northern boundary of the Westwood Business Improvement District was determined by the zoning and use of the parcels north of the District boundaries. The parcels north of the District boundaries are the University of California, Los Angeles campus and are zoned open space (University land). The open spaced zoned parcels will not benefit from the District programs that are designed to provide special benefits to parcels which contain retail, theater, religious, parking, mixed use residential and office uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District.

Eastern Boundary: Hilgard Avenue, including parcels on both sides of Hilgard Avenue, represents the eastern boundary of the Westwood Business Improvement District. The eastern boundary of the Westwood Business Improvement District was determined by the zoning of the parcels east of the District boundaries and the lack of commercial business activity, such as the commercial hotel and parking uses which are located within the District, east of the District. The parcels east of the District boundaries are zoned residential and as per State of California Streets and Highways code section 36632.(c) "*are conclusively presumed not to benefit from the improvements and service funded through these assessments...*" In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to

assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries.

Southern Boundary: Wilshire Boulevard, including parcels on both sides of Wilshire Boulevard, represents the southern boundary of the Westwood Business Improvement District. The southern boundary of the Business Improvement District was determined by the zoning and use of the parcels south of the District boundaries. The parcels south of the District boundaries are primarily a concentration of apartment buildings and condominiums lacking ground floor retail, as well as small commercial businesses along Westwood Boulevard. These uses are not consistent with other Zone 2 property (see district boundary rationale below, for Zone 2 description) and will not benefit from the District programs because services will not be provided, and services are designed to provide special benefits to parcels which contain hotel, parking, and office uses. Wilshire Boulevard marks the southern edge of the area considered to be Westwood Village and the area historically within the Westwood Village Business Improvement District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries.

Western Boundary: Gayley Avenue, including parcels on both sides of Gayley Avenue, represents the western boundary of the Westwood Business Improvement District. The western boundary of the Westwood Business Improvement District was determined by the zoning and use of the parcels west of the District boundaries. The parcels west of the District boundaries are zoned open space (cemetery land). The open spaced zoned parcels will not benefit from the District programs that are designed to provide special benefits to parcels that contain retail, theater, religious, parking, and office uses. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels within the District, and will not provide services outside of District boundaries.

Benefit Zones

Zone One Boundary

Zone 1 contains the highest concentration of retail uses in the District, the highest pedestrian counts and the highest demand for clean and safe services. Beginning at the intersection of Levering Avenue and Le Conte Avenue the northern boundary of the District follows the south side of Le Conte Avenue east to the intersection with Tiverton Avenue. At Tiverton Avenue the boundary follows the west side of Tiverton Avenue to the north parcel line of parcel 4360-002-032. Turn east along the north parcel line of parcels 4360-002-032 and 4360-002-037, turn south along the east parcel line of parcel 4360-002-037, continue south across Lindbrook Drive following the east parcel line of parcels 4360-003-028 and 4360-003-029 to Wilshire Boulevard. Turn west along the north side of Wilshire Boulevard to Glendon Avenue, turn north along the east side of Glendon Avenue to Lindbrook Drive. At Lindbrook Drive turn west to Westwood

Boulevard, at Westwood Boulevard turn south to Wilshire Boulevard, turn west along Wilshire Boulevard to Gayley Avenue, turn north along Gayley Avenue to the north parcel line of parcel 4363-023-001, turn west along the north parcel line of parcel 4363-023-001 to the west District boundary, follow the west District boundary to the beginning point at Levering Avenue and Le Conte Avenue.

Zone Two Boundary

Parcels within Zone 2 are on the periphery of the District and are made up primarily of high rise office buildings. Zone 2 has the lowest pedestrian traffic of the two zones and less need for cleaning and maintenance services. Zone Two parcels are all of the assessable parcels within the District Boundary that are not included in Zone 1. Specifically, these parcels include assessable parcels fronting Hilgard Avenue from LeConte Avenue to Lindbrook Avenue, parcels on the south side of Wilshire Boulevard from parcel 4324-002-027 to parcel 4325-005-019, parcels on the north side of Wilshire Boulevard include parcels 4363-023-001 and 4363-022-019. (See map on page 12 for further identification of parcels)

Benefit Zone Rationale

Zone 1

Parcels within Zone 1 are in the core of the District and are made up primarily of low rise retail and office buildings. Zone 1 contains the highest concentration of retail uses in the District, the highest pedestrian traffic and the highest demand for clean and safe services. Zone 1 boundaries are described in detail above on page 10, and detailed by map on page 12.

Zone 2

Parcels within Zone 2 are on the periphery of the District and are made up primarily of high rise office buildings, hotels and parking. Zone 2 has the lowest pedestrian traffic of the two zones and because of the high concentration of office buildings, hotels and parking uses has lower demand than Zone 1 for cleaning and safe services. Zone 2 boundaries are described in detail above on page 11, and detailed on page 12.

See map on following page for District and Benefit Zone boundaries.

SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIIID Section 4(a) of the State Constitution states that "The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided."

Determining the proportionate special benefit among the parcels of real property within the proposed assessment district which benefit from the proposed improvements, services, and activities is the result of a four-step process:

1. Defining the proposed activities,
2. Determining which parcels specially benefit from the proposed activities,
3. Determining the amount of special benefit each parcel receives,
4. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the PBID receive.

Each identified parcel within the Westwood PBID will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the PBID services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

Special Benefit Factor

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

Services and improvements provided by the District are designed to provide special benefits to the mix of retail, theater, religious, parking, office and mixed use residential parcels. The use of each parcel's lot square footage, building square footage and street front footage is the best measure of benefit for the programs because the intent of the District programs is to improve the safety of each individual parcel, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services for parcels within the District, in other words to attract more customers, clients and or employees. The best way to determine each parcels proportionate special benefit from the District programs is to relate each parcel's lot square footage, building square footage and street front footage to every other parcel's lot square footage, building square footage, and street front footage.

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

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

Property Use Considerations

Gross Square Footage of Parking

Because parking structures and lots are primarily used to park cars and not to house tenants, or businesses and because parking uses have less daily pedestrian traffic than similarly sized buildings, parking uses require fewer services and receive less special benefit from Westwood BID improvements and activities. Parking uses will be subject to one of the following methodologies:

- Parking square footage that is integrated within a building, has the same ownership and on the same single parcel as the building (and the building has other uses in addition to parking), because it is integrated within the building, require no District services and receive no special benefit. The square footage of the building that is comprised of parking will be excluded from the calculation of building square footage when determining building assessments. (All three conditions must be met to be excluded)
- Non-integrated structured commercial parking and/or surface parking with the same ownership as a building and with a majority of its parking dedicated to the building's tenants require fewer services and receive less special benefit. These parking parcels will not be assessed for building footage, but will be assessed on lot square footage and street front footage only.
- Non-integrated structured commercial parking with ownership different than buildings that may use a majority of the parking and independent stand-alone structured parking are commercial businesses that require the same services as other non-parking commercial business parcels and receive the same special benefit. These parcels will be assessed the same as other parcels within the District. They will be assessed on lot square footage, building square footage (parking structure) and street front footage.
- Surface commercial parking requires the same services as other non-parking commercial business parcels and receives the same special benefit. These parcels will be assessed the same as other parcels within the District on lot square footage, street front footage and building footage if there is a building.

New assessments for a Change in Land Use

If any parcel within the Westwood PBID changes land use during the life of the Westwood PBID, it will be subject to the assessment rate consistent with the assessment methodology for the new land use.

SECTION E: SPECIAL and GENERAL BENEFITS

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that "only special benefits are assessable," which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements.

As of January 1, 2015, the State Legislature amended the State Law to clarify and define both special benefit and general benefit as they relate to the improvements and activities these districts provide. Specifically, the amendment (Section 36615.5 of the Streets and Highways Code) defines special benefit as follows: "Special benefit' means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed."

In addition, the amendment (Section 36609.5 of the Streets and Highways Code) defines general benefit as follows: "'General benefit' means, for purposes of a property-based district, any benefit that is not a 'special benefit' as defined in Section 36615.5."

Furthermore, the amendment (Section 36601(h)(2)) states: "Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits."

Special Benefit Analysis

All special benefits derived from the assessments outlined in this Report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the PBID. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel's assessment shall be greater than the special benefits received.

Streets and Highways Code Section 36601(e) states that "Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments."

The Westwood PBID's goal is to fund activities and improvements to provide a cleaner, safer and more attractive and economically vibrant environment for each individual assessed parcel

as outlined in Section B. The goal of improving the economic vitality is to improve the safety, cleanliness, appearance, and communication of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors. Retail parcels benefit from District programs that work to attract and retain pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Theater parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and a positive user experience which increases ticket sales. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase membership, and increase donations. Parking parcels benefit from District programs which work to provide an enhanced business climate and offering, new business attraction, business retention, and District investment, and increased sales all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which work to increase pedestrian foot traffic, provide an enhanced sense of safety and a positive user experience which all work to increase occupancy, enhance business climate, and new business attraction, business retention, and business investment. Mixed use residential parcels benefit from District programs that work to provide an enhanced sense of safety and a positive user experience which in turn enhances the business climate and improves the business offering, retains and attracts new businesses, and District investment.

Each parcel will specially benefit from:

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well managed programs and services

Specifically, each parcel benefits from each of the PBID activities as defined below.

CLEAN, SAFE, BEAUTIFUL PROGRAMS

Safe Team Program

The enhanced safety activities make the area more attractive for businesses, customers, and residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment." Uncertainty affects the investment environment in general. But in particular, it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable."⁹ Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and

⁹ "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

tenant occupancy due to the increase of commercial activity and an increase in customers that follow from having a safer environment.

In addition, each specially benefitted parcel benefits from: increased security patrol, removing graffiti from their buildings, connecting the homeless to available resources, reducing the number of trips and falls by repairing the grout in the sidewalks in front of their parcel, picking up trash that pedestrians leave behind, and power washing their sidewalks.

Clean and Beautiful Program

The maintenance and beautification activities benefit each assessed parcel within the Westwood PBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, trash removal, landscaping and tree lighting. These activities create the environment needed to achieve the PBID goals.

COMMUNICATION AND DEVELOPMENT

The Communication and Development activities are tied to and will specially benefit each individual assessed parcel by encouraging business development and investment that generates customer traffic, which directly relates to increases in commercial activity, filling of vacant storefronts and offices and ultimately, increased lease rates for retail and office space.

MANAGEMENT/CITY FEES AND SLOW PAY

Management activities benefit each individual assessed parcel by providing the necessary BID program oversight and guidance that produces higher quality and more efficient programs.

Special Benefit Conclusion

Based on the special benefits each assessed parcel receives from the PBID activities we conclude that each of the proposed activities provides special benefits to the real property within the district and that each parcel's assessment is in direct relationship to and no greater than the special benefits received.

The special benefit to parcels from the proposed PBID activities and improvements described in this Report are equal to or exceeds the total amount of the proposed assessment. Each individual assessed parcel's assessment is no greater than the special benefit it receives from the PBID activities.

General Benefit Analysis

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels receive. This analysis will evaluate and determine the level of general benefits that (1) parcels outside of the Westwood PBID, and (2) the public at large may receive.

General Benefit to Parcels Outside of the Westwood PBID

All the PBID activities and improvements are provided solely to each of the individual assessed parcels in the Westwood PBID boundary. Each of the PBID activities is provided to the public

rights-of-way (streets, sidewalks) adjacent to all specially benefitted parcels in the PBID. In the case of the Westwood PBID the surrounding parcels are primarily residential. None of the surrounding parcels will directly receive any of the PBID activities. Any benefits these parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated to the incidental benefits are not reduced from the cost of providing special benefit.

General Benefit to the Public At Large

In addition to the general benefit analysis to the parcels outside of the Westwood PBID boundary, we also quantify the general benefits to the public at large, i.e., those people that are either in the Westwood PBID boundary and not specially benefitted from the activities or people outside of the Westwood PBID boundary that may benefit from the PBID activities. In the case of the Westwood PBID the public at large are those people that are within the Westwood PBID boundary that do not pay an assessment and do not specially benefit from the PBID activities.

To calculate the general benefit the public at large may receive, we determine the percentage of each PBID activity budget that may benefit the general public. In this case, the Clean, Safe and Beautiful activity may generally benefit the public as the general public may appreciate the enhanced level of maintenance, security and beautification as it passes through the Westwood PBID. The Marketing activities are tailored to benefit the tenants of each parcel and are not intended to benefit the general public. If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

The table below shows the budget for the Clean, Safe and Beautiful activity and its respective percentage of the total PBID budget. We then apply a Relative Benefit factor to this activity. The relative benefit factor is a basic unit of measure that compares the benefit the general public receives compared to the public that specially benefits (employees, tenants, customers) from each activity. Since the specially benefitted public receives 100% of the activities it is assigned a relative benefit factor of 1.0 for this activity, and the general public is assigned a relative benefit factor of 0.007, or 0.7%. This benefit factor was determined in our Engineer's report that was produced for the District renewal in 2013. The Engineer's Report at that time took into consideration the results of an intercept survey that the District conducted in 2013 that indicated the general public benefit from the PBID activities. See Exhibit A for the relative pages from the 2013 Engineer's Report.

The relative benefit factor is then multiplied by the PBID activity's budget percentage to determine the overall benefit factor. The following table illustrates this calculation.

	A	B	C	D	E
PBID Activity	Budget Amount	% of Budget	General Benefit Factor	General Benefit Percent (B x C)	General Benefit Allocation (A x D)
Clean, Safe, Beautiful	\$982,102	72.25%	0.70%	0.5057%	\$4,967

This analysis indicates that 0.5057% for the Clean, Safe and Beautiful activity may be attributed to general benefit to the public at large, equaling a total of \$4,967 that must be raised from sources other than special assessments.

General Benefit Conclusion

Using the sum of the two measures of general benefit described above we find that \$4,967 may be general in nature and will be funded from sources other than special assessments.

SECTION F: COST ESTIMATE

2017 Operating Budget

The Westwood PBID's operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Westwood PBID boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

EXPENDITURES	Zone 1	Zone 2	TOTAL BUDGET	% of Budget
Clean, Safe and Beautiful	\$673,427.17	\$308,674.58	\$982,101.75	72%
Communication & Development	\$126,006.73	\$57,756.92	\$183,763.65	14%
Management/City Fees/Slow Pay	\$132,693.24	\$60,821.76	\$193,515.00	14%
Total Expenditures	\$932,127.14	\$427,253.26	\$1,359,380.40	100%
REVENUES	Zone 1	Zone 2		
Assessment Revenues	\$928,721.27	\$425,692.13	\$1,354,413.40	99.63%
Other Revenues (1)	\$3,405.87	\$1,561.13	\$4,967.00	0.37%
Total Revenues	\$932,127.14	\$427,253.26	\$1,359,380.40	100%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Notations

1. The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The actual amount of increase will be determined by the Owners Association and will vary between 0% and 5% in any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report.

SECTION G: APPORTIONMENT METHOD

As previously discussed in Section B, the PBID is segregated into two benefit zones based upon each zone's demand for services and improvements and the benefits received. The table below summarizes the assessable footage within each benefit zone:

	Total District	Zone One	Zone Two
Lot Sq Ft	2,236,230	1,558,865	677,365
Building Sq Ft.	5,994,746	2,700,514	3,294,232
Front Footage	24,199	18,475	5,724

Calculation of Assessments

Zone One Assessments

Parcels within Zone 1 are in the core of the District and are made up primarily of low rise retail and office buildings. Zone 1 contains the highest concentration of retail uses in the District, the highest pedestrian traffic and the highest demand for clean and safe services.

A number of factors enter into the determination of how much weight is to be given to each assessment variable, lot, building and frontage. Historical data from the last 5 years detailing the type and level of service delivery to each individual assessed parcel was reviewed. The unique difference in building type in each zone was analyzed. The relationship between the current assessable footage and historical assessable footage of each of the three assessment variables to each other and the total of all assessment variables was reviewed. The result of this process was to confirm the validity of the weighting that was determined with the 2011 establishment which established that lot footage would be weighted at 35%, building footage at 26% and front footage at 39%.

The most emphasis is placed on a property's front footage because the benefit of ground floor safety, maintenance and marketing is realized by those properties with frontage on the street. Thirty nine percent of Zone One's budget is assessed against a parcel's linear front footage.

The second most emphasis is placed on gross lot square footage due to the more substantial long term value impacts on highest and best use and due to the nature of proposed district services providing direct benefit to ground floor property and land. Thirty five percent of zone one's budget is assessed against gross lot square footage.

The least emphasis is placed on gross building square footage due to the short term benefits for interim uses and the dilution of direct benefit to uses above the ground floor. Twenty six percent of zone one's budget is assessed against gross building square footage.

Zone Two Assessments

The parcels in Zone 2 are primarily high rise office buildings, hotels and parking structures these parcels have needs that are unique from Zone 1 parcels, and has a lower demand for clean and safe services. Zone 2 has the lowest pedestrian traffic of the two zones.

A number of factors enter into the determination of how much weight is to be given to each assessment variable, lot, building and frontage. Historical data from the last 5 years detailing the type and level of service delivery to each individual assessed parcel was reviewed. The unique

difference in building type in each zone was analyzed. The relationship between the current assessable footage and historical assessable footage of each of the three assessment variables to each other and the total of all assessment variables was reviewed. The result of this process was to confirm the validity of the weighting that was determined with the 2011 establishment which established that lot footage would be weighted at 28%, building footage at 48% and front footage at 24%.

Zone two is comprised primarily of high rise office buildings, hotels and parking structures. The most emphasis is placed on a property's building square footage because the benefit of safety, maintenance and marketing is realized by those properties with high occupation density and high useable square footage. Forty eight percent of zone two's budget is assessed against a parcel's building square footage.

The second most emphasis is placed on gross lot square footage due to the long term value impacts on highest and best use and due to the nature of proposed district services providing direct benefit to ground floor property and land. Twenty eight percent of zone two's budget is assessed against gross lot square footage.

The least emphasis is placed on linear front footage due to the relationship of front foot to building square footage of high rise buildings. Twenty four percent of zone two's budget is assessed against linear front footage.

Assessment Rates

Zone One Assessments are determined by the following steps:

1. Take the total assessable budget for Zone 1 (\$928,721.27)
2. For each assessment rate variable (Lot, Building, or Front Footage) find the appropriate weighted budget distribution (Lot-35.20%, Building-26.00%, Front Footage- 38.80%) and multiply it by the zone 1 total assessable budget (\$928,721.27).
3. Next divide the results by the total zone 1 assessment variable (Lot-1,558,865, Building-2,700,514, Front Footage-18,475)
4. The result is the assessment rates listed on page 21 for each assessment variable.

Zone Two Assessments are determined by the following steps:

1. Take the total assessable budget for Zone 2 (\$425,692.13)
2. For each assessment rate variable (Lot, Building, or Front Footage) find the appropriate weighted budget distribution (Lot-28.20%, Building-48.30%, Front Footage- 23.50%) and multiply it by the zone 2 total assessable budget (\$425,692.13).
3. Next divide the results by the total zone 2 assessment variable (Lot-677,365, Building-3,294,232 Front Footage-5,724)
4. The result is the assessment rates listed on page 21 for each assessment variable.

Based on the benefit zone, assessable footages, and the proposed budget, all of which are discussed above, the first year's maximum annual assessment rate for each parcel follows:

Zone One Assessment Rates	
Lot Square Footage Assessment	\$0.2097
Building Square Foot Assessment	\$0.0894
Linear Front Footage	\$19.5044

Zone Two Assessment Rates	
Lot Square Footage Assessment	\$0.1772
Building Square Foot Assessment	\$0.0624
Linear Front Footage	\$17.4769

The following example illustrates how the preceding rates are applied to parcels within the Westwood PBID.

Zone 1 Example:

Lot Square Footage = 1,000	$1,000 \times \$0.2097 = \209.70
Building Square Footage = 2,000	$2,000 \times \$0.0894 = \178.80
Frontage = 100	$100 \times \$19.5044 = \underline{\$1,950.44}$
Total Zone 1 Parcel Assessment	\$2,338.94

The total of lot footage assessment plus building footage assessment plus street front footage assessment for each parcel constitutes the total assessment for that parcel.

Zone 2 Example:

Lot Square Footage = 1,000	$1,000 \times \$0.1772 = \$ 177.20$
Building Square Footage = 2,000	$2,000 \times \$0.0624 = \$ 124.80$
Frontage = 100	$100 \times \$17.4769 = \underline{\$1,747.69}$
Total Zone 2 Parcel Assessment	\$2,049.69

The assessment calculation is the same for every parcel in the Westwood PBID.

Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments may be subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the District Owner's Association and will vary between 0 and 5% in any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The owners association shall have the right to reallocate up to 10% by line item of budget allocation within the

budgeted categories. The management/administration line item may only be increased by the annual increase subject to the 5% cap and cannot be increased through the 10% budget reallocation. Any change will be approved by the owners' association board of directors and submitted to the City of Los Angeles within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

The projections below illustrate a maximum 5% annual increase for all assessment rates.

	2017	2018	2019	2020	2021
Zone 1 Lot	\$0.2097	\$0.2202	\$0.2312	\$0.2428	\$0.2549
Zone 1 Building	\$0.0894	\$0.0939	\$0.0986	\$0.1035	\$0.1087
Zone 1 Frontage	\$19.5044	\$20.4796	\$21.5036	\$22.5788	\$23.7077
Zone 2 Lot	\$0.1772	\$0.1861	\$0.1954	\$0.2052	\$0.2154
Zone 2 Building	\$0.0624	\$0.0655	\$0.0688	\$0.0723	\$0.0759
Zone 2 Frontage	\$17.4769	\$18.3507	\$19.2683	\$20.2317	\$21.2433
	2022	2023	2024	2025	2026
Zone 1 Lot	\$0.2676	\$0.2810	\$0.2951	\$0.3098	\$0.3253
Zone 1 Building	\$0.1141	\$0.1198	\$0.1258	\$0.1321	\$0.1387
Zone 1 Frontage	\$24.8931	\$26.1378	\$27.4447	\$28.8169	\$30.2577
Zone 2 Lot	\$0.2262	\$0.2375	\$0.2494	\$0.2618	\$0.2749
Zone 2 Building	\$0.0797	\$0.0836	\$0.0878	\$0.0922	\$0.0968
Zone 2 Frontage	\$22.3054	\$23.4207	\$24.5917	\$25.8213	\$27.1124

Budget Adjustment

Any annual budget surplus or deficit will be rolled into the following year's PBID budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses or deficits that are carried forward.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels, pursuant to Government Code 53750, will be prorated to the date they receive the temporary and/or permanent certificate of occupancy.

In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes and increases assessments then a Proposition 218 ballot will be required for approval of the formula changes.

Bond Issuance

The District will not issue Bonds.

SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2016/2017 is \$1,354,413.40 apportioned to each individual assessed parcel, as follows.

Zone	APN	Legal Owner Name	Site Address	Building	Lot Size	FF	Assessment	%
1	4363-018-904	L A City (Public Parking Structure)	1036 Broxton Ave	89,040	29,640	299	\$20,009.17	1.48%
		Total LA City					\$20,009.17	1.48%
2	4324-001-900	Regents Of The University Of CA	10920 Wilshire Blvd	315,776	52,839	174	\$32,114.44	2.37%
1	4363-019-901	Regents Of The University Of CA	10886 Le Conte Ave	36,579	22,144	146	\$10,762.19	0.79%
1	4363-019-903	Regents Of The University Of CA	930 Westwood Blvd	145,497	42,420	574	\$33,101.11	2.44%
		Total Regents of the University of CA					\$75,977.74	5.61%
		Total Govt Parcels					\$95,986.92	7.09%

Zone	APN	Site Address	Building	Lot Size	FF	Assessment	%
2	4324-001-031	10900 Wilshire Blvd 520	251,862	49,658	435	\$32,122.97	2.37%
2	4324-001-032	10940 Wilshire Blvd	229,553	36,390	390	\$27,592.69	2.04%
2	4324-002-027	10990 Wilshire Blvd	216,998	21,340	289	\$22,376.69	1.65%
2	4324-002-028	10960 Wilshire Blvd	584,752	145,490	771	\$75,756.22	5.59%
2	4325-005-019	10850 Wilshire Blvd.	225,692	63,600	276	\$30,181.60	2.23%
2	4325-005-074	10866 WILSHIRE BLVD	202,388	43,828	482	\$28,823.25	2.13%
2	4325-005-083	10880 Wilshire Blvd	618,301	86,684	883	\$69,385.77	5.12%
2	4360-001-182	927 HILGARD AVE	19,920	9,160	65	\$4,002.67	0.30%
2	4360-002-013	1015 Hilgard Ave	43,410	22,790	275	\$11,554.50	0.85%
1	4360-002-032	10863 Lindbrook Dr	6,519	6,990	180	\$5,559.57	0.41%
1	4360-002-037	10841 Lindbrook Dr	11,531	10,440	130	\$5,756.00	0.42%
1	4360-003-028	10844 Lindbrook Dr	0	13,160	120	\$5,100.31	0.38%
1	4360-003-029	10877 Wilshire Blvd	278,192	51,836	653	\$48,481.56	3.58%
2	4360-006-029	936 HILGARD AVE	249,699	63,366	405	\$33,893.05	2.50%
1	4363-017-002	10962 Le Conte Ave	6,766	4,000	40	\$2,224.00	0.16%
1	4363-017-003	10966 Le Conte Ave	5,466	8,000	80	\$3,726.78	0.28%
1	4363-017-004	900 Gayley Ave	0	8,750	177	\$5,287.24	0.39%
1	4363-017-005	10984 Le Conte Ave	1,101	13,200	503	\$12,677.34	0.94%
1	4363-017-006	922 Gayley Ave	3,729	8,011	80	\$3,573.77	0.26%
1	4363-017-008	10975 Weyburn Ave	1,784	11,610	258	\$7,626.39	0.56%
1	4363-017-009	10965 Weyburn Ave	4,043	5,334	40	\$2,260.28	0.17%
1	4363-017-010	959 Broxton Ave	17,853	39,380	228	\$14,301.72	1.06%
1	4363-017-011	939 Broxton Ave	3,878	3,360	60	\$2,221.64	0.16%
1	4363-017-012	921 Broxton Ave	3,861	3,876	69	\$2,503.87	0.18%
1	4363-017-013	911 Broxton Ave	19,052	7,490	166	\$6,512.00	0.48%
1	4363-017-014	950 Gayley Ave	6,212	12,160	129	\$5,621.59	0.42%
1	4363-018-001	921 Westwood Blvd	50,790	31,640	508	\$21,084.88	1.56%
1	4363-018-008	920 Broxton Ave	21,227	17,850	257	\$10,653.98	0.79%

1	4363-018-009	10935 Weyburn Ave	7,484	3,955	57	\$2,610.34	0.19%
1	4363-018-010	10929 Weyburn Ave	3,360	4,000	40	\$1,919.45	0.14%
1	4363-018-011	10923 Weyburn Ave	3,360	4,000	40	\$1,919.45	0.14%
1	4363-018-014	1081 Westwood Blvd	28,391	20,720	461	\$15,875.32	1.17%
1	4363-018-015	1041 Westwood Blvd	8,360	4,000	40	\$2,366.53	0.17%
1	4363-018-018	10924 Weyburn Ave	3,360	4,000	40	\$1,919.45	0.14%
1	4363-018-019	10930 Weyburn Ave	3,200	4,000	40	\$1,905.15	0.14%
1	4363-018-020	10940 Weyburn Ave	9,852	10,830	273	\$8,476.78	0.63%
1	4363-018-025	NO SITE ADDRESS	0	9,750	100	\$3,995.11	0.29%
1	4363-018-026	1001 Westwood Blvd	17,624	8,151	176	\$6,717.98	0.50%
1	4363-018-027	1019 Westwood Blvd	3,780	4,200	42	\$2,037.96	0.15%
1	4363-018-028	1025 Westwood Blvd	5,040	6,001	60	\$2,879.39	0.21%
1	4363-018-029	1029 Westwood Blvd	5,857	8,000	80	\$3,761.74	0.28%
1	4363-018-030	10913 Weyburn Ave	10,252	7,950	80	\$4,144.23	0.31%
1	4363-018-033	10918 Le Conte Ave	4,845	50,997	415	\$19,222.14	1.42%
1	4363-019-008	10861 Weyburn Ave	193,648	176,854	1170	\$77,223.35	5.70%
1	4363-019-009	947 Tiverton Ave	188,062	31,770	376	\$30,811.79	2.27%
1	4363-020-001	10875 Kinross Ave	7,700	9,750	150	\$5,658.83	0.42%
1	4363-020-002	1071 Glendon Ave	7,500	5,950	60	\$3,088.66	0.23%
1	4363-020-006	1000 Westwood Blvd	64,491	17,117	263	\$14,485.76	1.07%
1	4363-020-007	1018 Westwood Blvd	7,259	8,137	61	\$3,545.25	0.26%
1	4363-020-008	1030 Westwood Blvd	10,800	6,426	50	\$3,288.50	0.24%
1	4363-020-009	1038 Westwood Blvd	10,500	12,068	100	\$5,420.08	0.40%
1	4363-020-010	1056 Westwood Blvd	6,684	6,738	60	\$3,180.94	0.23%
1	4363-020-011	1060 Westwood Blvd	3,564	5,327	50	\$2,411.02	0.18%
1	4363-020-013	1072 Westwood Blvd	2,964	5,345	60	\$2,556.19	0.19%
1	4363-020-014	1090 Westwood Blvd	11,276	7,504	165	\$5,800.14	0.43%
1	4363-021-018	1100 Glendon Ave	305,260	59,139	753	\$54,383.81	4.02%
1	4363-021-021	1060 Glendon Ave	366,614	185,130	1730	\$105,347.20	7.78%
1	4363-021-800	1041 Tiverton Ave	53,580	20,534	130	\$11,632.64	0.86%
1	4363-022-003	1101 Glendon Ave	16,387	12,637	211	\$8,230.79	0.61%
1	4363-022-004	1100 Westwood Blvd	7,611	7,697	194	\$6,078.53	0.45%
1	4363-022-005	1116 Westwood Blvd	5,880	7,000	70	\$3,359.04	0.25%
1	4363-022-006	1124 Westwood Blvd	3,400	4,000	40	\$1,923.03	0.14%
1	4363-022-007	1130 Westwood Blvd 202	3,400	4,000	40	\$1,923.03	0.14%
1	4363-022-008	1140 Westwood Blvd	6,340	4,000	40	\$2,185.91	0.16%
1	4363-022-009	1142 Westwood Blvd	16,267	12,292	245	\$8,810.86	0.65%
1	4363-022-010	1139 Glendon Ave	8,851	7,288	196	\$6,142.65	0.45%
1	4363-022-015	1125 Glendon Ave	5,480	3,888	40	\$2,085.53	0.15%
1	4363-022-016	1129 Glendon Ave	2,877	4,322	68	\$2,489.91	0.18%
2	4363-022-019	10889 Wilshire Blvd	335,881	72,310	1098	\$52,968.66	3.91%
2	4363-023-001	10951 Wilshire Blvd	0	9,910	181	\$4,919.60	0.36%

1	4363-023-027	10912 Kinross Ave	17,904	16,780	262	\$10,229.98	0.76%
1	4363-023-029	1101 Westwood Blvd	60,602	42,600	612	\$26,289.10	1.94%
1	4363-023-030	10929 Lindbrook Dr	0	16,570	249	\$8,331.49	0.62%
1	4363-023-032	10921 Wilshire Blvd	147,876	54,450	689	\$38,079.65	2.81%
1	4363-023-033	1101 Gayley Ave	81,478	36,250	434	\$23,352.29	1.72%
1	4363-023-034	10920 Lindbrook Dr	36,830	22,420	399	\$15,777.13	1.16%
1	4363-023-039	1157 Gayley Ave	0	12,840	148	\$5,579.33	0.41%
1	4363-024-001	1091 Broxton Ave	14,122	9,682	193	\$7,057.49	0.52%
1	4363-024-002	1081 Broxton Ave	5,700	6,600	60	\$3,064.02	0.23%
1	4363-024-003	1073 Broxton Ave	4,750	5,500	50	\$2,553.35	0.19%
1	4363-024-004	1067 Broxton Ave	4,750	5,500	50	\$2,553.35	0.19%
1	4363-024-005	1061 Broxton Ave	4,275	4,950	45	\$2,298.01	0.17%
1	4363-024-006	1055 Broxton Ave	3,800	4,400	40	\$2,042.68	0.15%
1	4363-024-007	1043 Broxton Ave	5,733	8,250	75	\$3,705.56	0.27%
1	4363-024-008	1037 Broxton Ave Prope	8,118	4,400	40	\$2,428.78	0.18%
1	4363-024-009	NO SITE ADDRESS	0	4,400	40	\$1,702.90	0.13%
1	4363-024-010	NO SITE ADDRESS	0	4,400	40	\$1,702.90	0.13%
1	4363-024-011	1013 Broxton Ave	0	8,800	80	\$3,405.80	0.25%
1	4363-024-012	1001 Broxton Ave	8,530	9,850	194	\$6,612.21	0.49%
1	4363-024-016	1072 Gayley Ave	11,200	8,800	80	\$4,407.25	0.33%
1	4363-024-017	10925 Kinross Ave	9,130	14,082	232	\$8,294.52	0.61%
1	4363-024-019	1066 Gayley Ave	3,504	4,400	40	\$2,016.21	0.15%
1	4363-024-020	1000 Gayley Ave	3,370	3,440	126	\$3,480.29	0.26%
1	4363-024-021	1050 Gayley Ave	16,936	46,011	428	\$19,511.20	1.44%
1	4363-025-001	1085 Gayley Ave	12,355	12,982	222	\$8,157.16	0.60%
1	4363-025-002	1079 Gayley Ave	5,000	5,500	50	\$2,575.70	0.19%
1	4363-025-003	NO SITE ADDRESS	1,600	4,400	40	\$1,845.97	0.14%
1	4363-025-004	1067 Gayley Ave	7,520	4,400	40	\$2,375.30	0.18%
1	4363-025-005	1061 Gayley Ave	8,245	4,400	40	\$2,440.13	0.18%
1	4363-025-006	1057 Gayley Ave	3,760	4,400	40	\$2,039.10	0.15%
1	4363-025-007	1049 Gayley Ave	3,800	4,400	40	\$2,042.68	0.15%
1	4363-025-008	1045 Gayley Ave	7,364	4,400	40	\$2,361.36	0.17%
1	4363-025-009	1033 Gayley Ave 200	18,458	13,200	120	\$6,759.13	0.50%
1	4363-025-010	1019 Gayley Ave	7,362	4,400	40	\$2,361.18	0.17%
1	4363-025-011	1015 Gayley Ave	8,822	4,400	40	\$2,491.72	0.18%
1	4363-025-012	1001 Gayley Ave	23,340	9,850	194	\$7,936.46	0.59%
		Total Non-Govt Parcels				\$1,258,426.48	92.91%
		Total Govt Parcels				\$95,986.92	7.09%
		Total All Parcels				\$1,354,413.40	100.00%

EXHIBIT A 2013 Engineer's Report Relative General Benefit Language

The increased pedestrian traffic encourages business development and livability which specially benefits all assessed parcels. In order to analyze the type of people that are within the District boundary we need to quantify how many of them engage in commerce and/or reside in the PBID. The Westwood District contracted with Farrand Research to conduct intercept surveys within the PBID boundary to determine to what degree respondents engage in any type of business activity (going to a restaurant; walking around; going to an entertainment venue; conduct personal business, e.g. visit a bank, beauty salon, tailor, dry cleaner; pay to park a car in the District; attend a class or stay overnight). The survey included 433 participants, with a margin of error of 4.7%, and was conducted from January 3rd and 5th, 2013 at separate locations within the PBID with all efforts made to include an unbiased cross section of participants. The margin of error is determined by calculating the square root of the number of participants (433) and dividing the twice the square root into 1.96 which is the critical value associated with a 95% confidence level. The square root of 433 is 20.81. $1.96 \div 2 \times 20.81$ equals 0.0471 which rounds to 4.7%.

The intent of the survey is to determine how many of the respondents intend to engage in commerce and/or chose to live within the District and whether any of the PBID activities influenced their decision. If the respondent indicated that they either intend to engage in commerce and that the PBID activities influenced their decision to be in the District, then the PBID activities provide a special benefit to the assessed parcels. Of the 433 respondents, only 3 respondents answered question one positively and questions 2 through 7 negatively which indicated they have no intent to engage any activities listed on the survey which means that the remaining 430 or 99.3% of the respondents indicated that they will and intend to engage in at least one of the activities asked in the survey listed above as opposed to "just passing through" the PBID with no business purpose. The survey also found that of the 430 respondents that intended to engage in an economic activity, 100% indicated that at least one of the PBID enhanced services contributed to their decision to come to the District and engage in commerce. Therefore the PBID services influenced the decision of 99.3% of the survey respondents to come to the district and engage in commerce which provided special benefit to the individually assessed District parcels.

General Benefit to the Public At Large

In the case of the PBID the public at large are those people that are within the PBID boundary that do not pay an assessment and do not specially benefit from the PBID activities. To quantify this, a determination is made of how many people are in the PBID boundary regardless of the PBID activities or that the PBID activities do not influence their decision to be in the District.

Referencing back to the Farrand Research survey, there was a series of four questions posed to the respondents to measure how important the PBID activities are in their decision to be in the PBID boundary. Of the 430 respondents, none of them indicated "Not at all Important" to all 4 questions relating to the PBID activities. Also when factoring in "just slightly important" with the "not at all important" responses did not yield any difference in the benefit calculation. What this indicates is that at least one of the PBID activities was important to every one of the respondents to be in the PBID, and hence engaged in activities benefitting the parcels within the

PBID. Of the 433 respondents, 3 responded they have no intent to engage any activities listed on the survey which means that .7% of those surveyed were not providing special benefit to the District parcels.

