

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN"*

SOUTH LAKE AVENUE  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICT

*"A MANAGEMENT PLAN"*

Prepared by the

PBID Formation Committee for  
The South Lake Avenue Business Association

*With assistance from  
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## **DISTRICT SUMMARY**

The South Lake Avenue PBID is a Property and Business Improvement District being developed by a consortium of progressive business and property owners within the South Lake Avenue Business District. The purpose of this district is to provide and manage supplemental services and improvements for this important business center, including a "clean and safe" program, a professional marketing and business promotion program, and a program to enhance the physical environment and amenities throughout the South Lake Avenue District. The PBID is a unique benefit assessment district that will enable the District property owners, working as a unit, to fund needed property related improvement programs and projects above what can be provided by the City of Pasadena on a regular basis. Districts such as the South Lake Avenue PBID have been successfully used in some 2000 business districts throughout the US and Canada.

**Location:** South Lake Avenue District – generally bounded by Colorado Boulevard on the north, Mentor Avenue on the east, an east-west line approximately 260 feet south of California Boulevard on the south, and Hudson Avenue on the west.

**Services:** Maintenance, public safety, image enhancement, promotions, physical enhancement, and related management and administration.

**Finance:** Benefit assessment of real property

**Budget:** Total district budget for Year 1 is \$490,000

**Cost:** There is one benefit zone. Year One property assessment rates per parcel are 6.71 cents (\$0.0671) per square foot of land, plus 6.16 cents (\$0.0616) per square foot of building, plus \$10.43 per linear foot of street frontage along Lake Avenue and/or \$5.21 per linear foot of street frontage along all other streets. Residential uses of 1 to 4 units shall be assessed at the flat rate of \$50 per year per unit.

**Cap:** Assessments may be subject to increases not to exceed 3% per year.

**Formation:** District formation requires submission of petitions from property owners representing at least 50% of the total assessment to be levied. In addition, a balloting of property owners who will be assessed is required; returned ballots in support of the PBID must not be "outweighed" by those returned in opposition to the PBID based on the amount of assessment to be levied.

**Duration:** Per State law, the district will have a maximum life of five (5) years. After five years, the petition and balloting process must be repeated in order to renew the district and levy assessments.

## **INTRODUCTION**

In light of ongoing economic demands in California cities, many communities are facing reduced or depleted project and operations budgets which historically funded central business district services and activities. Regular programs have been eliminated, projects delayed and levels of service reduced. In addition, with an increased awareness of social issues (homelessness, panhandling, crime, etc.) and environmental concerns (littering, graffiti, etc) the public perceives a greater need for supplemental business district security and maintenance services.

Additionally, there is an ever-increasing amount of competition for traditional business districts from shopping malls, off-price centers, big box warehouse retailers and factory outlets, as well as a myriad of mail order catalogs and home shopping networks. There is a significantly greater need to aggressively market goods and services and create physical environments and services comparable to the competition. Business districts everywhere must work harder and smarter just to capture a portion of their proportionate market share.

In order to thrive in the face of such competition, traditional business districts cannot rely solely on discretionary governmental funding or typical tax supported programs and services. There is a need to pool private resources so as to independently fund vital activities, services and improvements. Business districts throughout California are finding that one of the most effective methods today to accomplish this is through a Property and Business Improvement District (PBID).

This unique assessment mechanism can fund a full array of activities ranging from enhanced maintenance to farmer's markets, art festivals and street fairs to beautification projects such as banners, holiday decorations and landscape planters, to urgently needed services such as supplemental security, signage, and economic development. By pooling private dollars, PBIDs are able to collectively pay for and manage activities, programs and improvements which would not be possible on an individual owner basis. In a time of stretched public resources, PBIDs are one of the most valuable and effective private sector business district finance tools available.

### **PBID ELIGIBLE USE OF FUNDS**

PBID assessments are levied directly on properties within a prescribed area on the basis of relative special benefit from the improvements and activities to be funded and defined in the State law as follows:

• **"Improvement"** means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN"*

- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons/property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

• **“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 in the area.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, 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.

**REQUIRED INFORMATION IN A PBID MANAGEMENT DISTRICT PLAN**

As stipulated by California State Law (Section 36600 Streets and Highways Code), the following information and data must be included in a PBID Management District Plan:

Section 36622. The management district plan shall contain all of the following:

- (a) A map of the district in sufficient detail to locate each parcel of property within the district.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the lands included. Under no circumstances shall the boundaries of a proposed district overlap with the boundaries of another existing district created pursuant to this part. Nothing in this part prohibits the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law including, but not limited to, the Parking and Business Improvement Area Law of 1989.
- (d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.
- (e) The total annual amount proposed to be expended for improvements, maintenance and operations in each year of operation of the district.
- (f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property owner to calculate the amount of the assessment to be levied against his or her property.
- (g) The time and manner of collecting the assessments.

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN "*

(h) The specific number of years, to a maximum of five, in which assessments will be levied. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) A list of the properties to be assessed, including the assessor's parcel number, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property, in proportion to the benefit received by the property, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may nevertheless be included within the boundaries of the district but shall not be subject to the assessment.

(l) Any other item or matter required to be incorporated therein by the city council.

## **PBID COMPONENTS**

### **PBID MAP**

A map of the South Lake Property and Business Improvement District is attached as **Exhibit A**.

### **DISTRICT NAME**

The District shall be named the **South Lake Property and Business Improvement District**.

### **PBID BOUNDARY**

The South Lake Avenue PBID encompasses properties bounded by Colorado Boulevard on the north, Mentor Avenue on the east, an east-west line approximately 260 feet south of California Boulevard on the south, and Hudson Avenue on the west. More precisely, the boundaries of the District are described as follows:

Beginning at a point where the center line of Colorado Boulevard intersects with the center line of Mentor Avenue, thence southerly along the centerline of Mentor Avenue to the southerly right-of-way line of San Pasqual Street, thence easterly along the right-of-way line to the northeasterly corner of Lot 12, San Pasqual Tract (Book 5327, Page 1), thence southerly along the easterly line of said Lot 12 to the northerly line of Lot 8, Oak Villa Tract (Book 5327, Page 2), thence easterly along the northerly line of said Lot 8 to the northeasterly corner of said Lot 8, thence southerly along the easterly lot line of said Lot 8 extending to the centerline of California Boulevard, thence westerly along the centerline of California Boulevard to a point where the centerline of California Boulevard intersects with the centerline of Mentor Avenue, thence southerly along the centerline of Mentor Avenue to a point in line with an extension of the southerly line of Lot 8 (Book 5327, Page 20), thence westerly along the southerly line of said Lot 8 to the southwesterly corner of said Lot 8, thence southerly to the southeasterly corner of Lot 2, (Book 5327, Page 20), thence westerly along the southerly lot line of said Lot 2 extending to the centerline of Lake Avenue, thence southerly to a point extending from the southeasterly corner of Lot 22, Oakwood Tract (Book 5721, Page 27), thence westerly along the southerly line of said Lot 22 to the southwesterly corner of said Lot 22, thence northerly along the westerly line of said

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN "*

Lot 22 to the northwesterly corner of said Lot 22, thence westerly along the northerly line of Lot 17, Oakwood Tract (Book 5721, Page 27), fifty-five feet (55') thence northerly sixty-five feet (65') thence westerly extending to a point of intersection with the centerline of Hudson Avenue, thence northerly along the centerline of Hudson Avenue to a point where the centerline of Hudson Avenue intersects with the centerline of Colorado Boulevard, thence easterly along the centerline of Colorado Boulevard to point of Beginning.

Based on information provided by the Los Angeles County Assessor's Office, the City of Pasadena and field reviews, there are 268 parcels within the proposed PBID. All properties within this PBID will receive comparable levels of primary direct benefit from district programs and improvements.

**PBID ACTIVITIES/PROGRAMS/COSTS/BUDGET**

"The PBID will offer a diverse array of programs and services for the diverse needs of South Lake Avenue."

**1. Maintenance Services will include:**

	<u>Current City Level</u>	<u>Proposed PBID Level</u>
• areawide litter/debris pickup	none	daily
• check/empty sidewalk trash bins	3 times/week	daily
• sidewalk cleaning (Blow and Go)	none	twice weekly
• sidewalk scrubbing/steam cleaning	none	4 times/year
• clean/repair/replace trash bins	none	as needed
• mechanical street sweeping	every other week	weekly

**2. The Ambassador/Guide Program will:**

- provide directions; handout business directories, maps, promotional material
- respond to PBID related questions of business and property owners and employees
- assist South Lake Business Association with dissemination of newsletters, alerts, promotions
- patrol day/night/weekends for graffiti, crime, code violations, suspicious activities
- provide first response assistance to requests/need for social issue intervention

**3. Physical Amenities will include:**

- creation/expansion of South Lake Avenue District theme banner program
- expansion of sidewalk trash bin placement
- expansion of South Lake Avenue District theme signage program
- other improvements as agreed upon or needed, such as sidewalk directories/kiosks
- lighting
- Shoppers Lane and Median enhancements

**4. PBID Promotions and Marketing will include:**

- promotional events and activities
- holiday events and decorations
- District advertising and press releases
- business development, retention and recruitment

**5. PBID Management will provide:**

- personnel and full service office to manage PBID programs, activities and projects

**PROPOSED SOUTH LAKE AVENUE PBID WORK PLAN**

**1. Maintenance**

- daily pickup of litter from all sidewalks, gutters, alleys and public parking lots
- daily inspection/emptying of sidewalk trash bins
- weekly mechanical sweeping of all gutters
- semi-weekly manual cleaning of all sidewalks, alleys and public parking lots
- quarterly mechanical scrubbing of all sidewalk areas

**2. Ambassador/Public Safety**

- additional District personnel to report crime, graffiti, code violations, debris, etc.
- provide assistance, directions, and greetings to shoppers and visitors
- distribute District maps, business directories and event calendars

**3. Marketing/Promotions**

- advertising of the District's diverse array of goods, services and culture
- marketing of business and property investment opportunities within District
- marketing of available space for lease or sale
- series of festive District events and Holiday activities
- regular sales and business promotions
- business **C**reation **A**ttraction **R**etention **E**xpansion (CARE) programs

**4. Physical Amenities**

- expansion of streetscape elements such as banners, trash bins, planters, signs and trees
- Lake Avenue Median beautification
- furniture and fixtures such as business directory kiosks, newsracks, decorative lighting, etc
- seek opportunities to team with other public and private sources for cooperative streetscape amenities, planning, façade improvement programs, etc.

**5. Administration/Operations**

- full time professional staff to manage PBID programs and activities
- full service office to assist property and business owners with District-related needs
- solid lobbying force on District issues and needs

## **HOW SOUTH LAKE AVENUE STAKEHOLDERS BENEFIT**

### **All property owners:**

- Cleaner sidewalks, streets and common areas
- Real and perceived public safety improvements
- Higher property resale values
- Enhanced rental incomes from vacant and underutilized space
- Greater pedestrian activity
- Improved business climate and mix of desired and needed uses
- New businesses and investors
- Better funded and well-managed South Lake Avenue District programs and services
- Stronger and united voice in South Lake Avenue District matters

### **Retail, restaurant, entertainment, and service businesses:**

- Regular marketing/promotional activities to attract and keep customers

### **Professional, medical and financial businesses:**

- Clean & safe programs for welfare of customers and employees

### **General office uses:**

- Enhanced climate and opportunities for entertaining clients and guests

### **Churches, fraternal groups and schools:**

- Enhanced overall environment for members and contributors

### **Cultural and art uses:**

- Greater exposure and opportunities to attract visitors and benefactors

### **Residents:**

- Enhanced clean and safe "urban village" living

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN "*

**FIRST YEAR OPERATING BUDGET**

**BUDGET SUMMARY – Revenue & Expense**

**REVENUE**

Governmental Contract For Services <i>(City of Pasadena - P.B.I.D. Assessments)</i>	485,648.94
Event & Activity Income	3,000.00
Interest Income	351.06
Miscellaneous Revenue	<u>1,000.00</u>
<b>TOTAL REVENUE</b>	<b>\$ 490,000.00</b>

**EXPENDITURES**

Maintenance & Landscape Services	141,800	29%
Ambassadors/Day Porters	126,800	26%
Marketing & Promotions/Economic Development	125,600	26%
Administration & Operations	<u>95,800</u>	19%
<b>TOTAL EXPENDITURES</b>	<b>\$ 490,000.00</b>	

**FIRST YEAR OPERATING BUDGET**

**MAINTENANCE/LANDSCAPE SERVICES ♦ PHYSICAL ENHANCEMENT**

**Personnel**

Direct Compensation* (Salaries/Wages)	45,000	
Indirect (25% for FICA, FUTA, SUI, Workers Comp, Benefits, etc)	<u>11,000</u>	
<b>Total Personnel</b>		<b>56,000</b>

**Supplies**

Operating supplies	15,000	
Equipment/Uniforms/Radios	<u>15,000</u>	
<b>Total Supplies</b>		<b>30,000</b>

**Direct Operating Expense**

General Administration & Operations	<u>16,800</u>	
<b>Total A &amp; O</b>		<b>16,800</b>

**F, F & E**

Streetscape Amenities	<u>11,000</u>	
<b>Total F, F &amp; E</b>		<b>11,000</b>

**Contract Services**

Street Sweeping	8,000	
Sidewalk Scrubbing/Deep Cleaning	<u>20,000</u>	
<b>Total Contract Services</b>		<b><u>28,000</u></b>

<b>TOTAL MAINTENANCE AND LANDSCAPE SERVICES</b>	<b><u>141,800</u></b>
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SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN "

FIRST YEAR OPERATING BUDGET

AMBASSADOR / DAY PORTER SERVICES

**Supplies**

Operating supplies	<u>10,000</u>	
<b>Total Supplies</b>		<b>10,000</b>

**Direct Operating Expense**

General Administration & Operations	<u>16,800</u>	
<b>Total A &amp; O</b>		<b>16,800</b>

**Contract Services**

Personal Services (120 hours per week @ \$16 per hour)	<u>100,000</u>	
<b>Total Contract Services</b>		<b><u>100,000</u></b>

<b>TOTAL AMBASSADOR/DAY PORTER SERVICES</b>		<b><u>126,800</u></b>
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**FIRST YEAR OPERATING BUDGET**

**PROMOTIONS, MARKETING AND ECONOMIC DEVELOPMENT**

**Promotions and Marketing Programs**

Regional Marketing/District Advertising	25,000	
Holiday Celebrations	30,000	
Newsletter & Annual Report (5 + 1 @ \$2,000 ea)	12,000	
Promotions & Customer Attraction	5,000	
Member Services/Mixers/District Awards & Recognition	<u>5,000</u>	
<b>Total Promotions &amp; Marketing</b>		<b>77,000</b>

**Direct Operating Expense**

General Administration & Operations	<u>33,600</u>	
<b>Total A &amp; O</b>		<b>33,600</b>

**Economic Development Programs**

Business Creation/Attraction Retention/Expansion (CARE)	<u>15,000</u>	
<b>Total Economic Development</b>		<b><u>15,000</u></b>

<b>TOTAL P &amp; M AND ECON. DEV.</b>		<b><u>125,600</u></b>
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**FIRST YEAR OPERATING BUDGET**

**ADMINISTRATION AND OPERATIONS**

**Personnel**

Direct Compensation ( <i>Salaries/Wages</i> )	28,000	
Indirect ( <i>20% for FICA, FUTA, SUI, Workers Comp, Benefits, etc</i> )	<u>5,600</u>	
<b>Total Personnel</b>		<b>33,600</b>

**Supplies**

Office Supplies	2,000	
General Operating Supplies	<u>2,000</u>	
<b>Total Supplies</b>		<b>4,000</b>

**Direct Operating Expense**

General Administration & Operations	<u>39,000</u>	
<b>Total A &amp; O</b>		<b>39,000</b>

**Furniture, Fixtures & Equipment**

Office Start-up - FF&E	7,700	
Equipment Maintenance & Service Agreements	<u>1,500</u>	
<b>Total F F &amp; E</b>		<b>9,200</b>

**Contingency and Unallocated**

Unanticipated Expense	<u>10,000</u>	
<b>Total Contingency</b>		<b><u>10,000</u></b>

<b>TOTAL ADMINISTRATION &amp; OPERATIONS</b>		<b>95,800</b>
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*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN"*

**BUDGET SUMMARY**

ACTIVITY	Allocation	%
1.0 Maintenance & Phys. Enhancement	\$141,800	29%
2.0 Ambassador/Public Safety	\$126,800	26%
3.0 Marketing/Promotions	\$125,600	26%
4.0 Administration/Operations	\$95,800	19%
<b>TOTAL</b>	<b>\$490,000</b>	<b>100%</b>

\* Allocations may be shifted between these major categories based on actual program costs, demands and contract prices, except that no category's allocation shall be adjusted upward or downward by more than 30% of its stated amount.

**PBID Program Costs and Budget**

In order to carry out the PBID programs outlined in the previous section, a first year budget of \$490,000 is required. The primary program activities range from 19% to 29% of the total budget each. Since the PBID is planned for a five year term, projected program costs for future years (Years 2-5) are set at the inception of the PBID. While future inflationary and other program cost increases are unknown at this point, a built in maximum increase of 3% per annum is incorporated into the projected program costs for the five year life of the PBID. These figures are shown in the table below. Carryovers, if any, could be reapportioned the following year for related programs, services and improvements. Detailed annual budgets will be prepared by the South Lake Business Association for City Council review and approval.

**Projected Five Year Program Costs**

(Includes a 3% cap on annual increases)

Activity	Year One	Year Two	Year Three	Year Four	Year Five	Total
Maintenance	\$141,800	\$146,054	\$150,436	\$154,949	\$159,597	\$752,835
Ambassadors	\$126,800	\$130,604	\$134,522	\$138,558	\$142,715	\$673,198
Marketing & Promo	\$125,600	\$129,368	\$133,249	\$137,247	\$141,364	\$666,827
A & O	\$95,800	\$98,674	\$101,634	\$104,683	\$107,824	\$508,615
<b>Total</b>	<b>\$490,000</b>	<b>\$504,700</b>	<b>\$519,841</b>	<b>\$535,436</b>	<b>\$551,499</b>	<b>\$2,601,477</b>

## **PBID ASSESSMENTS**

### Analysis of Basis and Method of Levying Assessments

The South Lake Avenue PBID is a benefit assessment type district whereby district program costs are to be apportioned amongst benefiting properties based on the special benefit each property is expected to derive from the PBID programs. 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 PBID. Some large PBIDs require secondary benefit zones to be identified to allow for a tiered assessment formula for variable benefits derived. Also, as required by Proposition 218, general benefits may not be incorporated into the assessment formula and levied on the PBID properties; only special benefits and costs may be considered. Furthermore, Proposition 218 no longer exempts government owned property from paying benefit assessments unless it is demonstrated by clear and convincing evidence that the property in fact receives no special benefit. Thus, public parking lots owned by the City of Pasadena will be assessed along with all of the privately owned parcels within the PBID.

Based on the grid shape of the proposed PBID, as well as the nature of the proposed PBID program elements, it is determined that all properties will gain comparable special benefit. A single assessment zone will be utilized.

PBID assessment formulas typically relate to either property street frontage or parcel and building size and location which affect the amount of assessment to be paid. The formula may base assessments on a single factor or a combination of factors. Based on the program activities to be funded, which relate directly to the pedestrian oriented sidewalk areas, parcel size and current improvements, it is determined that the assessments be based equally on three property related elements; the amount of adjacent street/sidewalk frontage, the parcel size and the building area. Within the PBID there are roughly 23,200 linear feet of street frontage, of which 7,465 linear feet are along Lake Avenue with the remaining 15,800 linear feet along all other streets in the District, 2.6 million square feet of land, and 2.4 million square feet of building area. A list of all parcels in the PBID is shown in Appendix B attached hereto. Using the cumulative property related data totals from above, the base Year 1 assessment rates are set at \$ 10.43 per LF of street frontage along Lake Avenue, \$ 5.21 per LF of street frontage along all other streets in the District, including Shopper's Lane, 6.71 cents (\$0.0671) per square foot of land area and 6.16 cents (\$0.0616) per square foot of building area (based on gross exterior building dimensions).

Due to recognized diminished benefits, a number of formula adjustment factors for certain land uses, parcel configurations and other circumstances are also incorporated into the proposed PBID formula as follows:

1. Residential uses from 1 to 4 units are set at a nominal flat rate of \$50 per unit.
2. Residential uses of 5 or more units are set at 50% of base assessment rates.
3. Properties zoned solely for residential use shall not be assessed; mixed-use zoned property will be assessed in accordance with the following Special Circumstances:

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN "*

Commercial/Office Condos

- a. Building area fee at full building area fee rate
- b. Land area fee at full land area fee rate but pro-rated for each unit based on ratio of unit building area to total building area
- c. Frontage fee at full frontage rate but pro-rated for each unit based on ratio of unit building area to total building area

Mixed –Use Ground floor Commercial and Upper Residential Rental

- a. Building area fee at full rate for commercial area and 50% commercial rate for residential area
- b. Land area fee at full land area fee rate
- c. Frontage fee at full frontage rate

Mixed-Use Ground floor Commercial and Upper Residential Condos

- a. Building area fee at full rate for commercial area and \$50 per year per residential condo unit
  - b. Land area fee at full land area fee rate (assessed on ground floor owner)
  - c. Frontage fee at full frontage rate (assessed on ground floor owner)
4. Street frontage along Lake Avenue shall be assessed at 100%. All other street frontages, including frontage calculated along Shoppers Lane, shall be assessed at 50% of the full rate.
5. Parcels upon which a parking structure is located shall be assessed utilizing land area, street frontage, and only the building area dedicated to a commercial or residential use. Building area dedicated exclusively to parking shall be excluded.

**YEAR 1 ASSESSMENT FORMULA**

**[Assessment = Street Frontage Fee + Land Area Fee + Building Area Fee]**

- Street Frontage Fee = parcel street frontage x street frontage rate
- Land Area Fee = land area x land area rate
- Building Area Fee = building area x building area rate

	STREET FRONTAGE RATE	LAND AREA RATE	BUILDING AREA RATE
Fronting Lake Avenue	\$ 10.43 per Linear Foot	6.71¢ per Square Foot	6.16 ¢ per Square Foot
Fronting Other Streets	\$ 5.21 per Linear Foot	6.71¢ per Square Foot	6.16 ¢ per Square Foot

*SOUTH LAKE AVENUE PBID - "A MANAGEMENT PLAN"*

**SAMPLE CALCULATIONS:**

A. 12,000 sq. ft. building on 15,000 sq. ft. lot with 100 LF of frontage on Lake Avenue

Frontage Fee =	100 LF @ \$10.43 per LF	=	\$ 1,043.00
Land Fee =	15,000 sq ft @ 6.71¢ per sq ft	=	\$ 1,006.50
Building Fee =	12,000 sq ft @ 6.16¢ per sq ft	=	<u>\$ 739.20</u>
<b>TOTAL ASSESSMENT</b>		<b>=</b>	<b>\$ 2,788.70</b>

A. 12,000 sq. ft. building on 15,000 sq. ft. lot with 100 LF of frontage on Cordova Street

Frontage Fee =	100 LF @ \$ 5.21 per LF	=	\$ 521.00
Land Fee =	15,000 sq ft @ 6.71¢ per sq ft	=	\$ 1,006.50
Building Fee =	12,000 sq ft @ 6.16¢ per sq ft	=	<u>\$ 739.20</u>
<b>TOTAL ASSESSMENT</b>		<b>=</b>	<b>\$ 2,266.70</b>

Since the PBID is planned for a five year term, maximum assessments for future years (Years 2-5) must be set at the inception of the PBID. While future inflationary and other program cost increases are unknown at this point, a built in maximum increase of 3% per annum is incorporated into the projected program costs and, in turn, the resultant assessment rates for the five year life of the PBID. These figures are shown in the table below. Assessment rates may not exceed those indicated below.

**Five Year Maximum Assessment Rates**

(Includes a 3% cap on annual increases)

	Year One Rate	Year Two Rate	Year Three Rate	Year Four Rate	Year Five Rate
Lake Ave Street Frontage Fee	10.43	10.74	11.06	11.40	11.74
All Other Street Frontage Fee	5.21	5.36	5.53	5.69	5.86
Land Area Fee	0.0671	0.0691	0.0711	0.0733	0.0755
Building Area Fee	0.0616	0.0634	0.0654	0.0673	0.0693

**SPECIFIC ANNUAL ADJUSTMENTS**

During the term of the PBID, the annual budget and corresponding assessments may be adjusted to reflect annual increases of three percent (3%).

In addition, any annual budget surplus or deficit will be incorporated into the subsequent year's PBID budget, and subsequent annual assessments will be set to account for surpluses or deficits carried forward.

## **PBID GOVERNANCE**

### Procedures

The South Lake Business Association (SLBA) will be the agency responsible for the ongoing day-to-day management and administration of the South Lake Avenue PBID. The SLBA is an existing non-profit corporation formed by business and property owners located along South Lake Avenue. The SLBA may choose to contract with third party entities to carry out the District programs and activities.

The annual programs, budgets and assessments for the South Lake Avenue PBID shall be determined by the SLBA, who shall also serve as the PBID "property owners association" described in State PBID Law. Such programs, budgets, and assessments must be consistent with this Management Plan. This Board shall be responsible for the general oversight of the District including approval of the annual work programs and budgets, monitoring performance, and ensuring compliance with appropriate rules and regulations, including a PBID management agreement with the City of Pasadena. This Board shall meet generally on a monthly basis. When related to PBID matters, such meetings shall be subject to the State of California "Brown Act" open meeting requirements. Records of this Association pertaining to PBID related matters shall be available for public review as stipulated by State Law. Pursuant to State law, the SLBA Board shall file, for approval by the City Council, an annual report for the upcoming year for which assessments shall be levied. Upon PBID adoption/renewal, the City and the SLBA will execute a contract for the performance and delivery of the stipulated program services over the life of the PBID.

The SLBA will employ a management professional as Executive Director/CEO whose duties shall include the implementation of the programs and activities of the PBID as well as the management of the day-to-day affairs of the PBID and the SLBA. Additional staff may be employed as needed and as provided for in the budget.

## **PBID SPECIAL RULES AND REGULATIONS**

### Competitive Bidding

The South Lake Business Association shall, upon formation of the South Lake Avenue PBID, develop a policy of competitive bidding for outside service and improvement contracts. The policy will aim to maximize service quality, efficiency and cost effectiveness of procured products and services.

Other special rules and regulations may be adopted by the Association from time to time, as deemed appropriate and necessary.

**TIME AND MANNER FOR COLLECTING ASSESSMENTS**

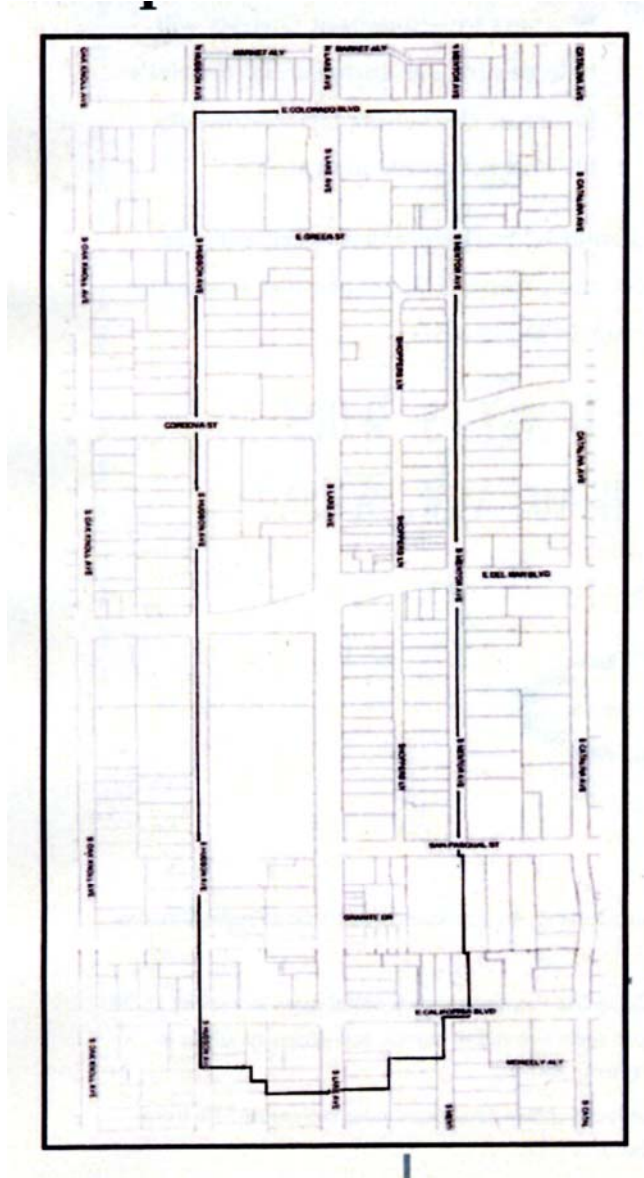
As provided by statute, the South Lake Avenue PBID assessments will be collected by the County of Los Angeles in the same manner as annual property taxes are collected and will appear as a separate line item on the property tax statement prepared by and issued by the County. It is intended that the City and the South Lake Avenue will enter into an agreement under which the City will remit the assessment revenues to the Association for implementation of the Management Plan. Existing laws and policies addressing enforcement and/or appeal of property taxes shall also apply to PBID assessments.

**PBID DURATION**

Pursuant to State PBID law, the South Lake Avenue PBID will have a five year operating duration extending from January 2006 through the end of December 2010 (Property tax billing from December 2005 through December 2009). Any continuation of the PBID after the initial five year period will require compliance with all regulations and statutes in place at the time relative to establishment of a property and business improvement district. At present, this would require preparation of a new five year management plan, circulation of a new majority support petition, a Prop 218 balloting and a public hearing and noticing process.

# APPENDIX A

## BOUNDARY MAP



SOUTH LAKE AVENUE PBID

# APPENDIX B

## ASSESSMENT ROLL

### SOUTH LAKE AVENUE PBID