

# ATTACHMENT 1

## **SOUTH LAKE AVENUE PROPERTY & BUSINESS IMPROVEMENT DISTRICT RENEWAL**

# **ASSESSMENT ENGINEER'S REPORT**

*Formed in 2007- Renewed for 5 Years in 2012 and 2017- Being Renewed for 7 Years Pursuant to  
California Streets and Highways Code Section 36600 et seq. - Property Business Improvement  
District Act of 1994, as amended*

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

**August 10, 2021**

**v 1.0**

SOUTH LAKE AVENUE PBID – ASSESSMENT ENGINEER’S REPORT

**ASSESSMENT ENGINEER’S REPORT**

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed South Lake Avenue Property & Business Improvement District ("SLA PBID") being renewed for a seven (7) year term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

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



Edward V. Henning

RPE #26549 **August 10, 2021**

Date

*(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)*

**Introduction**

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIII D of the California Constitution (Proposition 218) to support the benefit property assessments to be levied within the proposed SLA PBID in the City of Pasadena, California being renewed for a seven (7) year term. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by real properties within the proposed renewed SLA PBID.

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### **Background**

The SLA PBID is a property-based benefit assessment type district being renewed for a seven (7) year term pursuant to Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a property and business improvement district (“PBID”), district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments levied. Within the Act, frequent references are made to the concept of relative “benefit” received from PBID programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from PBID funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

### **Supplemental Article XIID Section 4(b) California Constitution Proposition 218 Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the SLA PBID. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID Section 4(b) of the California Constitution.

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

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

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

### **General Setting**

The SLA PBID is located in the center of historic “Downtown” Pasadena. The SLA PBID encompasses properties bounded by Colorado Boulevard on the north, Mentor Avenue on the east, 260 feet south of California Boulevard on the south, and Hudson Avenue on the west. This area is a vibrant center of commerce, dining, employment and livability. The SLA PBID is generally surrounded by residential neighborhoods on the east, west and the south and other business districts on the north, northeast and northwest. Based on information provided by the Los Angeles County Assessor’s Office, the City of Pasadena and field reviews, there are 448 parcels within the renewed PBID, of which 445 are identified as assessable within the meaning of State Law and the assessment methodology herein developed and applied. The boundaries of the proposed renewed SLA PBID are shown on the map of the proposed renewed SLA PBID included as Appendix 2 at the end of this Report.

### **District Boundary Description**

More specifically, the SLA PBID boundaries 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 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.

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**Benefit Zones:** There is one benefit zone in the SLA PBID.

### **PBID Boundary Rationale**

**Northern Boundary:** The northern boundary of the SLA PBID abuts the southern boundary of the existing Playhouse Village PBID (centerline of Colorado Boulevard). State Law precludes two PBIDs from overlapping and, thus the northerly boundary was determined by this PBID law provision and set along this line with parcels north of the line not included in the SLA PBID.

**Southern Boundary:** The southern boundary of the SLA PBID was determined by zoning and land uses where parcels located to the south of the southern PBID boundary are zoned and developed solely with residential land uses while those north of the southern boundary are zoned commercial.\* State of California Streets and Highways Code Section 36632(c) conclusively presumes that properties zoned solely residential do not benefit from the improvements and service funded through PBID assessments, cannot be assessed and, thus, these single use neighborhoods are not included in the SLA PBID.

\*It is noted that two parcels on the west side of Lake Ave at the southern boundary are zoned R-1 but are used as commercial parking lots ancillary to commercial zoned and used parcels within the SLA PBID. These two R-1 zoned parcels are included in the SLA PBID boundaries but pursuant to State Law are not assessed.

**Eastern Boundary:** The parcels located to the northeast of the SLA PBID boundary primarily along Green Street are zoned and developed with commercial land uses but do not share the same marketing needs as the parcels within the SLA PBID boundaries and thus, are not included in the SLA PBID. The parcels located due east of the eastern boundary of the SLA PBID have residential zoning and land uses, and for the reason stated above, are not included within the SLA PBID.

**Western Boundary:** The northwest boundary of the SLA PBID boundary abuts the boundary of the existing Playhouse Village PBID (centerline of Colorado Boulevard). Again, State Law precludes two PBIDs from overlapping and, thus the northwesterly boundary was determined by this PBID law provision and set along this line with parcels west of the line not included in the SLA PBID. The parcels located due west of the western boundary of the SLA PBID are zoned and generally developed with residential land uses, and for the reason stated above, are not included within the SLA PBID.

All identified parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this Report. All PBID funded services, programs and improvements provided within the above described boundaries shall confer special benefit to identified assessed parcels inside the PBID boundaries and none will be provided outside of the PBID. Each assessed parcel within the SLA PBID will proportionately specially benefit from the PBID funded maintenance, ambassadors, marketing & promotions and administration & operations. These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates within the SLA PBID by reducing crime, litter and debris and professionally marketing goods and services available within the PBID, all considered necessary in a competitive properly managed mixed-use business district. All PBID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Pasadena and are only provided for the special

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benefit of assessed parcels within the boundaries of the SLA PBID and are described in more detail under “Work Plan”, beginning on page 10 of this Report.

A list of all parcels included in the proposed SLA PBID is shown as Appendix 1, attached to this Report with their respective Los Angeles County assessor parcel number. The boundary of the proposed SLA PBID and parcels within it are shown on the map of the District attached as Appendix 2 to this Report.

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

**QUANTITATIVE BENEFIT ANALYSIS**

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the district.

The property uses within the boundaries of the PBID that will receive special benefits from PBID funded programs and services are currently a mix of commercial, non-profit and residential. No parcels within the SLA PBID are zoned solely residential. Services, programs and improvements provided and funded by the PBID are primarily designed to provide special benefits as described below to identified assessed parcels and the array of land uses within the boundaries of the SLA PBID.

The proposed PBID programs, improvements and services and Year 1 – 2023 budget allocation are as follows:

**Year 1 – 2023 District Special Benefit Cost Allocations (Assessment Revenue Only)**

MAINTENANCE	AMBASSADORS	MARKETING & PROMOTIONS	ADMINISTRATION & OPERATIONS	TOTAL
24.2077%	26.7186%	26.1022%	22.9716%	100.00%
\$161,000	\$177,700	\$173,600	\$152,779	\$665,079

Assessed commercial parcels as well as commercial portions of mixed-use parcels are conferred proportionate special benefits from all PBID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants and investors. For these parcels, PBID programs, services and improvements are designed to increase business volumes, sales transactions, commercial occupancies and commercial rental income. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for patrons, visitors and employees of these parcels within the SLA PBID by reducing crime, litter and debris and professionally marketing the array of goods and services available within the SLA PBID, all considered necessary in a competitive properly managed business district.

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For residential parcels and residential portions of mixed use parcels within the SLA PBID (all located on commercial zoned parcels), it is the opinion of this Assessment Engineer that each of these parcels and uses specially benefit, but differently than commercial type parcels, from SLA PBID funded programs and services from the clean and safe programs designed to improve the cleanliness, security, marketability and livability of these parcels and residential units on them. The proportionate special benefits conferred on all residential parcels and units shall be considered in proportion to those conferred on commercial parcels within the SLA PBID. For these parcels, PBID programs, services and improvements are designed to increase residential owned and rental occupancies and rental income. These programs, services and improvements are designed to improve security and aesthetic appeal for resident owners, tenants, visitors and landlords of these parcels within the SLA PBID by reducing crime, litter and debris and professionally marketing the availability of residential units within the SLA PBID and the nearby array of goods, services and activities, all considered necessary in a competitive properly managed contemporary mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the SLA PBID and are not provided to non-assessed parcels outside of the SLA PBID. These programs, services and improvements will only be provided to each individual assessed parcel within the SLA PBID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

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

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

Empirical assessment engineering analysis throughout California has found that general benefits within a given business improvement district tend to range from 2-6% of the total costs. There are three methods that have been used by this Engineer for determining general and special benefit values within assessment districts:

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

A majority of PBIDs in California for which this Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, (Article XIID Section 4(b) of the California

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Constitution) have used Method #3, the composite district overlay determinant method which will be used for the SLA PBID. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the SLA PBID, general benefit to the public at large within the SLA PBID and general benefit to parcels outside the SLA PBID.

### General Benefit – Assessed Parcels within the SLA PBID

PBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed SLA PBID parcels and are only provided for the special benefit to each and every assessed parcel within the SLA PBID. It is the opinion of this Engineer, based on over 30 years of professional assessment engineering experience, that nearly 100% of benefits conferred on assessed parcels within the SLA PBID are distinct and special but in the case of the SLA PBID, it is projected that there are 0.25% general benefits conferred on these assessed parcels. This high ratio of special benefits to general benefits is because the SLA PBID funded programs and services are specially geared to the unique needs of each assessed parcel within the SLA PBID and are directed specially only to these assessed parcels within the SLA PBID. This concept is further reinforced by the proportionality of special benefits conferred on each assessed parcel within the SLA PBID as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each assessed parcel. The computed 0.25% general benefit value on assessed parcels within the SLA PBID equates to \$1,663 or (.25% x \$665,079).

### General Benefits – Outside Parcels

While District programs and services will not be provided directly to parcels outside the SLA PBID boundaries, it is reasonable to conclude that SLA PBID services may confer an indirect general benefit on parcels adjacent to the SLA PBID boundaries. An inventory of the SLA PBID boundaries finds that the District is immediately surrounded by 88 parcels. Of these 88 parcels, 18 are commercial zoned parcels with commercial uses located on the perimeter of the SLA PBID. Of these 18 parcels, 14 are located within another existing PBID, the Playhouse Village (PV) PBID. Also there are 3 non-assessed parcels within the SLA PBID for reasons discussed later in this Report under “Special Circumstances”. In addition, there are 70 residentially zoned parcels with residential uses located on the perimeter of the SLA PBID.

The 88 parcels directly outside the SLA PBID boundaries, including the 14 commercial parcels located within another PBID as well as the 3 non-assessed parcels within the SLA PBID, can reasonably be assumed to receive some indirect general benefit as a result of SLA PBID funded programs, services and improvements. Based on over 30 years of assessment engineering experience, it is the opinion of this Engineer that a benefit factor of 1.0 be attributed to the 445 assessed parcels within the SLA PBID, a benefit factor of 0.50 be attributed to general benefits conferred on the 7 commercial parcels and uses located adjacent to or across the street from assessed parcels within the SLA PBID (including 3 non-assessed parcels within the SLA PBID, a benefit factor of 0.10 be attributed to general benefits conferred on the 70 residential parcels and uses located adjacent to or across the street from assessed parcels within the SLA PBID and, a benefit factor of 0.25 be attributed to general benefits conferred on the 14 commercial parcels and uses located across the street from assessed parcels within the SLA PBID and located in another existing PBID outside of the SLA PBID. The cumulative dollar value of this general benefit type equates to \$20,924 (\$5,231+\$5,231+\$10,462) as delineated in the following Table:



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Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Assessed Parcels Within PBID	445	1.00	445.00	96.9499%	\$665,079
Comm Zoned Parcels Out *	7	0.50	3.50	0.7625%	\$5,231
Comm Zoned Parcels Out in PVA	14	0.25	3.50	0.7625%	\$5,231
Resid Use- Zoned Parcels Out	70	0.10	<u>7.00</u>	<u>1.5251%</u>	<u>\$10,462</u>
TOTAL			459.00	100.00%	\$686,003

\* Includes 3 non-assessed parcels within the SLA PBID

General Benefit - Public At Large

While the SLA PBID funded programs are narrowly designed and carefully implemented to specially benefit the assessed SLA PBID parcels and are only provided for the special benefit to each and every assessed parcel within the SLA PBID, these PBID funded programs also provide general benefits to the public at large within the SLA PBID. For SLA PBID funded activities, assessment Engineering experience in California has found that generally over 95% of people moving about within PBID boundaries are engaged in business related to assessed parcels and businesses contained on them within a PBID, while the public at large “just passing through” is typically 5% or less.

Based on experience curves and the nature of the proposed SLA PBID funded programs and over 30 years of assessment engineering experience, it is the opinion of this Engineer that districtwide general benefit factors for each of the SLA PBID funded special benefit program element costs that most likely provide a general benefit to the public at large are as shown in the Table below. These factors are applied to each program element costs in order to compute the dollar and percent value of districtwide general benefits to the public at large. The total dollar value of this general benefit type, public at large, equates to \$8,345 as delineated in the following Table:

	A	B	C	E
Program Element	Dollar Allocation	General Benefit Percent	General Benefit Factor	General Benefit Value (A x C)
MAINTENANCE	\$161,000	1.50%	0.0150	\$2,415
AMBASSADORS	\$177,700	1.50%	0.0150	\$2,666
MARKETING & PROMOTIONS	\$173,600	1.00%	0.0100	\$1,736
ADMINISTRATION & OPERATIONS	<u>\$152,779</u>	1.00%	0.0100	<u>\$1,528</u>
Total	\$665,079			\$8,345

Composite General Benefit

Based on the general benefit values delineated in the three sections above, the total value of districtwide general benefits conferred on assessed parcels within the SLA PBID, on parcels outside the SLA PBID, and on the public at large, equates to \$30,932 (\$1,663 + \$8,345 + \$20,924) or 4.4442%. For the purposes of this analysis, the districtwide general benefit factor of 4.4442% will be rounded up to 4.5% or \$31,339. This leaves a value of 95.5% assigned to special benefit related costs. The districtwide general benefit value of \$31,339 when added to the special benefit value of \$655,079 (Year 1 – 2023 assessments) equates

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to a total Year 1 – 2023 program cost of \$696,418. Remaining costs that are attributed to districtwide general benefits, will need to be derived from other non-assessment sources such as grants, program income, sponsorships, volunteer credits etc.

The program special benefit related cost allocations of the SLA PBID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit related cost allocations of the SLA PBID assessment revenues for the 7-Year SLA PBID term, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

A breakdown of projected special and districtwide general benefits for each year of the 7-Year renewal term, assuming a 5% maximum annual assessment rate increase is shown in the following Table:

**7-Year Special + Districtwide General Benefits**  
(Assumes 5% max rate increase per year)

<b>YR</b>		<b>PROGRAM CATEGORY</b>	<b>SPECIAL BENEFITS</b>	<b>GENERAL BENEFITS</b>	<b>TOTAL BENEFITS</b>	<b>% OF TOTAL</b>
1	2023	MAINTENANCE	\$161,000	\$7,587	\$168,587	24.2077%
		AMBASSADORS	\$177,700	\$8,373	\$186,073	26.7186%
		MARKETING & PROMOTIONS	\$173,600	\$8,180	\$181,780	26.1022%
		ADMINISTRATION & OPERATIONS	\$152,779	\$7,199	\$159,978	22.9716%
		TOTAL	\$665,079	\$31,339	\$696,418	100.00%
2	2024	MAINTENANCE	\$169,050	\$7,966	\$177,016	24.2077%
		AMBASSADORS	\$186,585	\$8,792	\$195,377	26.7186%
		MARKETING & PROMOTIONS	\$182,280	\$8,589	\$190,869	26.1022%
		ADMINISTRATION & OPERATIONS	\$160,418	\$7,559	\$167,977	22.9716%
		TOTAL	\$698,333	\$32,906	\$731,239	100.00%
3	2025	MAINTENANCE	\$177,503	\$8,364	\$185,867	24.2077%
		AMBASSADORS	\$195,914	\$9,232	\$205,146	26.7186%
		MARKETING & PROMOTIONS	\$191,394	\$9,018	\$200,412	26.1022%
		ADMINISTRATION & OPERATIONS	\$168,439	\$7,937	\$176,376	22.9716%
		TOTAL	\$733,250	\$34,551	\$767,801	100.00%
4	2026	MAINTENANCE	\$186,378	\$8,782	\$195,160	24.2077%
		AMBASSADORS	\$205,710	\$9,694	\$215,404	26.7186%
		MARKETING & PROMOTIONS	\$200,964	\$9,469	\$210,433	26.1022%
		ADMINISTRATION & OPERATIONS	\$176,861	\$8,334	\$185,195	22.9716%
		TOTAL	\$769,913	\$36,279	\$806,192	100.00%

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5	2027	MAINTENANCE	\$195,697	\$9,221	\$204,918	24.2077%
		AMBASSADORS	\$215,996	\$10,179	\$226,175	26.7186%
		MARKETING & PROMOTIONS	\$211,012	\$9,942	\$220,954	26.1022%
		ADMINISTRATION & OPERATIONS	<u>\$185,704</u>	<u>\$8,751</u>	<u>\$194,455</u>	<u>22.9716%</u>
		TOTAL	\$808,409	\$38,093	\$846,502	100.00%
6	2028	MAINTENANCE	\$205,482	\$9,682	\$215,164	24.2077%
		AMBASSADORS	\$226,796	\$10,688	\$237,484	26.7186%
		MARKETING & PROMOTIONS	\$221,563	\$10,439	\$232,002	26.1022%
		ADMINISTRATION & OPERATIONS	<u>\$194,989</u>	<u>\$9,189</u>	<u>\$204,178</u>	<u>22.9716%</u>
		TOTAL	\$848,830	\$39,998	\$888,828	100.00%
7	2029	MAINTENANCE	\$215,756	\$10,166	\$225,922	24.2077%
		AMBASSADORS	\$238,136	\$11,222	\$249,358	26.7186%
		MARKETING & PROMOTIONS	\$232,641	\$10,961	\$243,602	26.1022%
		ADMINISTRATION & OPERATIONS	<u>\$204,738</u>	<u>\$9,648</u>	<u>\$214,386</u>	<u>22.9716%</u>
		TOTAL	\$891,271	\$41,997	\$933,268	100.00%

## **SLA PBID WORK PLAN**

### **Overview**

The Programs and activities to be funded by the SLA PBID include maintenance, ambassadors, marketing & promotions and administration & operations. The property uses within the boundaries of the SLA PBID that will receive special benefits from SLA PBID funded programs, services and improvements are currently a unique mix of commercial, non-profit and residential. Services, programs and improvements provided and funded by the SLA PBID are primarily designed to provide special benefits as described below to identified assessed parcels within the boundaries of the SLA PBID. The varying programmed service levels are delineated within each work plan element description.

These special benefits are particular and distinct to each and every identified assessed parcel within the SLA PBID and are not provided to non-assessed parcels outside of the SLA PBID. These programs, services and improvements will only be provided to each individual assessed parcel within the SLA PBID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The very nature of the purpose of the SLA PBID is to fund supplemental programs, services and improvements to assessed parcels within the SLA PBID boundaries above and beyond the base line services provided by the City of Pasadena. The City of Pasadena does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the SLA PBID are for services, programs and improvements directly benefiting each individual assessed parcel within the SLA PBID. No SLA PBID funded services, activities or programs will be provided outside of the SLA PBID boundaries.

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The program special benefit cost allocations of the SLA PBID assessment revenues for Year 1 (2023) are shown in the Table on page 13 of this Report. The projected program special benefit cost allocations of the SLA PBID assessment revenues for the 7-Year SLA PBID term, assuming a 5% maximum annual assessment rate increase, are shown in the Table on page 14 of this Report.

### **WORK PLAN DETAILS**

The services to be provided by the SLA PBID (i.e. maintenance, ambassadors, marketing & promotions and administration & operations) are all designed to contribute to the cohesive commercial, & residential fabric to ensure economic success and vitality of the SLA PBID. The assessed parcels in the SLA PBID will specially benefit from the SLA PBID programs in the form of increasing commerce and improving economic success and vitality through meeting the SLA PBID Goals: to improve security, cleanliness, beautification, landscaping, livability and to attract and retain businesses and services, generate more pedestrian and visitor traffic and to increase commerce and improve the economic viability of each individual assessed parcel.

Assessed commercial parcels as well as commercial portions of mixed-use parcels are conferred proportionate special benefits from all PBID funded programs, services and improvements which are intended to attract more customers, users, visitors, employees, tenants and investors. For these parcels, PBID programs, services and improvements are designed to increase business volumes, sales transactions, commercial occupancies and commercial rental income. These programs, services and improvements are designed to improve commerce, security and aesthetic appeal for patrons, visitors and employees of these parcels within the SLA PBID by reducing crime, litter and debris and professionally marketing the array of goods and services available within the PBID, all considered necessary in a competitive properly managed business district.

For residential parcels and residential portions of mixed use parcels within the SLA PBID (all located on commercial zoned parcels), it is the opinion of this Assessment Engineer that each of these parcels and uses specially benefit, but differently than commercial type parcels, from SLA PBID funded programs and services from the clean and safe programs designed to improve the cleanliness, security, marketability and livability of these parcels and residential units on them. The proportionate special benefits conferred on all residential parcels and units shall be considered in proportion to those conferred on commercial parcels within the SLA PBID. For these parcels, PBID programs, services and improvements are designed to increase residential owned and rental occupancies and rental income. These programs, services and improvements are designed to improve security and aesthetic appeal for resident owners, tenants, visitors and landlords of these parcels within the SLA PBID by reducing crime, litter and debris and professionally marketing the availability of residential units within the SLA PBID and the nearby array of goods, services and activities, all considered necessary in a competitive properly managed contemporary mixed-use business district.

These benefits are particular and distinct to each and every identified and assessed parcel within the SLA PBID and are not provided to non-assessed parcels outside of the PBID. These programs, services and improvements will only be provided to each individual assessed parcel within the PBID boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

The following programs, services and improvements are proposed by the SLA PBID to specially benefit each and every individually assessed parcel within the SLA PBID boundaries. SLA PBID services, programs and improvements will not be provided to parcels outside the SLA PBID boundary. Assessment

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funds generated in each benefit zone shall only be used to provide services which specially benefit individual assessed parcels within the SLA PBID.

### **Maintenance**

The Maintenance category includes regular maintenance of areas adjacent to each assessed parcel and placement/upkeep of physical amenities for the special benefit of each identified and assessed parcel and land use (i.e. retail, service, restaurant, office and residential) within the SLA PBID. Maintenance includes manual cleaning and power washing of sidewalks/bus stop areas/trash bins, trash, debris and litter pickup and removal of posters, signs and stickers on street furniture and poles. Maintenance service levels and proportionate costs will be higher along Lake Avenue street frontages than other street frontages and thus, assessment frontage rates are higher along Lake Avenue than other streets within the SLA PBID. Types of physical amenities could include: additional street furniture such as benches and trash bins; seasonal banners; and other improvements, as approved by the SLA Board of Directors. This element also includes related management and operation costs.

This component is designed to specially benefit and improve the aesthetic appeal of each identified and assessed parcel within the SLA PBID and attract more commercial customers and clients, employees, tenants, residents and investors which potentially would increase business volumes, sales transactions, occupancies and rental income. Maintenance will only be provided for identified and assessed parcels and their businesses and occupants located within the SLA PBID boundaries.

### **Ambassadors**

The Ambassadors component includes deploying ambassadors throughout the PBID. Ambassadors provide directions; handout business directories, maps, promotional material, respond to PBID related questions of business and property owners and employees, assist the SLBA with dissemination of newsletters, alerts, promotions and patrol for graffiti, crime, code violations, suspicious activities. This component also includes related management and operation costs.

The Ambassadors component is designed to specially benefit each identified and assessed parcel and land use within the SLA PBID. This element is designed to professionally manage the safety, well-being and information dissemination for each assessed parcel within the PBID as a safe place to work, live, transact business, shop or dine. The Ambassadors component is designed to attract more customers, clients, employees, residents, tenants and investors which potentially would increase business volumes, sales transactions, occupancies and rental income. The Ambassadors component will be provided only within the PBID boundaries and for the special benefit of identified and assessed parcels and the array of land uses within the SLA PBID.

### **Marketing & Promotions**

The Marketing & Promotions component includes newsletters, website and social media management, development and distribution of promotional materials, seasonal decorations, special events, media advertising and other programs that will promote the array of goods and services available within the SLA PBID. This component includes business development, recruitment and retention. This component also includes related management and operation costs.

The Marketing & Promotions component will include newsletters, website and social media management, development and distribution of promotional materials, seasonal decorations, special events, media advertising and other programs that will promote the array of goods and services available within the SLA

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PBID. This component also includes related management and operation costs.

This component is designed to specially benefit and improve the marketability of assessed parcels within the SLA PBID. This element is designed to attract more customers and clients, employees, tenants, residents and investors which potentially would increase business volumes, sales transactions, occupancies and rental income. Marketing programs will only be provided for identified and assessed parcels located within the PBID boundaries.

**Administration & Operations**

Included in the Administration & Operations component are the costs for internal staffing, overhead, accounting, legal, bank charges, annual report and Directors and Officers and General Liability insurance and other office and operation expenses. This component also includes County collection fees, allowance for delinquent assessment payments and other variable expenses related to each program element. A portion of SLA PBID assessment funds remaining in the last two years of the proposed SLA PBID renewal term may be used to develop the Management District Plan, Engineer’s Report and related renewal costs for the following renewal term.

This component is key to the proper expenditure of SLA PBID assessment funds and the administration of SLA PBID programs and activities. This component exists only for the purposes of the SLA PBID and will only be provided for matters specially benefitting each individual assessed parcel and land use (i.e. commercial, non-profit and residential) within the SLA PBID.

In summary, all SLA PBID funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the SLA PBID boundaries and none will be provided outside of the SLA PBID. Each assessed parcel within the SLA PBID will proportionately specially benefit from maintenance, ambassadors, marketing & promotions and administration & operations. These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates of assessed parcels within the SLA PBID by deterring crime, reducing litter, installing physical improvements and professionally marketing goods, services and spaces available within the SLA PBID, all necessary in a competitive properly managed contemporary business district. All SLA PBID funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Pasadena and are only provided for the special benefit of each and every assessed parcel within the boundaries of the SLA PBID.

**WORK PLAN BUDGET**

Each identified assessed parcel within the SLA PBID will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of SLA PBID funded services provided within each benefit zone. The projected SLA PBID program special benefit (assessments) allocation budget for Year 1 (2023) is shown in the following Table:

**SLA PBID Year 1 (2023) Special Benefit Assessment Budget**

<b>MAINTENANCE</b>	<b>AMBASSADORS</b>	<b>MARKETING &amp; PROMOTIONS</b>	<b>ADMINISTRATION &amp; OPERATIONS</b>	<b>TOTAL</b>
24.2077%	26.7186%	26.1022%	22.9716%	100.00%
\$161,000	\$177,700	\$173,600	\$152,779	\$665,079

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In order to carry out the SLA PBID programs outlined in the previous section, a Year 1-2023 assessment budget of \$665,079 is projected. Since the SLA PBID is planned for a 7-Year term, projected program costs for future years (Years 2-7) are set at the inception of the SLA PBID. While future inflationary and other program cost increases are unknown at this point, a built in maximum increase of 5% per year, commensurate to special benefits conferred on each assessed parcel, is incorporated into the projected program costs and assessment rates for the 7-Year SLA PBID term.

Funding carryovers, if any, may be reapportioned the following year for related programs, services and improvements in accordance with The Management District Plan. Detailed annual budgets will be prepared by the Owners’ Association Board and included in the Annual Report for the City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year during the 7-Year term of the proposed renewed SLA PBID. Accordingly, the Owners’ Association shall have the ability to reallocate any budget line item within the budget categories, based on such cost fluctuations subject to the review and approval by the Owners’ Association Board. Such reallocation will be included in the Annual Report for the approval by the Pasadena City Council pursuant to the Streets and Highways Code Section 36650. Any accrued interest or delinquent payments may be expended in any budget category in accordance with The Management District Plan.

A 7-Year projected SLA PBID special benefit budget is shown in the following Table:

**YEAR 1-7 PROJECTED SLA PBID ASSESSMENT BUDGET SUMMARY (Special Benefits)**

(Assumes 5% max rate increase per year)

<b>YEAR</b>		<b>MAINTENANCE</b>	<b>AMBASSADORS</b>	<b>MARKETING &amp; PROMOTIONS</b>	<b>ADMINISTRATION &amp; OPERATIONS</b>	<b>TOTAL</b>
		24.2077%	26.7186%	26.1022%	22.9716%	100.00%
<b>1</b>	<b>2023</b>	\$161,000	\$177,700	\$173,600	\$152,779	\$665,079
<b>2</b>	<b>2024</b>	\$169,050	\$186,585	\$182,280	\$160,418	\$698,333
<b>3</b>	<b>2025</b>	\$177,503	\$195,914	\$191,394	\$168,439	\$733,250
<b>4</b>	<b>2026</b>	\$186,378	\$205,710	\$200,964	\$176,861	\$769,913
<b>5</b>	<b>2027</b>	\$195,697	\$215,996	\$211,012	\$185,704	\$808,409
<b>6</b>	<b>2028</b>	\$205,482	\$226,796	\$221,563	\$194,989	\$848,830
<b>7</b>	<b>2029</b>	\$215,756	\$238,136	\$232,641	\$204,738	\$891,271

The SLA PBID assessments may increase for each individual parcel each year during the 7-Year effective operating period, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Report and adopted by the City of Pasadena City Council. Any accrued interest and delinquent

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payments will be expended within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owners’ Association of the SLA PBID) shall determine the percentage increase, if any, to the annual assessment, not to exceed 5% per year. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the SLA PBID operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Pasadena. No bonds are to be issued in conjunction with the proposed renewed SLA PBID.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 7th year of operation will be rolled over into the renewal budget or returned to stakeholders in accordance with State Law. SLA PBID assessment funds may be used to pay for costs related to the following SLA PBID renewal term. If the SLA PBID is not renewed or terminated for any reason, unencumbered/unexpended funds will be returned to the property owners in accordance with State Law.

PBID assessment revenue for Year 1 (2023) is projected to be \$655,079. Additional Year 1 revenues from grants, reserves, dues and interest are estimated to be a minimum of \$32,000.

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

Each identified assessed parcel within the SLA PBID will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed renewed SLA PBID (i.e. maintenance, ambassadors, marketing & promotions and administration & operations), it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel within one benefit zone, except as noted herein.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the SLA PBID. Larger parcels and those with larger buildings and/or Lake Avenue frontages are projected to impact the demand for services and programs to a greater extent than smaller parcels or smaller buildings and/or located along other frontages and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

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

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

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed renewed SLA PBID, they are also considerably less than



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other options considered by the SLA PBID Renewal proponents. The actual assessment rates for each parcel within the SLA PBID directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area and street frontage of each parcel within one benefit zone, except as noted herein.

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

The State Constitution - Article 13D (Proposition 218) states that “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.”

There are nine (9) public commercial parking lot parcels located along Shoppers Lane and Mentor Avenue owned by the City of Pasadena. There is no clear and convincing evidence that these publicly owned commercial parking parcels would not proportionately specially benefit from PBID funded programs, services and improvements any different than private owned commercial parking lots and, thus, in the opinion of this Assessment Engineer, will be assessed in a similar manner and at the same rates as privately owned commercial parcels within the PBID.

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

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed renewed SLA PBID.

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

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed renewed SLA PBID and resultant assessment levies will continue for 7-Year and may be renewed again at that time. The reasons for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to building area, land area and street frontage of each SLA PBID assessed parcel within one benefit zone, except as noted herein.

**Assessment Formula Methodology**

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

**Background - Assessment Formula Development**

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

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

Next, all program and activity costs, including incidental costs, administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIID Section 4(b) of the California Constitution, and now required of all property-based assessment districts, indirect or general benefit related costs may not be incorporated into the assessment formula and levied on the district properties; only direct or “special” benefits related costs may be used. Indirect or general benefits, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Article XIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See page 16 of this Report for discussion regarding publicly owned parcels within the SLA PBID).

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

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

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### SLA PBID Assessment Formula

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed renewed SLA PBID (i.e. maintenance, ambassadors, marketing & promotions and administration & operations) it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage of each parcel within one benefit zone, except as noted herein.

The “Basic Benefit Units” will be expressed as a combined function of gross building square footage (Benefit Unit “B-1” for commercial building area and “B-2” for residential building area of 1-5 units), land square footage (Benefit Unit “L”), street frontage (Benefit Unit “F-1” for Lake Avenue frontage and “F-2” for all other street frontage). Based on the shape of the proposed SLA PBID, as well as the nature of the District program elements, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area, land area and street frontage within one benefit zone, except as noted herein.

Parcel building area, land area and street frontage quantities are a common method of fairly and equitably spreading special benefit costs to the beneficiaries of SLA PBID funded services, programs and improvements. These factors directly relate to the degree of special benefit each assessed parcel will receive from SLA PBID funded activities within each benefit zone.

Building area (Benefit Units A & D) is a direct measure of the static utilization of each parcel and its corresponding impact or draw on PBID funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, building area, should generate approximately 40% of the total PBID revenue [31.203887% for commercial building area and 5.918719% for residential building area (1-5 units, including condominiums) when adjusted for current precise building area measurements and program costs and service levels].

Land area (Benefit Unit B) is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on SLA PBID funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 30% of the total PBID revenue (31.518581% when adjusted for precise parcel measurements and program costs and service levels).

Street frontage (Benefit Unit C) is a direct measure of each parcel’s corresponding impact or draw on SLA PBID funded activities. Street frontage includes all public street frontages of a parcel. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 30% of the total PBID revenue (14.6273% for Lake Avenue frontage and 16.731513% for all other frontage when adjusted for precise parcel measurements and program costs and service levels)

### Special Assessment Circumstances

#### 1. Residential Uses (1-5 units)

There are 293 parcels within the SLA PBID that have residential uses on them in the range of 1-5 units. The vast majority of these parcels and units are newer “in town” residential condominiums. It is the opinion of this Assessment Engineer that these residential parcels with 1-5 units will proportionately specially benefit from PBID funded programs and activities, but differently than commercial parcels and other residential parcels with 6 or more units on them. As such, based on the development

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configuration of such units which are generally multi floor buildings with no direct land or street frontage, the assessments for residential use parcels with 1-5 units, including residential condominiums shall be assessed based solely on interior building area.

### 2. Residential Uses (6+ units)

In the opinion of this Engineer, parcels with multi-unit residential uses (6+ units) within the proposed renewed SLA PBID, will proportionately specially benefit from PBID funded programs, services and improvements but different than commercial parcels and uses. The reason for this finding is rooted in the fact that commercial parcels and buildings provide the double benefit of directly generating income for the parcel in the form of market driven rents and, in turn, generate income to business owners as a function of retail sales areas, food and other service business space and office space to house revenue generating employees. This double benefit does not hold true for multi-unit residential use parcels. In the opinion of this Engineer, the level of special benefit for the proposed PBID funded programs, services and improvements for multi-unit residential use parcels is set at 50% of the respective rates of commercial parcels and uses.

### 3. Mixed-Use Properties

Mixed-use properties will be assessed in accordance with the following special criteria:

#### Commercial/Office Condos

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

#### Mixed –Use Rental - Ground Floor Commercial and Upper Floor Residential

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

#### Mixed-Use Commercial Condos and Residential Condos

- a. Building area assessed at full rate for commercial area and 10.7 cents per sq ft of residential building area
- b. Land area assessed at full land area rate (assessed on ground floor owners)
- c. Frontage assessed at full frontage rate (assessed on ground floor owners)

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Other Special Criteria

- 4. Properties zoned solely for residential use shall not be assessed.
- 5. Street frontage along Lake Avenue shall be assessed at the full, 100%.street frontage rate All other street frontages, including frontage along Shoppers Lane, shall be assessed at 50% of the full rate.
- 6. Parcels upon which a parking structure is located shall be assessed using land area and street frontage only. Parking structure building area serving primarily as tenant parking, shall not be assessed.

Future Development

Other than future maximum rates and the assessment methodology delineated in this Report, per State Law (Government Code Section 53750), future assessments may change for any given parcel if such a change is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or assessment rates higher than as stipulated in this Report would require a new ballot procedure (Section 4(b) of Article XIID of the California Constitution - Proposition 218) in order to approve any such changes.

**Step 2. Quantify Total Basic Benefit Units**

Considering all identified specially benefiting parcels within the SLA PBID and their respective assessable benefit units, the cumulative quantities by factor and zone are shown in the following Table:

**Year 1 – 2023 - Assessable Benefit Units**

<b>BLDG AREA (SF)</b>	<b>LAND AREA (SF)</b>	<b>LAKE AVE FRONTAGE (LF)</b>	<b>OTHER STREET FRONTAGE (LF)</b>	<b>RES (1-5 UNITS) BLDG AREA (SF)</b>	<b># OF PARCELS</b>	<b># OF ASSESSABLE PARCELS</b>
2,900,899	2,471,681	7,402	16,935	367,889	448	445

**Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the proposed renewed SLA PBID was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property-based assessments. All respective property data being used for assessment computations will be provided to each property owner in the SLA PBID for their review. If a property owner believes there is an error on a parcel’s assessed footages, the SLA PBID may confirm the data with the LA County Assessor’s office. If SLA PBID data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the SLA PBID assessment may be corrected.

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**Step 4. Determine Assessment Formula**

In the opinion of this Engineer, the assessment formula for the proposed SLA PBID is as follows:

$$\begin{aligned} \text{Assessment} &= \text{Building Area (Unit B) Sq Ft x Unit B-1 Rate, plus} \\ &\quad \text{Land Area (Unit L) Sq Ft x Unit L Rate, plus} \\ &\quad \text{Street Frontage (Unit F-1) Lin Ft x Unit F-1 Rate, plus} \\ &\quad \text{Street Frontage (Unit F-2) Lin Ft x Unit F-2 Rate} \\ &\quad \text{or} \\ &= \text{Residential 1-5 units Building Area (Unit B-2) Sq Ft x Unit B-2 Rate} \end{aligned}$$

Assessment Formula Unit Rates

Using figures from the Assessable Benefit Units Table above, the assessment rates for each factor are calculated as follows:

Building Area Rate (Unit B-1)

$$(\$665,079 \times 31.203887\%) / 2,900,899 \text{ assessable building units} = \$0.07154/\text{sq ft building area}$$

Residential (1-5 Units) Building Area Rate (Unit B-2)

$$(\$665,079 \times 5.918719\%) / 367,889 \text{ assessable building units} = \$0.107/\text{sq ft building area}$$

Land Area Rate (Unit L)

$$(\$665,079 \times 31.518581\%) / 2,471,681 \text{ assessable land units} = \$0.08481/\text{sq ft land area}$$

Street Frontage Rate (Unit F-1)

$$(\$665,079 \times 14.6273\%) / 7,402 \text{ assessable frontage units} = \$13.1428/\text{LF street frontage}$$

Street Frontage Rate (Unit F-2)

$$(\$665,079 \times 16.731513\%) / 16,935 \text{ assessable frontage units} = \$6.57087/\text{LF street frontage}$$

Based on figures from the Assessable Benefit Units Table above, the assessment rates for each factor are shown as calculated in the Table below:

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**YEAR 1 –2023 Assessment Rates**

BLDG AREA ASSMT RATE (\$/SQ FT)	LAND AREA ASSMT RATE (\$/SQ FT)	LAKE AVE FRONTAGE ASSMT RATE (\$/LF)	OTHER STREET FRONTAGE ASSMT RATE (\$/LF)	RES (1-5 UNITS) BLDG AREA ASSMT RATE (\$/LF)
\$0.07154	\$0.08481	\$13.14280	\$6.57087	\$0.10700

**SAMPLE ASSESSMENT CALCULATIONS:**

12,000 sq ft building on 15,000 sq ft lot with 100 LF of Lake Ave street frontage and 50 LF of other street frontage

Building	= 12,000 x 7.154¢/SF	= \$ 858.48
Land	= 15,000 x 8.481¢/SF	= \$1,272.15
Lake Ave Frontage	= 100 LF x \$13.14281/LF	= \$1,314.28
Other frontage	= 50 LF x \$6.57087/LF	= \$ 328.54
<b>TOTAL YEAR 1 ASSESSMENT</b>		= <b><u>\$3,773.45</u></b>
PER MONTH		= \$ 314/Month
PER SF BLDG PER MONTH		= 2.6¢/SF/Month

The complete Year 1 – 2023 assessment roll of all parcels to be assessed by the SLA PBID is included in this Report as Appendix I.

**Step 5. Estimate Total District Costs**

The total projected 7 year special benefit costs for 2023 – 2029 of the SLA PBID are shown in the Table on page 14 of this Report assuming a maximum 5% increase per year.

**Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIID Section 4(b) of the California Constitution – Proposition 218)**

Total Year 1 special and districtwide general benefit related costs are projected to be \$696,418. Districtwide general benefits are factored at 4.5% (5%) of the total benefit value (see Finding 2 of this Report) with special benefits set at 95.5 %. Article XIID Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 4.5% general benefit value is computed to be \$31,339 with a resultant 95.5% special benefit limit computed at \$665,079. *Based on current property data and land uses, this is the maximum amount of Year 1 (2023) revenue that can be derived from property assessments from the subject District.*

All program costs associated with districtwide and site/activity specific general benefits will be derived from sources other than SLA PBID assessments.

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**Step 7. Calculate “Basic Unit Cost”**

With a YR 1 - 2023 assessment revenue portion of the budget set at \$665,079 (special benefit only), the Basic Unit Costs (rates) are shown earlier in Step 4. Since the SLA PBID is proposed to be renewed for a 7-Year term, maximum assessments for future years (2023-2029) must be set at the inception of the proposed renewed SLA PBID. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the SLA PBID Property Owner’s Association. The maximum assessment rates for the 7-Year proposed renewed SLA PBID term of 2023-2029 are shown in the Table below. The assessment rates listed constitute the maximum assessment rates that may be imposed for each year of the proposed renewed SLA PBID term (2023-2029).

**SLA PBID – 7-Year Maximum Assessment Rates  
(Includes a 5%/Yr. Max Increase)**

<b>BLDG AREA ASSMT RATE (\$/SQ FT)</b>	<b>LAND AREA ASSMT RATE (\$/SQ FT)</b>	<b>LAKE AVE FRONTAGE ASSMT RATE (\$/LF)</b>	<b>OTHER STREET FRONTAGE ASSMT RATE (\$/LF)</b>	<b>RES (1-5 UNITS) BLDG AREA ASSMT RATE (\$/LF)</b>
<u>YR 1 - 2023</u>				
\$0.0715	\$0.0848	\$13.1428	\$6.5709	\$0.1070
<u>YR 2 - 2024</u>				
\$0.0751	\$0.0890	\$13.7999	\$6.8994	\$0.1124
<u>YR 3 - 2025</u>				
\$0.0789	\$0.0935	\$14.4899	\$7.2444	\$0.1180
<u>YR 4 - 2026</u>				
\$0.0828	\$0.0982	\$15.2144	\$7.6066	\$0.1239
<u>YR 5 - 2027</u>				
\$0.0869	\$0.1031	\$15.9751	\$7.9869	\$0.1301
<u>YR 6 - 2028</u>				
\$0.0912	\$0.1083	\$16.7739	\$8.3862	\$0.1366
<u>YR 7 - 2029</u>				
\$0.0958	\$0.1137	\$17.6126	\$8.8055	\$0.1434

**Step 8. Spread the Assessments**

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



**Miscellaneous SLA PBID Provisions**

**Time and Manner of Collecting Assessments:**

Assessments shall be collected at the same time and in the same manner as ad valorem taxes paid to the County of Los Angeles (Operation Years 2023-2029). The SLA PBID assessments shall appear as a separate line item on the property tax bills issued by the Los Angeles County Assessor. The City of Pasadena is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement the Management District Plan.

**Bonds:**

No bonds are to be issued in conjunction with this proposed renewed SLA PBID.

**Duration**

As allowed by State PBID Law, the SLA PBID will have a seven (7) year operational term from January 1, 2023 to December 31, 2029. The proposed renewed SLA PBID operation is expected to begin services on January 1, 2023. If the SLA PBID is not renewed again at the end of the proposed 7-Year renewal term, services will end on December 31, 2029.

# APPENDIX 1

## SLA PBID YR 1 – 2023 ASSESSMENT ROLL

APN	YR 1 2022-23 PBID ASSMT
5327001001	\$1,260.61
5327001002	\$920.72
5327001003	\$3,525.63
5327001004	\$774.43
5327001005	\$929.74
5327001006	\$1,418.77
5327001009	\$799.24
5327001010	\$824.14
5327001011	\$646.43
5327001012	\$724.77
5327001014	\$1,580.91
5327001015	\$724.82
5327001029	\$1,897.63
5327001030	\$1,886.93
5327001160	\$0.00
5327001161	\$8,360.18
5327001162	\$199.02
5327001163	\$204.37
5327001164	\$199.02
5327001165	\$165.85
5327001166	\$204.37
5327001167	\$203.30
5327001168	\$241.82
5327001169	\$271.78
5327001170	\$254.66
5327001171	\$217.21
5327001172	\$224.70
5327001173	\$221.49
5327001174	\$212.93
5327001175	\$165.85
5327001176	\$264.29
5327001177	\$224.70
5327001178	\$151.94
5327001179	\$199.02
5327001180	\$199.02
5327001181	\$204.37
5327001182	\$199.02
5327001183	\$165.85
5327001184	\$199.02
5327001185	\$217.21
5327001186	\$224.70
5327001187	\$221.49

5327001188	\$212.93
5327001189	\$165.85
5327001190	\$264.29
5327001191	\$224.70
5327001192	\$75.97
5327001193	\$199.02
5327001194	\$199.02
5327001195	\$204.37
5327001196	\$199.02
5327001197	\$165.85
5327001198	\$120.91
5327001199	\$135.89
5327001200	\$199.02
5327001201	\$217.21
5327001202	\$224.70
5327001203	\$221.49
5327001204	\$212.93
5327001205	\$165.85
5327001206	\$264.29
5327001207	\$224.70
5327001208	\$75.97
5327001209	\$234.33
5327001210	\$199.02
5327001211	\$204.37
5327001212	\$199.02
5327001213	\$250.38
5327001214	\$240.75
5327001215	\$234.33
5327001216	\$249.31
5327001217	\$296.39
5327001218	\$221.49
5327001219	\$307.09
5327001220	\$221.49
5327001221	\$234.33
5327001222	\$232.19
5327001223	\$197.95
5327001224	\$204.37
5327001225	\$199.02
5327001226	\$248.24
5327001227	\$248.24
5327001228	\$296.39
5327001229	\$297.46
5327001230	\$302.81
5327001231	\$220.42
5327001232	\$234.33

5327002001	\$1,680.67
5327002004	\$1,746.71
5327002005	\$3,019.04
5327002006	\$1,303.29
5327002007	\$858.85
5327002008	\$1,502.85
5327002009	\$1,005.86
5327002023	\$2,008.01
5327002088	\$1,354.81
5327020011	\$1,840.32
5327020012	\$1,458.22
5327020013	\$1,541.75
5327020039	\$12,580.14
5721027003	\$944.38
5721027018	\$2,678.24
5721027019	\$0.00
5721027020	\$0.00
5721027027	\$3,473.79
5721027032	\$5,369.12
5721027053	\$155.15
5721027054	\$107.00
5721027055	\$98.44
5721027056	\$98.44
5721027057	\$110.21
5721027058	\$111.28
5734013025	\$23,802.68
5734013026	\$7,028.27
5734013027	\$28,065.92
5734013028	\$9,585.30
5734030001	\$751.92
5734030002	\$2,914.70
5734030008	\$852.65
5734030031	\$75.74
5734030033	\$7,213.83
5734030034	\$8,349.41
5734030035	\$6,543.46
5734030036	\$10,184.86
5734031004	\$6,129.97
5734031009	\$41,161.20
5734031010	\$23,043.80
5734032004	\$22,476.38
5734033013	\$10,107.07
5734033014	\$8,906.98
5734034008	\$1,729.54
5734034019	\$19,568.54

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5734034021	\$17,906.22
5734034023	\$23,954.89
5734034025	\$1,837.25
5734035005	\$2,111.08
5734035008	\$2,158.78
5734035009	\$1,729.54
5734035018	\$1,780.51
5734035019	\$1,386.19
5734035020	\$1,386.19
5734035025	\$6,061.18
5734035031	\$6,066.34
5734035040	\$4,388.44
5734035042	\$77.15
5734035043	\$120.48
5734035044	\$85.07
5734035045	\$126.05
5734035046	\$59.06
5734035047	\$59.28
5734035048	\$59.28
5734035049	\$59.28
5734035050	\$58.96
5734035051	\$151.30
5734035052	\$56.50
5734035053	\$58.10
5734035054	\$58.10
5734035055	\$73.94
5734035056	\$58.32
5734035057	\$126.69
5734035058	\$83.67
5734035059	\$73.83
5734035060	\$72.87
5734035061	\$77.15
5734035062	\$120.48
5734035063	\$85.07
5734035064	\$126.05
5734035065	\$59.28
5734035066	\$58.53
5734035067	\$59.28
5734035068	\$58.85
5734035069	\$57.57
5734035070	\$149.59
5734035071	\$54.68

5734035072	\$56.39
5734035073	\$56.28
5734035074	\$72.23
5734035075	\$56.50
5734035076	\$122.09
5734035077	\$83.67
5734035078	\$73.83
5734035079	\$73.94
5734035080	\$60.24
5734035081	\$98.01
5734035082	\$97.69
5734035083	\$97.80
5734035084	\$78.86
5734035085	\$72.44
5734035086	\$70.19
5734035087	\$73.62
5734035088	\$73.62
5734035089	\$73.62
5734035090	\$73.30
5734035091	\$73.19
5734035092	\$75.11
5734035093	\$120.27
5734035094	\$453.66
5734035095	\$60.24
5734035096	\$98.01
5734035097	\$97.69
5734035098	\$97.80
5734035099	\$78.86
5734035100	\$97.91
5734035101	\$124.87
5734035102	\$73.62
5734035103	\$73.62
5734035104	\$73.62
5734035105	\$73.62
5734035106	\$73.19
5734035107	\$75.11
5734035108	\$105.50
5734035109	\$98.12
5734035110	\$98.23
5734035111	\$97.80
5734035112	\$94.05
5734035113	\$60.24

5734035114	\$98.01
5734035115	\$97.69
5734035116	\$97.80
5734035117	\$78.86
5734035118	\$97.91
5734035119	\$76.08
5734035120	\$76.08
5734035121	\$124.87
5734035122	\$73.62
5734035123	\$73.62
5734035124	\$73.62
5734035126	\$73.19
5734035127	\$75.11
5734035128	\$105.50
5734035129	\$98.12
5734035130	\$98.23
5734035131	\$97.80
5734035132	\$94.05
5734035133	\$60.24
5734035134	\$98.01
5734035135	\$97.69
5734035136	\$97.80
5734035137	\$78.86
5734035138	\$97.91
5734035139	\$76.08
5734035140	\$76.08
5734035141	\$124.87
5734035142	\$73.62
5734035143	\$73.62
5734035144	\$73.62
5734035145	\$73.62
5734035146	\$73.19
5734035147	\$75.11
5734035148	\$105.50
5734035149	\$98.12
5734035150	\$98.23
5734035151	\$97.80
5734035152	\$94.05
5734035153	\$292.97
5734035154	\$1,376.11
5734035155	\$732.08
5734035156	\$292.82

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5734035157	\$499.50
5734035158	\$562.81
5734035160	\$73.62
5734038001	\$100.26
5734038002	\$133.00
5734038003	\$139.42
5734038004	\$129.04
5734038005	\$144.13
5734038006	\$102.19
5734038007	\$144.13
5734038008	\$137.28
5734038009	\$162.21
5734038010	\$97.80
5734038011	\$105.61
5734038012	\$97.80
5734038013	\$105.61
5734038014	\$80.57
5734038015	\$97.80
5734038016	\$104.75
5734038017	\$105.61
5734038018	\$93.20
5734038019	\$111.07
5734038020	\$100.90
5734038021	\$153.01
5734038022	\$139.42
5734038023	\$172.59
5734038024	\$130.11
5734038025	\$158.90
5734038026	\$144.13
5734038027	\$102.19
5734038028	\$158.90
5734038029	\$137.28
5734038030	\$162.21
5734038031	\$97.80
5734038032	\$105.61
5734038033	\$97.80
5734038034	\$105.61
5734038035	\$80.57
5734038036	\$97.80
5734038037	\$104.75
5734038038	\$105.61
5734038039	\$93.20

5734038040	\$111.07
5734038041	\$229.09
5734038042	\$234.65
5734038043	\$234.65
5734038044	\$237.86
5734038045	\$205.12
5734038046	\$191.85
5734038047	\$112.46
5734038048	\$89.56
5734038049	\$100.90
5734038050	\$95.12
5734038051	\$153.01
5734038052	\$116.84
5734038053	\$139.42
5734038054	\$114.81
5734038055	\$127.12
5734038056	\$130.11
5734038057	\$158.90
5734038058	\$144.13
5734038059	\$102.19
5734038060	\$158.90
5734038061	\$137.28
5734038062	\$162.21
5734038063	\$97.80
5734038064	\$105.61
5734038065	\$97.80
5734038066	\$105.61
5734038067	\$80.57
5734038068	\$97.80
5734038069	\$104.75
5734038070	\$105.61
5734038071	\$93.20
5734038072	\$111.07
5734038073	\$112.46
5734038074	\$100.90
5734038075	\$185.00
5734038076	\$153.01
5734038077	\$116.84
5734038078	\$139.42
5734038079	\$114.81
5734038080	\$127.12
5734038081	\$130.11

5734038082	\$144.13
5734038083	\$144.13
5734038084	\$102.19
5734038085	\$144.13
5734038086	\$137.28
5734038087	\$162.21
5734038088	\$97.80
5734038089	\$105.61
5734038090	\$97.80
5734038091	\$105.61
5734038092	\$80.57
5734038093	\$97.80
5734038094	\$104.75
5734038095	\$105.61
5734038096	\$93.20
5734038097	\$111.07
5734038098	\$204.37
5734038099	\$229.19
5734038100	\$229.19
5734038101	\$232.40
5734038102	\$201.80
5734038103	\$180.94
5734038104	\$8,373.84
5735006026	\$2,064.81
5735006027	\$433.89
5735006028	\$1,654.78
5735006033	\$1,882.48
5735006034	\$14,420.28
5735006036	\$4,378.92
5735006038	\$8,024.25
5735006039	\$1,440.17
5735006040	\$8,977.24
5735031001	\$2,527.92
5735031002	\$3,030.71
5735031003	\$2,742.54
5735031004	\$2,335.18
5735031005	\$2,106.25
5735031006	\$2,461.80
5735031010	\$1,996.32
5735031022	\$7,780.70
5735031024	\$2,671.13
5735031025	\$3,205.11

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5735031026	\$2,685.13
5735031027	\$4,287.95
5735031028	\$1,509.66
5735031029	\$5,142.32
5735031900	\$1,335.74
5735031901	\$1,335.74
5735032003	\$740.05
5735032004	\$966.85
5735032005	\$1,511.25
5735032006	\$7,375.26
5735032007	\$2,645.36
5735032008	\$1,437.06
5735032009	\$1,215.88
5735032010	\$2,560.57
5735032011	\$6,319.83
5735032014	\$1,830.16
5735032015	\$1,830.16
5735032017	\$1,830.16
5735032018	\$3,657.34
5735032900	\$2,018.82
5735032901	\$1,183.38
5735032902	\$1,830.50

5735033025	\$1,469.24
5735033028	\$2,708.94
5735033037	\$1,468.70
5735033038	\$1,468.70
5735033040	\$1,468.70
5735033041	\$1,335.40
5735033043	\$2,622.78
5735033044	\$2,613.77
5735033045	\$2,277.74
5735033046	\$2,395.78
5735033047	\$1,437.03
5735033048	\$964.71
5735033053	\$1,366.20
5735033056	\$2,717.63
5735033057	\$4,467.13
5735033058	\$1,820.52
5735033059	\$870.78
5735033060	\$667.70
5735033061	\$533.63
5735033062	\$959.25
5735033063	\$321.14
5735033900	\$587.65

5735033901	\$1,469.04
5735033902	\$881.39
5735033903	\$2,985.41
5735034022	\$6,461.08
5735034035	\$2,029.31
5735034038	\$2,229.10
5735034042	\$1,602.00
5735034047	\$1,762.86
5735034048	\$1,602.00
5735034051	\$2,124.21
5735034052	\$2,081.21
5735034053	\$2,312.97
5735034057	\$1,629.15
5735034058	\$9,893.02
5735034060	\$1,788.56
5735034061	\$3,197.95
5735034062	\$3,520.51
5735034065	\$5,691.47
5735034066	\$1,786.22
5735034067	\$13,079.97
	<b>\$665,078.68</b>

# APPENDIX 2

## SLA PBID BOUNDARY MAP

SOUTH LAKE AVENUE PBID – ASSESSMENT ENGINEER’S REPORT

