

REVISED FINAL

**Hooper Commons
Business Improvement District
Management District Plan**

**For
A Property Based
Business Improvement District Establishment
In the Hooper Commons District of Los Angeles**

**April 2026
(4/16/26)**

**Prepared By
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For the
Hooper Commons Business Improvement District (District)
Los Angeles, California

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Management District Plan Summary

The name of the Property-based Business Improvement District is the “Hoopers Commons Business Improvement District” (the “District”). The District is being established pursuant to Section 36600 et seq. of the California Streets and Highways Code, The “Property and Business Improvement District Law of 1994 as amended”, hereinafter referred to as State Law.

Developed by the Hoopers Commons steering committee, the Hoopers Commons Business Improvement District Management Plan conveys special benefits to assessed parcels located within the Hoopers Commons Business Improvement District area. The District will provide continued activities in three program areas including: Clean and Safe, Marketing, and Administration/City Fees/Reserve. Each of the programs is designed to meet the goals of the District which are to improve the safety and cleanliness of each individual assessed parcel within the District, to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the District.

The boundary of the Hoopers Commons Improvement District is bounded roughly by Olympic Boulevard, McGarry Street/Long Beach Avenue, the 10 Freeway, Central Avenue/Paloma Street. The property uses within the general boundaries of the Hoopers Commons Business Improvement District are a mix of industrial, manufacturing, commercial, residential and creative uses. Services and improvements provided by the District are designed to meet the goals of the district by providing special benefits to improve the economic vitality in the District by increasing building occupancy and lease rates, encouraging new business development, attracting wholesale serving businesses and customers, attracting retail tenants and customers, attracting new residents and commerce that provide a special benefit to industrial, manufacturing, commercial, residential and creative parcels. All of which specially benefit from the improvements and activities of the District.

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

Budget: The total District budget for the 2027 year of operation is approximately \$1,273,000.

Improvements, Activities, Services:

Clean and Safe	\$1,060,176	83.72%
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Enhanced Safe Programs will consist of some of the following:

- Bicycle Patrol
- Foot Patrol
- Vehicle Patrol

Enhanced Clean Programs will consist of some of the following:

- Sidewalk Sweeping
- Sidewalk Pressure Washing
- Graffiti & Handbill Removal
- Trash Removal, Illegal Dumping Removal

- Tree Trimming

MARKETING

\$69,744

5.32%

- Communication Programs
- Placemaking Programs
- District stakeholder communications
- Website

ADMINISTRATION/CITY FEES/RESERVE

\$143,080

10.96%

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works (see Section 3, for detail on allocation). The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff oversees the District's services which are delivered seven days a week. A well-managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs. The remainder of the management item is for office expenses, professional services, organizational expenses such as insurance, the cost to conduct a yearly financial review, contingency expenses, and City fees to collect and process the assessments.

Method of Financing: A levy of special assessments upon real property that receives special benefits from the improvements and activities.

Benefit Zones: The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each assessed parcel receives from the improvements. In order to match assessment rates to benefits, two benefit zones have been created within the District. Each zone receives a different level of services and a different level of benefit. Each zone pays an assessment rate that reflects 100% of the special benefit received. See Section 2 for detailed description of the zones.

Cost: Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Two property assessment variables, parcel square footage (80%) and building square footage (20%), will be used in the calculation for Zone 1 and Zone 2. The 2027 assessment rates per assessment variable will not exceed amounts listed in the following chart, round off to the fourth decimal:

	Assessment Rates
Zone 1 Parcel Square Footage	\$0.3920
Zone 1 Building Square Footage	\$0.1280
Zone 2 Parcel Square Footage	\$0.1439
Zone 2 Building Square Footage	\$0.0766

Increases: Annual assessment increases will not exceed 7% per year. Increases will be determined by the Business Improvement District Owners' Association Board of Directors and will vary between 0% and 7% in any given year. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in

expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. The budget will be set accordingly, within the constraints of the Management District Plan to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the annual report each year.

District Formation: District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of the weighted ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration: The District will have a 5-year life beginning January 1, 2027 and ending December 31, 2031.

Governance: The Owners' Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The Owners' Association will oversee the day-to-day implementation of services as defined in the Management District Plan.

Section 2

Hooper Commons Business Improvement District Boundaries

The Hooper Commons Business Improvement District includes all property within a boundary formed by:

Beginning at the intersection of Olympic Boulevard and Birch Street turn east along Olympic Boulevard to the intersection of McGarry Street. At McGarry Street turn south along McGarry Street to 14th Street. At 14th Street turn west along 14th Street to Long Beach Avenue. At Long Beach Avenue turn south along Long Beach Avenue to 15th Street. At 15th Street turn west along 15th Street to Hooper Avenue. At Hooper Avenue turn south along Hooper Avenue to 16th Street. At 16th Street turn west along 16th Street to Central Avenue. At Central Avenue turn north along Central Avenue to 15th Street. At 15th Street turn east along 15th Street to the eastern boundary of APN 5130-014-025. Continue south along the eastern boundary of APN 5130-014-025 and then continue east along the southern boundary line of parcels facing 15th Street to the western boundary of APN 5130-014-010. Turn north across 15th Street to the western boundary of APN 5130-011-036. Continue north along the western boundary of APN 5130-011-036 and then continue west along the north boundary line of parcels facing 15th Street to the eastern boundary line of APN 5130-011-003. Continue north along the eastern boundary of APN 5130-011-003 to the southern boundary of APN 5130-011-906. Turn west along the southern boundary of APN 5130-011-906 to Central Avenue. Continue north along Central Avenue to 14th Street. At 14th Street turn west along 14th Street to the western boundary of APN 5132-017-005. Continue north along the western boundary of APN 5132-017-005 and 5132-017-004, across Pico Boulevard to the western boundary of APN 5132-016-035. At APN 5132-016-035 turn east along the northern boundary of parcels facing Pico Boulevard to Central Avenue. At Central Avenue turn north along Central Avenue to the northern boundary of APN 5130-001-028. Turn east along the northern boundary of APN 5130-001-028 and APN 5130-002-055 to Birch Street. Continue north on Birch Street to the beginning point at Olympic Boulevard. Alleyways within the boundary are included in BID services.

Zone 1

Zone 1 is made up of a high concentration of industrial, manufacturing, commercial, residential and creative uses. Zone 1 has higher pedestrian traffic than Zone 2 and a higher demand for clean and safe services because of the high level of usage. The west boundary for Zone 1 is Central Avenue including parcels west of Central Avenue along Pico Boulevard and 14th Street just before Paloma Street. The north boundary is Olympic Boulevard. The east boundary is McGarry Street and Long Beach Avenue and the south boundary is 15th Street and 16th Street.

Zone 2

Zone 2 is made up primarily of large parcels with buildings that are fenced and house only one business and employee parking lots that are completely fenced. Zone 2 has lower pedestrian traffic than Zone 1 and a lower demand for clean and safe services than Zone 1. The west boundary for Zone 2 is Central Avenue. The north boundary is 12th Street. The east boundary is Hooper Street and the south boundary is Newton Street.

Hooper Commons Business Improvement District Proposed Boundaries



LEGEND

- District Boundary
 - Zone 1
 - Zone 2
- APN:**
- | | |
|-----------------|------------------|
| 1= 5130-014-025 | 8= 5132-016-035 |
| 2= 5130-014-010 | 9= 5130-001-028 |
| 3= 5130-011-036 | 10= 5130-002-055 |
| 4= 5130-011-003 | |
| 5= 5130-011-906 | |
| 6= 5132-017-005 | |
| 7= 5132-017-004 | |



District Boundary Rationale

The property uses within the general boundaries of the Hooper Commons Business Improvement District are a mix of industrial, manufacturing, commercial, residential, and creative parcels. Services and improvements provided by the District are designed to provide special benefits to parcels that contain industrial, manufacturing, commercial, residential, and creative uses. Services and improvements provided by the District are designed to provide special benefits in the form of improving the economic vitality within the District by increasing building occupancy and lease rates, encouraging new business development, attracting tenants, attracting retail customers, attracting new residents and encouraging commerce that provide a special benefit to industrial, manufacturing, commercial, residential, and creative parcels. All of the services provided such as the safety work provided by the Safe Team and the cleaning work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District because of the unique nature of these services focusing on the particular needs of each individually assessed property within the District. These services provide particular and distinct benefits to each of the individually assessed parcels within the District.

Northern Boundary: The northern boundary of the Hooper Commons Business Improvement District on Olympic Boulevard abuts the boundary of the Downtown Industrial Business Improvement District. This district provides improvements and activities similar to the services provided by the Hooper Commons Business Improvement District. Additionally, State Law indicates that proposed districts, such as the Hooper Commons Business Improvement District cannot expand into existing, established Property-Based BID district boundaries, such as the adjacent Downtown Industrial Business Improvement District. Improvements and services will only be provided to individual assessed parcels within the boundaries of the District. Specifically, security patrols, cleaning personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual assessed parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Eastern Boundary: The eastern boundary of the Hooper Commons Business Improvement District is McGarry Street and Long Beach Avenue. Properties on the east side of McGarry Street and Long Beach Avenue act as a natural barrier to separate the west side with numerous shipping and receiving points that draws truck traffic to those streets. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Southern Boundary:

The southern boundary of the Hooper Commons Business Improvement District abuts portions of the 10 Freeway forming a natural barrier to separate the District from property on the south side of the 10 Freeway from parcels outside of the District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the

District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Western Boundary: The western boundary of the Hooper Commons Business Improvement District from 14th Street to Pico Street abuts the Fashion District Business Improvement District one parcel east of Paloma and provides improvements and activities similar to the services provided by the Hooper Commons Business Improvement District. Parcels within the District are different from those property uses west of the District in that they are primarily industrial, manufacturing, commercial, residential and creative uses. Property uses west of the District's western border are primarily wholesale, fashion related office, and small retail candy, party supply, candy, piñata stores, automotive, and electronics. These uses are different from the industrial, manufacturing, commercial, residential, and creative uses within the District and will not benefit from the services and programs that are designed to provide special benefit to the industrial, manufacturing, commercial, residential and creative uses within the Hooper Commons Business Improvement District. In order to ensure that parcels outside of the District will not specially benefit from the unique improvements and services funded with the assessment, improvements and services will only be provided within the boundaries of the District. Specifically, safety patrols, maintenance personnel, and similar service providers employed in connection with the District will only patrol and provide services to individual parcels on the streets and sidewalks within the District and will not provide services outside of District boundaries.

Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a series of meetings, the Hooper Commons Business Improvement District steering committee collectively determined the priority for improvements and activities to be delivered by the District. The primary needs as determined by the parcel owners were safety, cleaning, marketing and administration. All of the services proposed such as the safety work provided by the Safe Team and the cleaning work provided by the Clean Team are services that are over and above the City's baseline of services and are not provided by the City. These services are not provided outside of the District and because of their unique nature focusing on the particular needs of each assessed parcel within the District provide particular and distinct benefits to each of the assessed parcels within the District. Each of the services provided by the District are designed to meet the needs of industrial, manufacturing, commercial, residential and creative uses that make up the District and provide special benefit to each of the assessed parcels.

All of the improvements and activities detailed below are provided only to assessed parcels defined as being within the boundaries of the District and provide benefits which are particular and distinct to each of the assessed parcels within the proposed District. No improvements or activities are provided to parcels outside the District boundaries. All assessments outlined in this Management District Plan go only for services directly benefiting each of the assessed parcels paying the assessments in this District. All services will be provided to the assessed parcels, defined as being within the District boundaries and no services will be provided outside the District boundaries, and each of the services: Clean and Safe, Marketing, and Administration are unique to the District and to each of the District's assessed parcels. All special benefits provided are particular and distinct to each assessed parcel.

Industrial parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness which make employees feel safe. Manufacturing parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness which make employees feel safe. Commercial parcels benefit from District programs that work to provide greater pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which in turn improves the business climate and business offering and attracts and retains residents. Creative parcels benefit from District programs that provide an enhanced sense of safety and cleanliness and support a creative environment within the District.

All benefits derived from the assessments outlined in the Management District Plan are for services directly and specially benefiting the assessed parcels within this area and support increased commerce, business attraction and retention, increased property rental income, increased customer serving businesses such as restaurants and commercial and enhanced overall safety and image within the Hooper Commons Business Improvement District. All services, Clean and Safe, Marketing, and Administration services are provided solely to assessed parcels within the district to enhance the image and viability of properties and businesses within the Hooper Commons Business Improvement District boundaries and are designed only for the direct special benefit of the assessed parcels in the District.

No services will be provided to non-assessed parcels outside the District boundaries. Special benefit means, for purposes of a property-based district, a particular and distinct benefit conferred on real property located in a district over and above any general benefits to the public at large. (For a further definition of special benefits see Engineer’s Report page 11 “Special Benefit”)

TOTAL ASSESSMENT

The total improvement and activity plan budget for 2027 is projected at \$1,273,000. Of the total budget, special benefit to parcels within the District totals \$1,247,540 and is funded by property assessments. General benefit from the District budget is calculated to be \$25,460 and is not funded by assessment revenue from District parcels. Actual service hours and frequency will vary in order to match District needs over the 5-year life of the District. A detailed operation deployment for 2027 is available from the property owner’s association. The budget is made up of the following components.

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. Actual hours, costs and percentages will vary over the term in order to match changes in District needs.

Clean and Safe

\$1,060,176 83.72%

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. Approximately 8% of the Clean and Safe budget is allocated to management staff expenses.

Safe Team Program

The Safety Program will provide safety services for the individual parcels located within the District in the form of vehicle, foot and bicycle patrols. The purpose of the Safe Team Program is to deter and report illegal activities taking place on the streets, sidewalks, storefronts, and parking lots. The presence of the Safe Team Program is intended to deter such illegal activities as vandalism, graffiti, narcotic use or sales, public urination, trespassing, drinking in public, prostitution, illegal panhandling, and illegal dumping. The Safety Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safe Team Program will only provide its services within the District boundaries. The special benefit to parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. A District that is perceived as unsafe deters pedestrian and commercial activity.

Industrial and manufacturing parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness. Commercial parcels benefit from District programs that work to provide greater pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn attracts, new residents and businesses. Creative parcels benefit from District programs that provide an enhanced sense of safety and cleanliness and support a creative environment within the District.

Clean Program

In order to consistently deal with cleaning issues, a Clean Program will continue to be provided. The Clean Team will only provide service to properties within District boundaries. A multi-dimensional approach has been developed consisting of the following elements.

Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. Paper signs and handbills that are taped or glued on property, utility boxes, and poles are removed. District personnel will pressure wash sidewalks. Collector truck personnel collect trash from sidewalk trash receptacles. Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero-tolerance graffiti policy. An effort is made to remove all graffiti tags within 24 hours on weekdays. Street tree trimming is important to keep the District looking attractive and will be considered when the budget allows. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

The Clean Team will only provide service to assessed parcels within District boundaries. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and customer usage. Dirty and unclean sidewalks deter pedestrians and commercial activity.

Industrial and manufacturing parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness. Commercial parcels benefit from District programs that work to provide greater pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, attracts new residents and businesses. Creative parcels benefit from District programs that provide an enhanced sense of safety and cleanliness and support a creative environment within the District.

MARKETING

\$69,744 5.32%

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. Approximately 50% of the Marketing budget is allocated to management staff expenses.

In order to communicate the changes that are taking place in the Hooper Commons Business Improvement District and to enhance the positive perception of the Hooper Commons Business Improvement District parcels, a professionally developed marketing and economic development program has been created. This is a special benefit because it works to improve the positive perception of the District. Decisions on where to shop, eat, work and live are largely based on a perception of the place. The special benefit to District assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Industrial and manufacturing parcels benefit from increased exposure and awareness of District programs that provide new business

attraction and increased commercial activity. Commercial parcels benefit from increased exposure and awareness of District programs that work to provide greater pedestrian traffic, increased sales, an enhanced business climate, new business attraction, business retention, and increased business investment. Residential parcels benefit from District programs that provide an increased awareness of District amenities such as retail and transit options which, in turn, enhances the business climate and improves the business offering and attracts new residents. Creative parcels benefit from District programs that work to provide increased exposure and awareness which in turn work to provide an enhanced business climate, new business and tenant attraction, business/tenant retention, and increased business investment.

The following are some of the marketing programs currently being considered:

- Communication Programs
- Placemaking Programs
- District stakeholder communications
- Website

ADMINISTRATION/CITY FEES/RESERVE

\$143,080 10.96%

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. Approximately 32% of the Administration/City Fees/Reserve budget is allocated to management staff expenses.

A well-managed District provides necessary BID program oversight and guidance that produces higher quality and more efficient programs. Management staff implement the programs and services of the District. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

The improvements and activities are managed by a professional staff that requires centralized administrative support. Management staff actively works and advocates on behalf of the District parcels to ensure that City and County services and policies support the District. The remainder of the Management item is for office expenses, professional services, organizational expenses such as insurance, the cost to conduct a yearly financial review, contingency expenses, and City fees to collect and process the assessments. Renewal of the District may be funded from this line item.

FIVE-YEAR OPERATING BUDGET

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

Assessments will be subject to annual increases not to exceed 7% per year. Increases will be determined by the Board of Directors of the District Owner's Association and will vary between 0% and 7% in any given year. The projections below illustrate a maximum 7% annual increase for all budget items.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level

of programs and services. The Board of Directors of the Owner's Association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Any change will be approved by the Owners' Association Board of Directors and submitted within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received. Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year's budget. The carryover funds will be applied to the same budget line item as the line item that was the source of the carryover funds. The budget will be set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. The estimated budget surplus amount will be included in the Annual Planning Report each year. District funds may be used for renewal. Funds from an expired District shall be rolled over into the new District if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

	2027	2028	2029	2030	2031
Clean & Safe	\$1,060,176.00	\$1,134,388.32	\$1,213,795.50	\$1,298,761.19	\$1,389,674.47
Marketing	\$69,744.00	\$74,626.08	\$79,849.91	\$85,439.40	\$91,420.16
Administration, City Fee, Reserve	\$143,080.00	\$153,095.60	\$163,812.29	\$175,279.15	\$187,548.69
Total Budget	\$1,273,000.00	\$1,362,110.00	\$1,457,457.70	\$1,559,479.74	\$1,668,643.32
Assessment Revenues*	\$1,247,540.00	\$1,334,867.80	\$1,428,308.55	\$1,528,290.14	\$1,635,270.45
Other Revenues**	\$25,460.00	\$27,242.20	\$29,149.15	\$31,189.59	\$33,372.87
Total Revenues	\$1,273,000.00	\$1,362,110.00	\$1,457,457.70	\$1,559,479.74	\$1,668,643.32

*Assumes 7% yearly increase on all budget items. Note: Any accrued interest or delinquent payments will be expended in the above categories.

** Other non-assessment funding to cover the cost associated with general benefit.

Section 4

Assessment Methodology

In order to ascertain the correct assessment methodology to equitably apply special benefits to each assessed parcel for property related services as proposed to be provided by the Hooper Commons Business Improvement District, benefit will be measured by parcel size and square feet of building size. Special circumstances, such as a parcel's location within the District area and need and/or frequency for services, are carefully reviewed relative to the specific and distinct type of programs and improvements to be provided by the District in order to determine the appropriate levels of assessment. Special benefit means, for purposes of a property-based district, a particular and distinct benefit conferred on real property located in a district over and above any general benefits to the public at large. For a definition of special benefits see the Engineer's Report page 11.

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the Hooper Commons Business Improvement District is Parcel Square Footage and Building Square Footage as the two assessment variables. Parcel Square Footage is relevant to the highest and best use of a property and will reflect the long-term value implications of the improvement district. Building Square Footage is relevant to the interim use of a property and is utilized to measure short and mid-term special benefit.

Services and improvements provided by the District are designed to provide special benefits to the mix of industrial, manufacturing, commercial and creative parcels. The use of each parcel's Parcel Square Footage and Building Square Footage is the best measure of benefit for the programs because the intent of the District programs is to improve the safety of each individual parcel, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services for parcels within the District. In other words, to attract more customers, patrons, tenants, clients and or employees. The best way to determine each parcel's proportionate special benefit from the District programs is to relate each parcel's Parcel Square Footage and Building Square Footage in Zones 1 and Zone 2 to every other parcel's Parcel Square Footage and Building Square Footage.

Parcel Square Footage Defined. Parcel Square Footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps. Eighty percent (80%) of the Zone 1 and Zone 2 budget are allocated to parcel square footage.

Building Square Footage Defined. Building Square Footage is defined as gross building square footage as determined by the outside measurements of a building. Twenty percent (20%) of the Zone 1 and Zone 2 budget are allocated to building square footage.

Calculation of Assessments

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of an improvement or the cleaning and operation expenses of an improvement or the cost of the property service being provided. Due to the proportionate special benefits received by these individual parcels from the District services, these parcels will be assessed a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable, and these benefits must be separated from any general benefits. The Engineer's report has calculated that 2% of the programs provided by the District provide general benefit. Assessment

revenue cannot be used to pay for general benefits. (See page 11 of the Engineer's Report for discussion of general and special benefits) The preceding methodology is applied to a database that has been constructed by the District Owners' Association and its consultant team. The process for compiling the property database includes the following steps:

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

Assessable Footage

	Zone 1	Zone 2
Parcel Square Footage	2,245,720	817,393
Building Square Footage	1,720,066	383,674

Benefit Zones

The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each individual parcel receives from the improvements. In order to match assessment rates to benefits, two benefit zones have been created within the District. Each zone receives a different level of services and a different level of special benefit. Each zone pays an assessment rate that reflects 100% of the special benefit received.

The levels of appropriate service delivery were determined by projecting future service needs over the term of the District in order to produce a common level of safety and cleanliness for each assessed parcel throughout each zone the District. Each zones assessment rate was calculated by determining the expense for the services provided in that area and then spreading the expenses over the total assessable footage for that zone.

Zone 1 is made up of a high concentration of industrial, manufacturing, commercial, residential and creative uses. Zone 1 has higher pedestrian traffic than Zone 2 and a higher demand for clean and safe services because of the high level of usage. Therefore, property owners in Zone One will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

Zone 2 is made up primarily of large parcels with buildings that are fenced and house only one business and employee parking lots that are completely fenced. Zone 2 has lower pedestrian traffic than Zone 1 and a lower demand for clean and safe services than Zone 1. Therefore, property owners in Zone 2 will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

The following chart identifies each program budget that is allocated to each zone.

	Zone 1	Zone 2	Total Budget
Clean & Safe	\$940,176.00	\$120,000.00	\$1,060,176.00
Marketing	\$59,744.00	\$10,000.00	\$69,744.00
Administration, City Fee, Reserve	\$123,080.00	\$20,000.00	\$143,080.00
Total Budget	\$1,123,000.00	\$150,000.00	\$1,273,000.00
Assessment Revenues	\$1,100,540.00	\$147,000.00	\$1,247,540.00
Other Revenues	\$22,460.00	\$3,000.00	\$25,460.00
Total Revenues	\$1,123,000.00	\$150,000.00	\$1,273,000.00

Assessments

Based on the special benefit factors and assessment methodology discussed in the Engineer’s Report on page 16, Parcel Square Footage, Building Square Footage, and the proposed budget, the following illustrates the first year’s maximum annual assessment. Assessment rates are rounded off to the fourth decimal place. A parcel’s assessment may vary slightly when calculated using the assessment rates below.

	Assessment Rates
Zone 1 Parcel Square Footage	\$0.3920
Zone 1 Building Square Footage	\$0.1280
Zone 2 Parcel Square Footage	\$0.1439
Zone 2 Building Square Footage	\$0.0766

Assessment Rate Calculation

The Zone 1 assessment rate is determined by the following calculation:

Zone 1 Assessment Budget = \$1,100,540.00

Assessment Budget allocated to Parcel Square Footage @ 80% = \$880,432.00

Assessment Budget allocated to Building Square Footage @ 20% = \$220,108.00

Zone 1 Parcel Square Footage Assessment Rate-

Assessment Budget \$880,432.00 / 2,245,720 Parcel Sq Ft = \$0.3920

Zone 1 Building Square Footage Assessment Rate-

Assessment Budget \$220,108.00 / 1,720,066 Building Sq Ft = \$0.1280

Zone 1 Sample Parcel Assessment

To calculate the assessment for a parcel with 10,000 square feet of parcel footage and 10,000 square feet of building, multiply the Parcel Square Footage (10,000) by the Assessment Rate (\$0.3920) = (\$3,920) + multiple the Building Square Footage (10,000) by the Assessment Rate (\$0.1280) = (\$1,280) = Initial Annual Parcel Assessment (\$5,200).

The Zone 2 assessment rate is determined by the following calculation:

Zone 2 Assessment Budget = \$147,000.00

Assessment Budget allocated to Parcel Square Footage @ 80% = \$117,600.00

Assessment Budget allocated to Building Square Footage @ 20% = \$29,400.00

Zone 2 Parcel Square Footage Assessment Rate-
 Assessment Budget \$117,600.00 / 817,393 Parcel Sq Ft = \$0.1439
 Zone 2 Building Square Footage Assessment Rate-
 Assessment Budget \$29,400.00 / 383,674 Building Sq Ft = \$0.0766

Zone 2 Sample Parcel Assessment

To calculate the assessment for a parcel with 10,000 square feet of parcel footage and 10,000 square feet of building, multiply the Parcel Square Footage (10,000) by the Assessment Rate (\$0.1439) = (\$1,439) + multiple the Building Square Footage (10,000) by the Assessment Rate (\$0.0766) = (\$766) = Initial Annual Parcel Assessment (\$2,205).

Maximum Annual Assessment Adjustments

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments may be subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the Board of Directors of the District Owner’s Association and will vary between 0% and 7% in any given year. The maximum increase for any given year cannot exceed 7% in that year. Any change will be approved by the Owner’s Association Board of Directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The projections below illustrate a maximum 7% annual increase for all assessment rates.

Maximum Assessment Table*

*Assessment rates are rounded off to the fourth decimal place.

	2027	2028	2029	2030	2031
Zone 1 Parcel Sq Ft Rate	\$0.3920	\$0.4195	\$0.4489	\$0.4803	\$0.5139
Zone 1 Building Sq Ft Rate	\$0.1280	\$0.1369	\$0.1465	\$0.1568	\$0.1677
Zone 2 Parcel Sq Ft Rate	\$0.1439	\$0.1539	\$0.1647	\$0.1762	\$0.1886
Zone 2 Building Sq Ft Rate	\$0.0766	\$0.0820	\$0.0877	\$0.0939	\$0.1004

Budget Adjustments

Any annual budget surplus, including those created through cost saving measures, labor vacancies, unexpected reductions in expenses caused by one-time events or unanticipated increases to income, will be rolled into the following year’s budget. The budget will be set accordingly, within the constraints of the Management District Plan, to adjust for surpluses that are carried forward to ensure that the District is spending these funds in a timely manner and is complying with applicable State laws and City policies. District funds may be used for renewal. The estimated budget surplus amount will be included in the annual report each year. Funds from an expired District shall be rolled over into the new District if one is established or returned to the property owners if one is not established, in accordance with Streets and Highways Code section 36671.

If an error is discovered on a parcel’s assessed parcel square footages or building square footages, the District may investigate and correct the assessed footages after confirming the correction with the L.A. County Assessor Data and City Clerk’s office. The correction will be made in accordance with the assessment methodology and may result in an increase or decrease to the parcel’s assessment.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable footage for parcels included and assessed within the District boundaries. The modification for parcel improvements within the District, which changes upwards or downwards the amount of total footage assessed for these parcels will, pursuant to Government Code 53750, be prorated to the date they receive the temporary and/or permanent certificate of occupancy and will be billed directly by the City for the prorated year. Any delinquent assessments owed for the modification of assessable footage that was billed directly by the City will be added to the property tax roll for the following year as delinquent. Parcels that experience a loss of building square footage need to provide notice of the change to the District by April 1st of each year.

In future years of the BID term, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report, provided the assessment rate does not change. If the assessment formula changes and increases the assessments, then a ballot as defined in Article 13 Section D of the State Constitution will be required for approval of the formula changes.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds for appeal and filed with the Owners Association prior to April 1 of each year. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case, appeals will only be considered for the current year and will not be considered for prior years.

Time and Manner for Collecting Assessments

As provided by State Law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office may direct bill any property owners whose special assessment does not appear on the tax rolls for each year of the BID term.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for changes to assessments that occur during an assessment year and are prorated for a part of the year, and then by the County for all subsequent years. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the County. The City of Los Angeles 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 this Management District Plan.

Disestablishment

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District, any remaining revenues shall be transferred to the renewed District, if one is established,

pursuant to Streets and Highways Code Section 36660 (b). Unexpended funds will be returned to property owners based upon each parcel's percentage contribution to the total year 2027 assessments if the District is not renewed.

Bond Issuance

The District will not issue Bonds.

Public Property Assessments

There are 3 publicly owned parcels in the District, all of which are identified as assessable and for which special benefit services will be provided. Of the 3 identified assessed parcels, 3 by Los Angeles Unified School District (LAUSD).

All publicly owned parcels will pay their proportional share of costs based on the special benefits conferred to those individual parcels. See Engineer's Report page 27 for publicly owned parcels special benefit designation. Article XIID of the California Constitution was added in November 1996 and provides for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit." Below is a list of the publicly owned parcels and their respective assessments.

Zone	Site Address	APN	Owner Name	2027 Asmt	%
1		5130-006-900	L A Unified School Dist	\$118,580.84	9.51%
1		5130-010-907	L A Unified School Dist	\$48,463.52	3.88%
1	1330 Newton St	5130-011-905	L A Unified School Dist	\$30,664.27	2.46%
				\$197,708.63	15.85%

Section 5

District Rules and Regulations

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

- **Competitive Procurement Process**

The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.

- **Treatment of Residential Housing**

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed.

- **Renewal**

District funds may be used for renewing the District. District rollover funds may be spent on renewal.

Section 6 Implementation Timetable

The Hooper Commons Business Improvement District is expected to be established and begin implementation of the Management District Plan on January 1, 2027. Consistent with State law, the Hooper Commons Business Improvement District will have a five-year life through December 31, 2031. In order for the Hooper Commons Business Improvement District to meet the service begin date of January 1, 2027, the establishment needs to adhere to the following schedule:

Formation Schedule	Dates
Petitions distributed to property owners	December 2025
Petition Drive concludes	March 2026
City Council accepts petition results/sets public hearing date	April 2026
Ballots mailed to property owners	May 2026
City Council holds public hearing and tabulates ballots	June/July 2026

Section 7 Parcel Roll

Zone	Site Address	APN	Owner Name	2027 Asmt	%
1		5130-006-900	L A Unified School Dist	\$118,580.84	9.51%
1		5130-010-907	L A Unified School Dist	\$48,463.52	3.88%
1	1330 Newton St	5130-011-905	L A Unified School Dist	\$30,664.27	2.46%
				\$197,708.63	15.85%

Zone	APN	2027 Asmt	%
1	5130-001-028	\$1,986.61	0.16%
1	5130-001-029	\$1,591.21	0.13%
1	5130-001-030	\$2,648.55	0.21%
2	5130-002-055	\$4,382.34	0.35%
1	5130-003-041	\$5,639.24	0.45%
1	5130-003-042	\$1,334.57	0.11%
1	5130-003-054	\$2,597.32	0.21%
1	5130-003-055	\$1,862.23	0.15%
2	5130-003-058	\$7,377.71	0.59%
1	5130-003-059	\$36,209.53	2.90%
1	5130-003-060	\$8,557.62	0.69%
1	5130-004-008	\$20,617.76	1.65%
1	5130-004-013	\$4,707.88	0.38%
1	5130-004-015	\$4,769.89	0.38%
1	5130-004-016	\$8,751.37	0.70%
2	5130-005-014	\$9,489.55	0.76%
2	5130-005-015	\$8,946.90	0.72%
2	5130-008-045	\$77,368.43	6.20%
1	5130-010-024	\$2,600.07	0.21%
1	5130-010-037	\$4,797.18	0.38%
1	5130-010-038	\$3,218.88	0.26%
1	5130-010-039	\$5,920.76	0.47%
1	5130-010-040	\$1,540.75	0.12%
1	5130-010-041	\$9,444.95	0.76%
1	5130-010-042	\$1,071.95	0.09%
1	5130-010-043	\$1,100.42	0.09%
1	5130-010-044	\$1,165.72	0.09%
1	5130-010-045	\$1,128.12	0.09%
2	5130-010-048	\$26,010.09	2.08%
1	5130-011-036	\$8,275.56	0.66%
1	5130-011-906	\$4,390.95	0.35%

1	5130-011-907	\$8,416.33	0.67%
1	5130-012-002	\$2,654.23	0.21%
1	5130-012-003	\$2,195.47	0.18%
1	5130-012-004	\$2,814.82	0.23%
1	5130-012-005	\$2,195.47	0.18%
1	5130-012-011	\$3,027.25	0.24%
1	5130-012-012	\$3,027.25	0.24%
1	5130-012-013	\$3,027.25	0.24%
1	5130-012-018	\$3,914.37	0.31%
1	5130-012-019	\$2,400.82	0.19%
1	5130-012-020	\$2,541.58	0.20%
1	5130-012-021	\$2,633.72	0.21%
1	5130-012-024	\$2,556.94	0.20%
1	5130-012-025	\$5,362.13	0.43%
1	5130-012-032	\$5,335.33	0.43%
1	5130-012-033	\$5,523.18	0.44%
1	5130-012-034	\$4,592.71	0.37%
1	5130-012-035	\$3,087.98	0.25%
1	5130-012-037	\$3,419.56	0.27%
1	5130-012-038	\$2,588.75	0.21%
1	5130-012-040	\$2,439.39	0.20%
1	5130-012-041	\$6,258.26	0.50%
1	5130-013-021	\$2,195.47	0.18%
1	5130-013-022	\$2,803.56	0.22%
1	5130-013-023	\$2,656.15	0.21%
1	5130-013-039	\$8,408.64	0.67%
1	5130-013-041	\$5,330.34	0.43%
1	5130-013-042	\$4,907.26	0.39%
1	5130-013-043	\$2,117.06	0.17%
1	5130-013-044	\$2,117.06	0.17%
1	5130-013-045	\$2,117.06	0.17%
1	5130-013-046	\$2,117.06	0.17%
1	5130-013-047	\$2,117.06	0.17%
1	5130-013-049	\$31,482.64	2.52%
1	5130-014-010	\$2,819.94	0.23%
1	5130-014-025	\$20,575.90	1.65%
1	5130-014-026	\$4,466.33	0.36%
1	5130-014-028	\$18,230.40	1.46%
1	5130-014-030	\$8,060.29	0.65%
1	5130-014-032	\$12,991.44	1.04%
1	5130-014-034	\$12,061.64	0.97%
1	5130-019-031	\$65,376.64	5.24%
1	5130-019-032	\$24,864.87	1.99%

1	5130-019-036	\$8,593.05	0.69%
1	5130-019-037	\$6,471.71	0.52%
1	5130-019-801	\$98.01	0.01%
1	5130-020-001	\$2,509.11	0.20%
1	5130-020-003	\$1,350.53	0.11%
1	5130-020-004	\$1,368.19	0.11%
1	5130-020-006	\$3,229.56	0.26%
1	5130-020-008	\$1,790.49	0.14%
1	5130-020-009	\$1,881.83	0.15%
1	5130-020-010	\$1,881.83	0.15%
1	5130-020-011	\$3,110.30	0.25%
1	5130-020-012	\$4,992.13	0.40%
1	5130-020-013	\$6,210.36	0.50%
1	5130-020-014	\$9,121.03	0.73%
1	5130-020-018	\$11,927.20	0.96%
1	5130-020-019	\$2,545.15	0.20%
1	5130-020-021	\$15,917.32	1.28%
1	5130-023-010	\$2,470.47	0.20%
1	5130-023-011	\$4,992.13	0.40%
1	5130-023-012	\$2,466.63	0.20%
1	5130-023-013	\$2,470.47	0.20%
1	5130-023-014	\$2,470.47	0.20%
1	5130-023-018	\$1,881.83	0.15%
1	5130-023-019	\$2,496.07	0.20%
1	5130-023-020	\$9,442.25	0.76%
1	5130-023-031	\$2,283.64	0.18%
1	5130-023-032	\$2,279.17	0.18%
1	5130-023-043	\$8,415.15	0.67%
1	5130-023-045	\$43,319.41	3.47%
1	5130-023-046	\$3,763.67	0.30%
1	5130-023-048	\$4,591.60	0.37%
1	5130-023-049	\$8,924.71	0.72%
1	5130-023-050	\$15,890.77	1.27%
1	5130-023-053	\$6,289.40	0.50%
1	5130-024-001	\$3,904.81	0.31%
1	5130-024-002	\$13,913.90	1.12%
1	5130-024-005	\$18,329.00	1.47%
1	5130-024-008	\$3,517.78	0.28%
1	5130-024-009	\$928.56	0.07%
1	5130-024-010	\$1,035.01	0.08%
1	5130-024-011	\$1,409.69	0.11%
1	5130-024-012	\$3,168.21	0.25%
1	5130-024-013	\$2,212.14	0.18%

1	5130-024-014	\$964.44	0.08%
1	5130-024-015	\$1,082.68	0.09%
1	5130-024-016	\$2,180.14	0.17%
1	5130-024-017	\$1,356.49	0.11%
1	5130-024-018	\$1,066.37	0.09%
1	5130-024-019	\$1,906.51	0.15%
1	5130-024-020	\$1,834.81	0.15%
1	5130-024-021	\$1,213.28	0.10%
1	5130-024-022	\$983.16	0.08%
1	5130-024-026	\$13,009.34	1.04%
1	5130-024-027	\$18,825.61	1.51%
1	5130-024-028	\$12,295.81	0.99%
1	5130-024-029	\$12,295.81	0.99%
1	5132-016-012	\$2,834.05	0.23%
1	5132-016-014	\$3,057.68	0.25%
1	5132-016-016	\$3,038.06	0.24%
1	5132-016-018	\$3,031.78	0.24%
1	5132-016-026	\$2,881.35	0.23%
1	5132-016-035	\$2,368.87	0.19%
1	5132-016-039	\$5,603.50	0.45%
1	5132-016-040	\$8,356.05	0.67%
1	5132-016-041	\$2,898.42	0.23%
1	5132-016-042	\$2,887.03	0.23%
1	5132-016-043	\$3,404.68	0.27%
2	5132-016-048	\$6,683.14	0.54%
1	5132-017-004	\$2,851.32	0.23%
1	5132-017-005	\$2,930.73	0.23%
1	5132-017-006	\$2,870.54	0.23%
1	5132-017-008	\$3,120.08	0.25%
1	5132-017-011	\$9,808.50	0.79%
1	5132-017-013	\$2,952.76	0.24%
1	5132-017-014	\$3,115.03	0.25%
1	5132-017-016	\$4,033.08	0.32%
1	5132-017-018	\$3,381.18	0.27%
1	5132-017-022	\$10,445.92	0.84%
1	5132-017-031	\$7,176.66	0.58%
1	5132-017-032	\$5,947.94	0.48%
1	5132-017-033	\$6,023.93	0.48%
1	5132-017-034	\$9,174.31	0.74%
2	5132-017-035	\$6,741.84	0.54%
	Total Private Parcels	\$1,049,831.37	84.15%
	Total Publicly Owned Parcels	\$197,708.63	15.85%
	Total All Parcels	\$1,247,540.00	100.00%

