



The Downtown Downey Community Benefit District 2018 Management District Plan

Final Plan – April 5th, 2018

Formed Under Section 400 of the Downey City Charter and Article 2, Chapter 14
of the Downey Municipal Code

Prepared by:

New City America, Inc.

and

The Downtown Downey CBD Steering Committee



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Downtown Downey Community Benefit District Management District Plan

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Attachment:

A. Engineer's Report

Section 1

Management District Plan Summary

The name of this Community Benefit District is the Downtown Downey Community Benefit District (the “CBD”). The District is formed under Article 2, Chapter 14 of the Downey Municipal Code (entitled “Community Benefit Districts” and hereinafter referred to as the “Ordinance”) and section 400 of the Downey City Charter.

The proposed Downtown Downey CBD serves to improve the individual parcels, attract new customers to their businesses, increase sales, increase occupancies and enhance the benefitting individual parcels within the CBD. The proposed CBD seeks to fund the special benefits that will be provided over the next fifteen years, based upon keeping the greater Downtown Downey area clean, safe, orderly, attractive, well marketed with special events and programs, and increase commerce within the boundaries.

Since last summer, a Downtown Downey group consisting of property owners has worked to gauge support within the community for a new *Special Benefit District* for both the Downtown Downey property owners and business community. The City of Downey has hired New City America - specializing in *Special Benefit District* formation and management throughout the Country - to work with the property owners to investigate the viability of a CBD in Downtown.

Following meetings conducted last summer, the newly-formed Downtown Downey CBD Steering Committee approved and mailed out a survey to Downtown property owners, informing them that once New City America had received a reasonable number of responses, updates would be sent out regarding the survey results. This newsletter outlines the continuation of a series of communication pertaining to the proposed **CBD**.

Changes in Downtown Downey

In 2011, the State Legislature dismantled 408 redevelopment agencies, redirecting the flow of funds back to the counties, and school districts; rather than reinvesting back into cities. The California League of Cities filed a lawsuit to stop this elimination, resulting in a 2012 California Supreme Court ruling ceasing the operations of all redevelopment agencies by February 2013. Consequently, the method of financing used previously by the City of Downey to fund Downtown improvements no longer existed. In the past, the opportunity to fund pedestrian lighting, new sidewalks, and public improvements in Downtown Downey has typically been through this redevelopment tax-increment financing.

The investigation of a new Downtown Downey CBD centered on these four questions:

How do property owners make sure that...

1. Downtown’s brand will become positive?
2. Greater demand will be placed on the buildings resulting in greater rental rates?
3. Commerce will increase for retailers?
4. Public rights of way will become more orderly and attractive?

Downtown Downey has many things going for it, in part to the City Council’s investment in the following projects, programs, and activities over the past few years:

Capital Improvements

- Invested \$6.7million for Firestone Blvd. street and streetscape improvements.
- Invested \$4.6 million to support the Downey View apartments; the first new residential units in Downtown in years.
- Funded over \$600,000 to improve Downtown Downey roadway lighting (upgrading the decorative lights to LED, remove and replace 30 feet cobra head lights with decorative lighting, repainting light poles as necessary, etc...) on Downey Ave. from Firestone Blvd., to 5th Street.

Additional operational annual costs:

- Allocated over \$100,000 annually for private security services related to the public parking structure and immediate surrounding area.
- Provided tens of thousands of dollars in annual maintenance costs (including but not limited to: sidewalks and seat-wall cleaning, tree trimming, median landscape maintenance, parking structure and other public parking maintenance, and roadway lighting – not done elsewhere in the City).
- Funded sidewalk and hardscape/pavers and seat benches, pressure washing/steam cleaning - \$66,000.
- Funded parking structure maintenance and operations - \$64,000.
- Funded \$7,000 for Downtown tree trimming (on a two year cycle).
- Funded the cost for electricity and lighting in Downtown of roughly \$10,000 per year.

Additional activities and program costs include:

- Underwriting \$36,000 for rooftop events in Downtown.
- Underwriting up to \$55,000 for the Downtown International Food Festival.
- Underwriting \$70,000 for holiday and seasonal décor (banners, lighting, signage) annually.
- Underwriting the Annual Rock and Ride Events for \$25,000 per year.

The general services listed above are NOT provided City wide; rather exclusively to Downtown business and property owners. In that sense, they can be considered “enhanced general benefit” that are dependent upon year-to-year budgeting by the City Manager and City Council. The proposed Downtown Downey CBD will provide “special benefits”, thereby

enhancing rent and attracting new capital investment, in turn improving the visiting, retail, and business experience.

Boundaries:

The proposed Downtown Downey CBD consists of approximately 10 to 12 square blocks consisting of 90 parcels and 59 property owners. See the Downtown Downey proposed CBD map in Section 2, pages 10 and 11. The District is generally bounded by:

- On the south by the parcels along the north side of Burns Avenue
- On the west, parcels on the west side of La Reina Avenue, including parcel 6254 002 023.
- On the east, the parcels on the west side of Brookshire Avenue and
- On the north, the parcels on the north side of 3rd Street, including the two full blocks bounded by 3rd Street/New Street/4th Street and the parcels fronting the east side of Downey Avenue between 3rd and 4th Street, excluding the undeveloped parcels east of US Bank, but including City Hall.

Budget:

The total first year Downtown Downey CBD budget based upon assessable individual parcel owners for FY 17/18, will be \$ 253,589.00, and the budget will increase by 5% annually. Please see Section 3 for a breakdown of the categories of special benefit services.

Improvements, Activities and Services of the Downtown Downey CBD Plan:

There are five basic categories of special benefit services that will be funded by the Downtown Downey CBD. All of these services will confer a special benefit to the individual parcels within the Downtown Downey CBD. The categories of special benefits are as follows:

1. ***Sidewalk Operations, Beautification and Order:*** This includes all sidewalk and gutter cleaning services, sidewalk steam cleaning services, graffiti removal, trash removal, as well as enhanced services to beautify the district. Sidewalk operations services totals \$ 130,000 or 51% of the first year annual budget of the new CBD.
2. ***District Identity:*** These services include the branding of the Downtown Downey area, marketing and promotions, newsletter, public relations, media relations, social media, publicity, special events, website development and maintenance, public space development and holiday decorations. These services equal \$ 60,000 or 24% of the first year annual budget of the new district.
3. ***Enhanced Residential Improvements:*** Though there are currently not any single residential units in the form of residential condos within the boundaries of the district, future condo developments that will be constructed within the CBD boundaries will be assessed to fund their particular special benefits. These special benefit services will include, but are not limited to: enhanced beautification in blocks with a high density of condos, public space development, implementation of pet related services and administrative costs. These assessments will be allocated based on the percentage that the costs for the enhances residential improvements form of the overall budget.”

4. **Program Management and Corporate Operations:** These services equal \$53,000 or 21% of the first year annual budget of the new district.
5. **Contingency/Reserve.** This contingency anticipates a “historic” non-payment rate percentage of 2 to 4%, and any City or County collection fees. This fund equals \$10,589 or 4% of the first year annual budget of the new district.

Category of Services	Annual Allocation - % of budget
Sidewalk Operations (curb to property line services)	\$130,000 – 51%
District Identity – District Promotion	\$ 60,000 – 24%
Program Management/Corporate operations	\$ 53,000 – 21%
Contingency	\$ 10,589 – 4%
Total Annual Revenue	\$ 253,589.00

Method of Financing:

The financing of the Downtown Downey CBD is based upon the levy of special assessments upon real property that receive special benefits from the improvements and activities. See Section 4 for assessment methodology and compliance with Proposition 218. There will be four factors used in the determination of proportional benefit to the parcels in the CBD. Those four factors are:

- Linear frontage
- Lot size or the footprint of the parcel
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public) and
- Future residential condos that will be constructed within the District.

The following data constitutes the basis for the property assessments that will fund special benefit services in the proposed CBD:

Building square footage: 1,153,991 sq. feet
Lot size: 2,049,768 square feet
Linear Frontage: 15,826 linear feet

Special Benefit Service	Summation of Apportionment plan
Sidewalk Operations	Fully funded by linear frontage assessments
District Identity	Fully funded by building sq. footage assessments
Program Management /Corp Operations	Funded by Lot size assessments
Contingency	Funded by Lot size assessments
Enhanced Residential Benefits	Funded by building square footage of residential condos (do not currently exist)

Annual Cost of Property Assessments to Fund Special Benefit Services:

Each property variable will fund a different “bucket of special benefit services” in the district. Each variable, multiplied by the proposed annual cost yields the following:

<i>Property Variable</i>	<i>Annual Cost</i>	<i>Total assessment by variable</i>
Building square footage	\$0.050608 per square foot per year	\$ 58,542.00
Lot square footage	\$0.030540 per square foot per year	\$ 63,326.00
Linear frontage	\$8.166254 per linear foot	\$ 131,720.00
Residential condos	\$0.20 per square foot	0
	<i>Total Annual Revenue</i>	<i>\$ 253,589.00</i>

Costs:

Annual assessments are based upon an allocation of program costs by assessable linear frontage, assessable on all sides of the parcels that receive benefit; PLUS lot or parcel square footage; PLUS assessable building square footage, and in the case of residential condos, by building square footage.

Future residential condo owners will be assessed differently since they are, in essence, acquiring air rights with the purchase of their residential condos and linear frontage and lot size will not be relevant to their parcels. This alternate assessment methodology is created to respond to their special needs of homeowners within this growing Downtown district. All four property variables will be used in the calculation of the annual assessment.

Residential Condos: There are currently not any documented residential condos within the boundaries of the proposed Downtown Downey CBD. However, when they are constructed, these future units will be assessed at the rate of \$0.20 per square foot for their verifiable building square footage per parcel.

Benefit Zones:

State law and the State constitution, Article XIID require that special assessments be levied according to the special benefit each individual parcel receives. There are two proposed benefit zones under this plan.

Benefit Zone 1: All commercial parcels, including City and non-profit owned parcels in the proposed CBD;

Benefit Zone 2: Parcels owned by the First Baptist Church of Downey will be assessed for linear frontage, since that is the special benefit service (Sidewalk operations) that it will receive. Lot size and building square footage property assessment will not be paid by Benefit

Zone 2 parcels since those property assessments fund marketing and promotion, social media and district identity, and administration and it has been determined that those parcels will not derive benefit from these special benefit services.

Cap:

The CBD budget and assessments may be subject to annual increases not to exceed 5% (five per cent) per year. Increases will be determined by the Owners' Association/District Management Corporation and will vary between 0% and 5% annually. Changes in land use, development of empty parcels, conversion of tax exempt to profitable land uses, demolition of existing buildings, and creation of new parcels through new building or residential condo development may alter the budget from year to year based upon the changes in the building square footage of an individual parcels. Since linear frontage and lot size normally are not altered in the redevelopment of a site, the only changes realized in the CBD will be through the building square footage. In addition, changes in the budget may occur due to the conversion of single parcels to multiple parcels due to the construction of residential or commercial condos.

Bonds:

The District will not issue any bonds related to any program.

District Formation:

Under the local enabling ordinance, the District formation and modification requires a submission of petitions from property owners representing more than 30% of the total assessments.

Once the City verifies the petitions totaling a minimum of 30% of \$ 253,589.00 (or \$ 76,077.00) in assessment contribution to the District, the Downey City Council may adopt a **Resolution of Intention** to mail out ballots to all affected property owners. The City will then hold a public hearing and tabulate the mail ballots. The Downtown Downey CBD will be formed if the weighted majority of all returned mail ballots support the District formation and if the City Council adopts a resolution of formation to levy the assessments on the benefiting parcels. At this point, the date for that public hearing has not been scheduled.

Disestablishment:

Streets and Highways Code Section 36670 provides for the disestablishment of a District. Provisions for annual disestablishment of the CBD are provided for in the local Downey CBD ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the CBD, in the same method in which they petitioned the City Council to establish the District.

Section 36670 states:

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a

proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.”

Unexpended surplus funds will be returned to property owners based upon each parcel’s percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

Time and Manner for Collecting Assessments:

The Downtown Downey CBD assessments will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. 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.

Any delinquent assessments owed for the first year will be added to the property tax roll for the following year together with any applicable interest and penalties. The “property owner” means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

Government Assessments:

The Downtown Downey CBD Management Plan assumes that the City of Downey and the Downey Community Development Commission Housing Successor Agency will pay assessments for the public property they own within the boundaries of the District. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide that public agencies such as the City and Downey Community Development Commission Housing Successor Agency shall not be exempt from the assessments.

Parcels owned by the City of Downey and identified below shall receive benefits, commensurate with the assessments paid into the Downtown Downey CBD. These publicly owned parcels are presumed to benefit equally to the privately owned parcels for all of the special benefit services outlined in this Management District Plan.

Duration:

The Downtown Downey CBD shall have a fifteen-year term which shall commence on December 1st, 2018 and expire on November 30th, 2032, with operations winding down by November 30th, 2033, unless the district is renewed by the CBD property owners through a new assessment ballot proceeding.

Governance:

Pursuant to the City of Downey Community Benefit District Ordinance and Section 36650 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Downey (City) and will oversee the day-to-day implementation of services as defined in the Management District Plan. Section 36612 states:

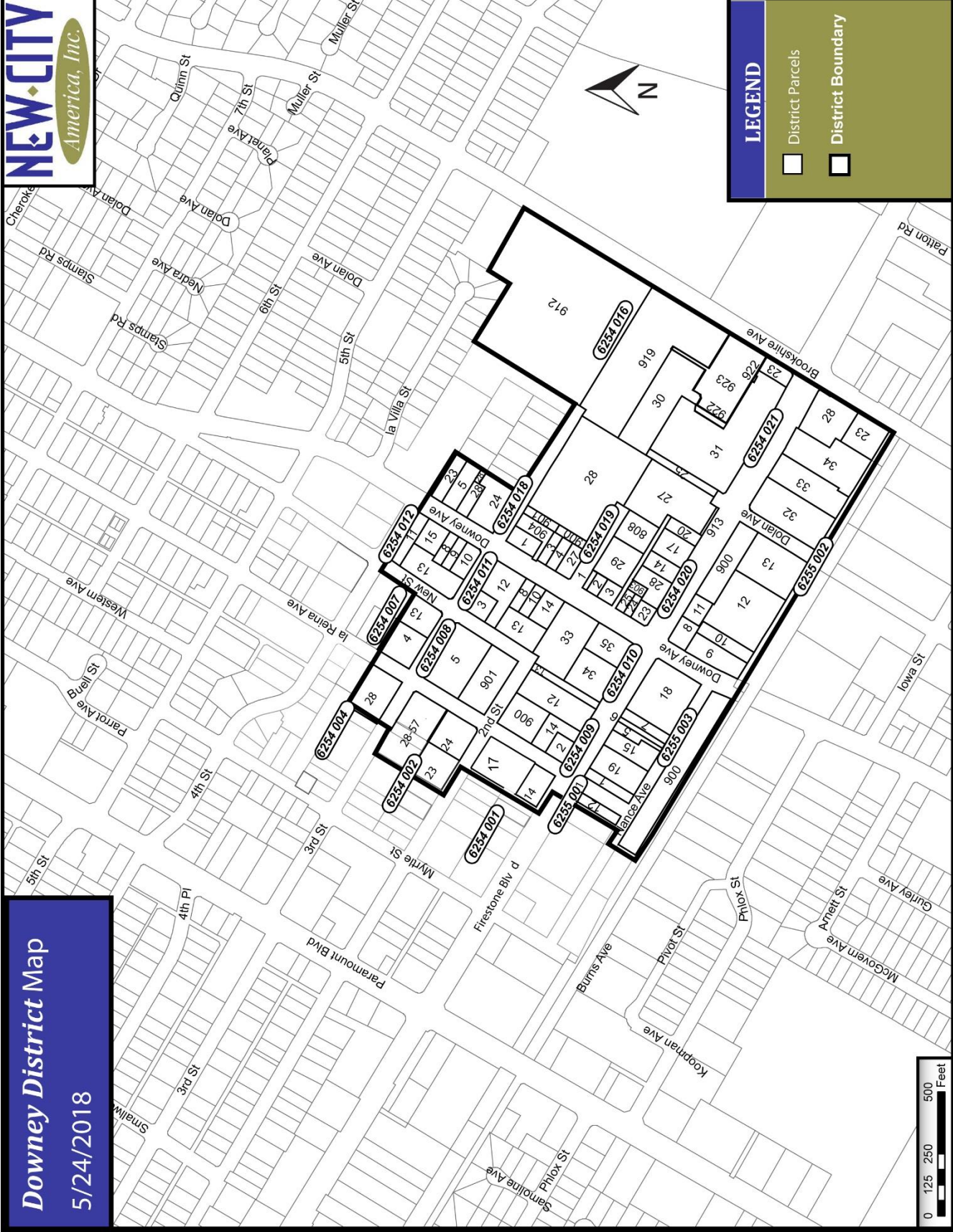
The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."

Section 2



Downtown Downey Community Benefit District Boundaries

Boundaries: The following text will define the boundaries of the Downtown Downey CBD.

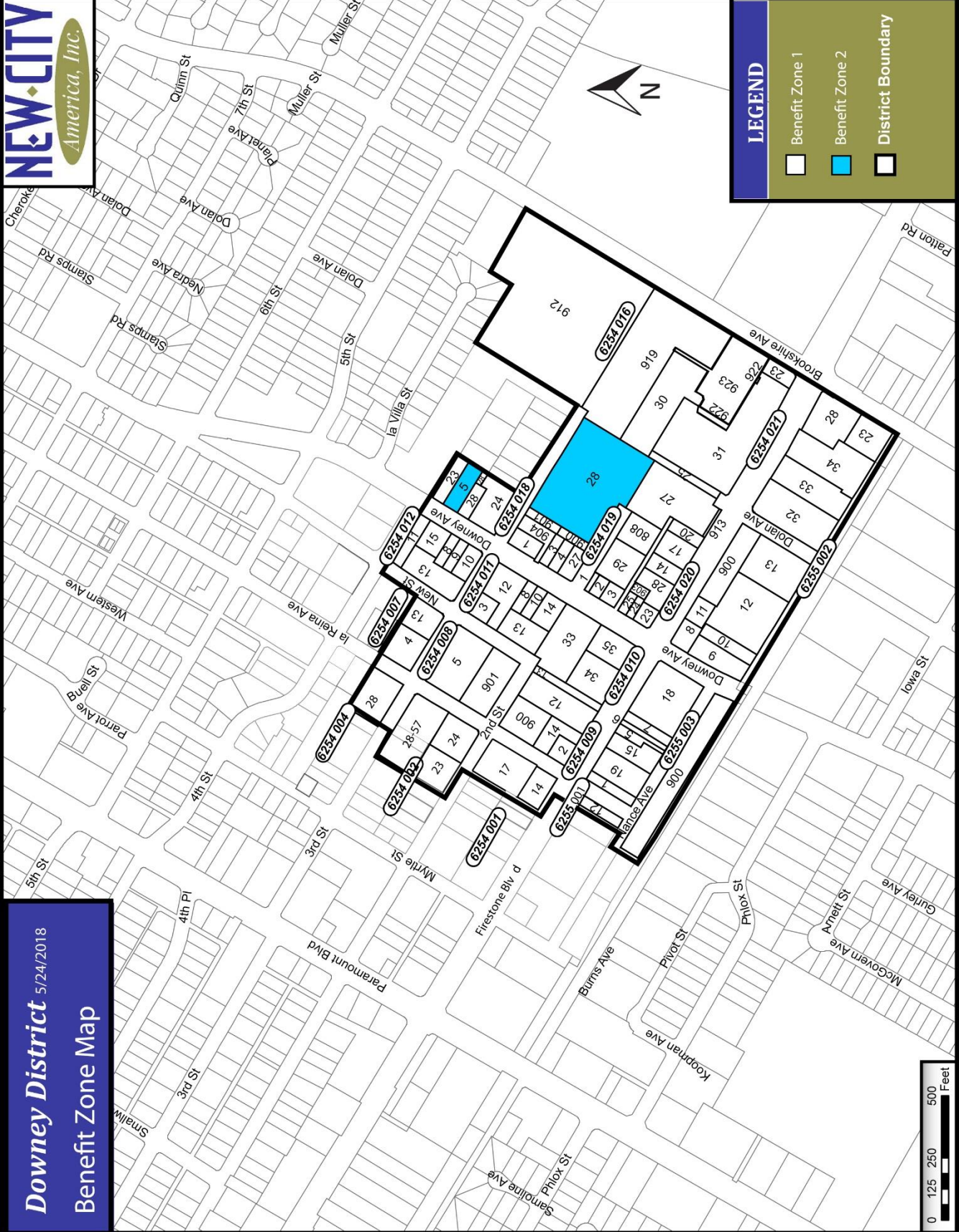
- **Northern boundary:** Beginning at parcel 6254 016 912 (City Hall), head westward on 3rd Street running in a line down the middle of the street including all of the southern parcels until parcel 6254 018 024 at the northeast corner of the intersection of 3rd Street and Downey Avenue. Proceed northeasterly up Downey Avenue to include the parcels on both sides of the street up to the south side of 4th Street. Proceed westward to New Street, run southward to include the parcels fronting 3rd Street including parcels 6254 007 013, 6254 007 004, and parcel 6254 004 028 at the northwest corner of the intersection of La Reina Avenue and 3rd Street.
- **Southern boundary:** Beginning at parcel 6255 002 023 at the northwestern corner of the intersection of Union Pacific Railroad Right-of-Way and Brookshire Avenue, proceed westward including all of the parcels fronting on the north side of Burns Avenue including parcel 6255 003 900, (the City parking lot) at the intersection of La Reina Avenue and Burns Avenue.
- **Eastern boundary:** Beginning at parcel 6255 002 023 at the northwestern corner of the intersection of Union Pacific Railroad Right-of-Way and Brookshire Avenue, proceed northward including all of the parcels on the west side of Brookshire up to City Hall, parcel number 6254 -16 912.
- **Western boundary:** Beginning at the parcel 6255 003 900, (the City parking lot) at the intersection of La Reina Avenue and Burns Avenue, proceed northward including the parcels on both sides of the street fronting on La Reina Avenue up to the parcel 6254 004 028 at the northwestern corner of the intersection of La Reina Avenue and 3rd Street. The western boundary will also include parcel 6254 002 023 which is found to the west of parcel 6254 002 024.



LEGEND

-  District Parcels
-  District Boundary





Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan/Outreach Efforts:

Since the Fall of 2014, business and property owners in Downtown Downey have met first in small settings, and then in a larger Steering Committee format, to discuss the advantages of creating this Downtown Downey special benefits district. An initial survey was sent to every property owner in the proposed CBD area in the Fall of 2014 to ascertain their level of conceptual support for the establishment of this assessment district and obtain information regarding the type of enhanced services they were interested in receiving. The survey information was instrumental in determining the services to be delivered by the CBD. A follow up survey was sent out in early 2015 to ensure that every property owner had an opportunity to respond.

Survey results

Special benefit services are those that are over and above the services currently being provided by the City general fund. The results of that survey prompted the Steering Committee to assemble a presentation for the property owners.

Since all properties would be included in the proposed Downtown Downey CBD, the basis for support was reviewed by parcel linear frontage, lot square footage, and building square footage. These figures are used because they are what each property has in common. In California, one cannot use assessed valuation to determine support since assessed valuation of a property is: 1) based upon when someone bought the property, not upon its actual market value, and 2) not relevant to public parcels, which don't have an assessed valuation per se, but which will also be assessed due to the services they would be receiving.

When combined with the City level of support (the City properties will also be required to pay into the new CBD), the following property variables demonstrated *conceptual support* for the continued investigation of the new CBD.

These responses demonstrated to the CBD Steering Committee that the majority of the responding property owners thought there was merit in the CBD concept. This proposed Downtown Downey Community Benefit District can only be formed by a mail-in vote of the majority of weighted property owners within the proposed district boundaries.

A summary of the survey results and the resulting CBD plan, beginning with the services it would fund, are as follows:

Priority Special Benefit Services – According to the Survey

The survey asked a variety of specific questions regarding property owner-funding of services over and above what the City and County were currently providing. The priority services outlined by the responding property owners prioritized the following:

- By a two to one margin, property owner respondents stated that they support services to deal with homelessness and panhandling issues.
- By a two to one margin, property owners stated they supported property owner funded regular sidewalk and gutter sweeping in Downtown.
- By a two to one margin, property owner respondents stated that they support services related to planting, trimming and maintenance of trees, plants, flowers and other landscaping in Downtown Downey.
- By almost a two to one margin, property owner respondents stated that they support services for public relations and social media to support the branding of Downtown.

The CBD Steering Committee began reviewing the results of the survey, and possible *benefit zones* within a boundaried area.

Under the state constitution, Proposition 218 defines the purpose of property assessments, and unlike special and general taxes, there must be a relationship between how much a property owner pays into a property assessment district and what type of benefit they receive. Property owners must receive more benefits due to the size of their linear frontage, lot square footage, or buildings square footage. All parcels within the boundaries of the Downtown Downey CBD will be required to pay into the assessment district (no properties will be exempt). Costs are determined by the type and frequency of services.

Meetings of the Downtown Downey CBD Steering Committee:

In the Fall of 2014, Aldo Schindler, the Director of Community Development of the City of Downey and Marco Li Mandri of New City America held a series of one on one meetings with property owners throughout the proposed district to explain the upcoming survey of property owners. Once that rounds of 8 to 10 meetings were held, the survey was distributed.

In early 2015, we were still collecting surveys and after another mailing of the survey to maximize the response, we set the first meeting of the CBD Steering Committee. Numerous public meetings have been held with the Downtown Downey CBD Steering Committee. Public meeting dates were held on the following dates:

- April 28th, 2015
- June 2nd
- July 21st
- August 4th
- January 13th, 2016

Marco Li Mandri of New City America continued to meet with Aldo Schindler the Director of Community Development, the City Council and City Council sub-committees, the City Attorney, City staff, and many property owners individually throughout this process.

Explanation of Special Benefit Services:

All of the improvements and activities detailed below are provided only to properties defined as being within the boundaries of the Downtown Downey CBD, as the improvements and activities will provide special benefit to the owners of those properties. No improvements or activities will be provided to properties outside the Downtown Downey CBD boundaries.

The City will continue to provide general benefit services from the general fund to the Downtown which will include public safety, street tree trimming, street sweeping, trash collection of public refuse containers, etc. The frequency of these general benefits may change from year to year and time to time based upon budget constraints. However, City general benefits will not be withdrawn from the Downtown Downey CBD unless they are withdrawn by an equal amount City wide. ***The CBD funded special benefits will not replace City funded general benefits, but rather will provide special benefits to parcel owners over and above the general benefits provided by the City of Downey.***

All services funded by the assessments outlined in the Management District Plan are intended to directly benefit the properties within this area to support increased commerce, business attraction and retention, retain and increase commercial property rentals, attract new residential developments, enhance safety and cleanliness in the CBD, improve district identity, and eventually fund specialized beautification and enhanced services for the condo residential unit parcels within the District.

The total improvement and activity plan budget for FY 2018-19 is projected to be \$ 253,589.00. The costs of providing each of the budget components was developed from actual experience obtained in reviewing these same services in similar districts throughout the State of California.

Based upon the survey of property owners, as well as the discussions held in the CBD Steering Committees held since April 2015, the Committee has prioritized the following categories of special benefit services for the new CBD. The categories of special benefit services set forth the intent of the budget category, but also gives the new District Management Corporation the flexibility to allocate the services based upon the changing needs of the District from year-to-year within each budgeted category.

The specific category of services are considered to be “buckets” of special benefit services and the points listed under each bucket of services may be funded on a case by case basis or annual basis based upon the decision of the Owners Association or District Management Corporation.

Improvements Activities and Services of the Downtown Downey CBD Plan:

There will initially be four basic categories of special benefit services that will be funded within the Downtown Downey CBD. All of these services are designed to confer a special benefit to the individual parcels within the Downtown Downey CBD over and above the general benefits they are currently receiving. The categories of special benefits are as follows:

Table 3 - A
First Year Downtown Downey CBD Special Benefit Service Budget

<i>Category of Services</i>	<i>Annual Allocation - % of budget</i>
Sidewalk Operations (curb to property line services)	\$130,000 – 51%
District Identity – District Promotion	\$ 60,000 – 24%
Program Management/Corporate operations	\$ 53,000 – 21%
Contingency	\$ 10,589 – 4%
Total Annual Revenue	\$ 253,589.00

The following buckets or categories of special benefit services shall only be provided to parcels within the District.

SIDEWALK OPERATIONS, BEAUTIFICATION, ORDER : **\$ 130,000** **51%**

Examples of these special benefit services and costs may include, but are not limited to:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning
- Beautification of the district
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance (over and above city services)
- Special events maintenance and set up
- Maintenance of existing and new public spaces
- Hanging plants, planting flowers throughout the district
- Possible private security and/or camera system
- Administration of the sidewalk operations services or staff

DISTRICT IDENTITY AND STREETScape IMPROVEMENTS: **\$60,000** **24%**

Examples of these special benefit services and costs may include, but are not limited to:

- Web site development and updating
- App development
- Management and coordination of special events
- Social media
- Public relations firm
- Holiday and seasonal decorations
- Branding of Downtown Downey so a positive image is built
- Banner programs
- Public art displays
- Downtown landmark sign and maintenance
- Logo development

- ❑ Public space design and improvements
- ❑ Administration of District Identity Services

PROGRAM MANAGEMENT AND CORPORATE OPERATIONS: **\$53,000** **24 %**

Examples of these special benefit services and costs may include, but are not limited to:

- ❑ Staff and administrative costs
- ❑ Director’s and Officers Insurance
- ❑ Office related expenses
- ❑ Rent
- ❑ Financial reporting and accounting
- ❑ Legal work

CONTINGENCY/CITY AND COUNTY FEES/RESERVE: **\$10,589** **4%**

Examples of these special benefit services and costs include, but are not limited to:

- ❑ Delinquencies
- ❑ City Fees
- ❑ County fees
- ❑ Reserves

ENHANCED RESIDENTIAL CONDO UNIT IMPROVEMENTS: (currently don’t exist) **\$ 0**

Examples of these special benefit services and costs may include, but are not limited to:

Future residential condos built within the boundaries of the Downtown Downey CBD will be assessed separately due to their unique parcel status and special benefit needs in the district. Residential condos buildings or Town Homes will have the following special benefit services conferred on the frontage their parcels. These services in the future will include, but will not be limited to:

- ❑ Installation, stocking and upkeep of pet waste distribution stations on the frontages adjacent to the high concentrations of residential condo individually assessed parcels;
- ❑ Enhancement and beautification of sidewalks on the frontages adjacent to the high concentrations of residential individually assessed parcels;
- ❑ Installation of hanging plants, and enhanced upkeep in the sidewalks surrounding these frontages adjacent to these residential condos;
- ❑ Other services requested by the residents that confer special benefit to the areas directly adjacent to the parcels with high concentrations of residential condos;
- ❑ Proportional share of the Administrative and Contingency costs to cover the oversight of the Enhanced beautification special benefit services.

Fifteen-Year Operating Budget:

A projected fifteen-year operating budget for the Downtown Downey CBD is provided below. The projections are based upon the following assumptions:

- Assessments will be subject to annual increases not to exceed 5% per year.
- Increases will be determined by the District Management Corporation and in no case shall annual increases exceed 5% per year.
- Changes in land use, demolition of existing buildings, and new development may modify both the amount of the maximum assessment and the CBD’s budget projections.

The budget for specific programs may be reallocated within the categories by up to 10% of each budget category. The Management Corporation Board may alter the budget based upon service needs and such changes shall be included in the Annual report and submitted to the Downey City Council for review and approval.

Table 3 – B
Fifteen-Year Projection of Maximum Assessment for the Downtown Downey CBD

	FY1	FY2	FY3	FY4	FY5	FY6	FY7
Sidewalk Operations, Beautification and Order	\$130,000.00	\$136,500.00	\$143,325.00	\$150,491.25	\$158,015.81	\$165,916.60	\$174,212.43
District Identity	\$60,000.00	\$63,000.00	\$66,150.00	\$69,457.50	\$72,930.38	\$76,576.89	\$80,405.74
Prop. Mgmt/Corp. Operations	\$53,000.00	\$55,650.00	\$58,432.50	\$61,354.13	\$64,421.83	\$67,642.92	\$71,025.07
Contingency	\$10,589.00	\$11,118.45	\$11,674.37	\$12,258.09	\$12,871.00	\$13,514.55	\$14,190.27
Total	\$253,589.00	\$266,268.45	\$279,581.87	\$293,560.97	\$308,239.01	\$323,650.97	\$339,833.51

	FY8	FY9	FY10	FY11	FY12	FY13	FY14	FY15
Sidewalk Operations, Beautification and Order	\$182,923.05	\$192,069.21	\$201,672.67	\$211,756.30	\$222,344.12	\$233,461.32	\$245,134.39	\$245,718.04
District Identity	\$84,426.03	\$88,647.33	\$93,079.69	\$97,733.68	\$102,620.36	\$107,751.38	\$113,138.95	\$113,408.33
Prop. Mgmt/Corp. Operations	\$74,576.32	\$78,305.14	\$82,220.40	\$86,331.42	\$90,647.99	\$95,180.39	\$99,939.40	\$100,177.36
Contingency	\$14,899.79	\$15,644.78	\$16,427.01	\$17,248.37	\$18,110.78	\$19,016.32	\$19,967.14	\$20,014.68
Total	\$356,825.19	\$374,666.45	\$393,399.77	\$413,069.76	\$433,723.25	\$455,409.41	\$478,179.88	\$479,318.40

Notes:

- Assumes a 5% yearly increase on all budget items.
- Any accrued interest or delinquent payments will be expended in the above categories.
- Residential condo assessments are zero for the first year, and to be determined when the first residential condos are actually built in Downtown

Section 4

Assessment Methodology

The Downtown Downey CBD is a property-based special benefit assessment district being established pursuant to the Downey Community Benefit District enabling ordinance adopted in September 2015 by the Downey City Council. Due to the special benefit nature of assessments levied within a CBD, program costs are to be distributed amongst all identified specially benefited properties based on the proportional amount of special program benefit each property is expected to derive from the assessments collected.

The ordinance refers to the requirement that relative “benefit” received from CBD funded programs and activities be used to determine the amount of assessment paid. Only those properties expected to derive special benefits from CBD funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

General vs. Special Benefits:

As provided by Proposition 218, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. Special Benefit” as defined by the California State Constitution means “*a particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large*”. For the purposes of this analysis, “General Benefits” are benefits from the provided within Downtown Downey that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other city parcels receive.

General benefits are not restricted to benefits conferred only on persons and property outside the assessment district, but can include benefits both conferred on real property located in the district or to the public at large. “At large” means not limited to any particular person – and means all members of the public - including those who live, work, and shop within the district - and not simply transient visitors.

The property uses within the boundaries of the proposed Downtown Downey CBD which will receive special benefits from CBD funded programs and services, are currently a mix of retail, service, office, religious, residential and parking. Services, programs and improvements provided by the Downtown Downey CBD are primarily designed to provide special benefits to identified parcels within the boundaries of the District.

Parcels that receive the special benefit programs, services and improvements outlined in this Management District Plan will attract more customers, employees, tenants and investors as a result of these programs, services and improvements, thereby increasing business volumes, sales

transactions, occupancies, and rental income, and for future residents, make this Downtown more walkable, attractive and livable. These benefits are particular and distinct in that they are not provided to non-assessed parcels within or outside of the District. Because these programs, services and improvements will only be provided to each individual assessed parcel within the Downtown Downey CBD boundaries, these programs, services and improvements will constitute "special benefits".

Existing City of Downey services will not be replaced or duplicated by Downtown Downey CBD funded services. The very nature of the purpose of this District is to fund supplemental programs, improvements and services within the Downtown 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 parcels within the Downtown CBD are for services, programs and improvements directly benefiting each individual parcel within this area and support increased cleanliness, commerce, business attraction and retention, increased commercial property rental income and improved District identity. No CBD funded services, activities or programs will be provided beyond the CBD boundaries.

While every attempt is made to provide CBD services and programs to confer benefits only to those identified assessed parcels within the district, the California State Constitution was amended via Proposition 218 to provide that general benefits exist, either by design or unintentionally, 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 District, or "spillover" onto parcels surrounding the District, or to the public at large who might be passing through the District with no intention of transacting business or residing within the District or interest in the District itself. Empirical assessment engineering analysis throughout California has found that general benefits within a given similar special benefits districts tend to range from 1-5% of the total costs.

There are three methods that have been used by the Downtown Downey CBD Assessment 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 CBDs in California for which our Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, have used Method #3, the composite district overlay determinant method which will be used for this CBD. 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 District, general benefit to the public at large within the District and general benefit to parcels outside the District.

Downtown Downey CBD Programs and Improvements:

The total special and general benefit program activities and budget allocations that will be provided to each individual parcel assessed in the proposed Downtown Downey CBD are shown in the chart below:

Total Year 1 – 2018 - Special + General Benefit Costs

Service	YR 1 - 2018 Assessment Costs	YR 1 - 2018 Non-Assessment Costs	YR 1 - 2018 Total Costs	% of Total
Sidewalk Operations	\$130,000	\$2,654	\$132,654	51%
District Identity	\$60,000	\$ 1,224	\$61,224	24%
Program Management	\$53,000	\$1,081	\$54,081	21%
Contingency/Reserve	\$10,589	\$216	\$10,805	4%
Total	\$253,589.00	\$5,175	\$258,764.00	100%

All program costs associated with general benefits will be derived from sources or credits other than CBD assessments. Sample “other” revenue sources can be derived from special events, grants, volunteer hours and must simply equal a total of \$ 5,175 per year which would equal the general benefit cost of 2% of the computed total CBD cost of \$258,764.00 from the Table above. Here, program costs are spread among property variables that are common to each parcel include linear frontage, lot or parcel size and building square footage, and residential condo parcels. Assessed valuation cannot be used as the basis for revenue generation in the state of California since Proposition 13 sets the assessed valuation at the time of purchase of the parcel, therefore adjacent parcels may be similar in size, but have different assessed valuations. We must therefore spread the assessments among the consistent factors of each parcel, based upon 2015 data. The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown Downey CBD:

All program costs associated with general benefits will be derived from sources or credits other than CBD assessments. Sample “other” revenue sources can be derived from special events, grants, farmers’ markets, donations, volunteer hours and must simply equal a total of \$5,175.00 per year which would equal the general benefit cost of 2% of the computed total CBD cost of \$ 258,764.00 from the Table above. Here, program costs spreading variables include linear frontage, lot or parcel size and building square footage, and residential condo parcels. The following data represents the foundation of the assessments that will generate the revenue to fund the Downtown Downey CBD: (verified as of February 1st, 2018);

Benefit Zones:

State law and the State constitution, Article XIID require that special assessments be levied according to the special benefit each individual parcel receives. There are two benefit zones in the proposed Downtown Downey CBD.

Assessable Data in the CBD:

Benefit Zone 1

<i>Building Square Footage (square feet)</i>	<i>Lot Size (square feet)</i>	<i>Linear Frontage</i>	<i>Condo Sf</i>
1,153,991 sq. ft.	2,049,768	15,195	47,114

Benefit Zone 2:

<i>Building Square Footage</i>	<i>Lot Size (square feet)</i>	<i>Linear Frontage</i>
0	0	631

Total Assessment District Property Variables:

<i>Building Square Footage</i>	<i>Lot Size (square feet)</i>	<i>Linear Frontage</i>
1,153,991	2,049,768	15,826

Amount of revenue generated by each benefit zone:

	Building Square Footage	Lot Size, square footage	Linear Frontage
Benefit Zone 1	\$ 58,542.47	\$ 63,326.19	\$ 126,567.95
Benefit Zone 2	0	0	\$ 5,152.91
Total	\$ 58,542.47	\$ 63,326.19	\$131,720.86

Assessment District Revenue Generation in Fiscal Year 2017 from each assessable property variable:

Linear Frontage	\$ 131,721.00	52%
Building Square Footage:	\$ 58,542.00	23%
Lot Square Footage:	\$ 63,326.00	25%
Residential Condos Unit Square Footage:	<u>\$0</u>	<u>0%</u>
Total:	\$ 253,589.00	100%

First Year Annual Costs:

The Downtown Downey CBD FY 2018-19 year annual assessments per property variable are as follows:

<i>Property Variable</i>	<i>First Year Annual Costs</i>
Linear Frontage	\$ 8.166254 per linear foot/year
Building Square Footage	\$ 0.050608 per square foot/year
Lot Size	\$ 0.030540 per square foot/year
Residential Condominiums	\$ 0.20 per square foot

***Proportional Allocation of Assessments to Benefiting Property Owners
Generation of assessments which fund categories of special benefit services.***

<i>Program</i>	<i>Funded by Property Variable Assessment</i>	<i>Approximate Amount First Year Budget - %</i>
Sidewalk Operations, Beautification and Order <i>sidewalk and gutter cleaning, landscaping, steam cleaning, public space maintenance</i>	Funded by approximately 100% of the linear frontage assessments <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 130,000 – 51% (the Board decides how this amount will be allocated month by month, prioritizing services and proportionally allocating per benefit zones based upon payments made)
District Identity and Streetscape Improvements <i>(Marketing, promotions, website, social media, events, business attraction, public space design)</i>	Funded by approximately 100% of the building square footage <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 60,000 – 24%
Program Management/ Corporate Operations Administration, outreach to public agencies, community relations, office rent, supplies, insurance, legal	Funded by Lot Size assessments <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 53,000 – 21 %
Contingency/Reserve	Funded by Lot size assessments <i>Residential Condo assessments will pay for services in the same proportion as allocated in the budget</i>	\$ 10,589 4 %
Total for all Special Benefit Services		\$ 253,589.00

Linear Frontage Defined:

Individual parcels will be assessed for all sides of each parcel fronting on a public street. Alley frontage is not assessed. Each side of the parcel (excluding alley areas) will receive Sidewalk Operations special benefit services based upon the frequency of services articulated in this plan, linear front footage data was obtained from the County Assessor’s parcel maps.

Building Square Footage Defined:

Building square footage is defined as gross building square footage throughout the Downtown Downey CBD. The percentage of building square footage that is dedicated to private or internal tenant parking needs may be deducted from the gross building square footage. Only parking structures that are open to the public and charge fees to the general public on a regular basis will have their building square footage assessed as any other commercial building. Apartment buildings within the boundaries of the Downtown Downey CBD will be assessed as commercial buildings since there is a landlord/tenant relationship in that property.

Lot Square Footage Defined:

Lot square footage is defined as the total amount of area within the borders of the parcel. The lot square footage of a parcel has been verified by the County Assessor’s parcel maps.

Commercial Condominium Parcels Defined:

Ground floor commercial condominiums will be treated as independent “mini” commercial buildings and assessed based on their actual building square footage, the footprint of land they cover or lot size of the commercial condo, and the amount of direct primary street frontage on the exterior of the building. Ground floor commercial condominiums will pay 100% of the special benefits for the assessment, based upon which benefit zone they are within.

Future Residential Condo Unit Parcels Defined:

Future residential condo units building square footage is defined as the livable building square footage within the walls of the condo residential unit parcel. They are included in a special category to designate their unique special benefits relative to the other commercial parcels within the Downtown Downey CBD. Unlike the other commercial parcels in the district, including commercially operated apartment buildings, residential condo parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage.

Future residential condo individually assessed parcels are assessed as a separate category. These future residential condo individual parcels will be assessed *for their building square footage only at the rate of \$0.20 per square foot per year, commencing the first year of their completion.* The rationale for assessing future residential condos only for the building square footage rate is provided below.

Future residential condo individually assessed parcels are assessed differently than multi-unit, for-rent apartment buildings, due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have an economic relationship as opposed to residential condo

buildings where individual property owners own separate “air space parcels” on a single floor. Future residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condo individual units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual parcel owners are as follows:

1. *The Davis Sterling Act establishes rules and regulations for residential condo owners based upon “separate interests” (i.e. ownership rights), as opposed to renters who only have a possessory interest.*
2. *Generally, residential condo unit owners demonstrate greater care for their property and concerns about quality of life issues due to their investment in real estate.*
3. *Residential owners and have the right to vote in a Proposition 218 hearing, tenants do not have that right.*
4. *Residential condo owners are required to contribute to a legally established Homeowners Associations to oversee building maintenance, tenants are not.;*
5. *Residential tenants may have their dwelling unit sold or have their rent raised arbitrarily due the lack of ownership of their residential unit.*

The assessment methodology has been written to confer special benefits to future residential condo individual assessed parcels since future residential condo owners have unique investment backed expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest. The future residential condos’ special assessment methodology ensures that a fund will be established to maintain high levels of special benefit services that apply directly and proportional to the blocks that demand virtually seven days per week, 365 days per year special benefits.

Exemptions:

No benefitting parcels, regardless of taxable or tax-exempt property tax status, will be exempt from the assessments funding the special benefit services of the Downtown Downey CBD. Special benefit services will not be provided to any parcels outside of the boundaries of the district.

Any current single family residential land uses, in the form of single family homes on independent parcels within the boundaries of the CBD are included in the District, however will be assessed only for the services they receive on their frontage or until such time that the single family land uses are converted to multi-family or commercial/retail uses.

Calculation of Assessments:

The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the improvement or the maintenance and operation expenses of an improvement or for the cost of property service being provided. Per California Constitutional Amendment Article XIII D, Section 2(i), “Special Benefit”, means a particular and distinct benefit over and above general benefits conferred on a real property located in the district or to the

public at large. No assessment will be imposed on any parcel that exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits. Properties are assessed as defined on the County Assessor’s most current parcel maps. The preceding methodology is applied to the database of parcels within the District. The process for compiling the property database includes the following steps:

- A report was generated from data obtained from the Los Angeles County Tax Assessors office.
- A list of properties to be included within the CBD is provided in Section 7.

Parcel Assessments –

The annual assessment method to calculate all parcels and ground floor commercial condominiums for Benefit Zone 1 will be:

$$\begin{aligned}
 &\text{Total Street Frontage X } \$ 8.166254 \text{ per foot} \\
 &\quad + \\
 &\text{Total Lot Square Footage X } \$0.030540 \text{ per square foot} \\
 &\quad + \\
 &\text{Total Building Square footage X } \$0.050608 \text{ per square foot} \\
 &\quad = \\
 &\text{TOTAL PARCEL ASSESSMENT}
 \end{aligned}$$

The annual assessment method to calculate all parcels and ground floor commercial condominiums for Benefit Zone 2 will be:

$$\begin{aligned}
 &\text{Total Street Frontage X } \$ 8.166254 \text{ per foot} \\
 &\quad + \\
 &\text{Total Lot Square Footage X } \$0.00 \text{ per square foot} \\
 &\quad + \\
 &\text{Total Building Square footage X } \$0.00 \text{ per square foot} \\
 &\quad = \\
 &\text{TOTAL PARCEL ASSESSMENT}
 \end{aligned}$$

Residential Condo Assessment:

The annual assessment method for a residential condo once they are built, regardless of Benefit Zone will be:

$$\begin{aligned}
 &\text{Total Residential Unit Building Square footage X } \$0.20 \text{ per Square Foot} = \\
 &\text{TOTAL RESIDENTIAL CONDO UNIT ASSESSMENT}
 \end{aligned}$$

Future Development:

As a result of continued new development, the Downtown Downey CBD will experience the addition or subtraction of assessable commercial buildings or the conversion of empty parcels into new commercial and residential or buildings and units. The Management District Plan assessment methodology will reflect any and all land use changes within the term of the District with annual adjustments being submitted to the City, as these assessment calculation and property variable alterations occur.

Maximum Assessment:

Assessments may be subject to annual increases not to exceed 5% per year. Increases will be determined by the CBD District Management Corporation and will vary between 0% and 5% in any given year. The maximum the assessments can be increased is 5% over the previous fiscal year's base assessments. Not implementing the increase for one year does not give the District Management Corporation the authority to accumulate increases above 5% within any given fiscal year. The following projections illustrate a potential 5% annual increase.

Table 4-A
Maximum Assessments by Property Variable

Projected Assessment	FY1	FY2	FY3	FY4	FY5
Linear Frontage	\$ 8.1663	\$ 8.5746	\$ 9.0033	\$ 9.4535	\$ 9.9261
Building Sq. Ft.	\$ 0.050608	\$ 0.053138	\$ 0.055795	\$ 0.058585	\$ 0.061514
Lot Square Ft.	\$ 0.030540	\$ 0.032067	\$ 0.033670	\$ 0.035354	\$ 0.037122
Condo Sq. Ft.	\$ 0.20000	\$ 0.21000	\$ 0.22050	\$ 0.23153	\$ 0.24310

Projected Assessment	FY6	FY7	FY8	FY9	FY10
Linear Frontage	\$ 10.4224	\$ 10.9436	\$ 11.4907	\$ 12.0653	\$ 12.6685
Building Sq. Ft.	\$ 0.064590	\$ 0.067820	\$ 0.071211	\$ 0.074771	\$ 0.078510
Lot Square Ft.	\$ 0.038978	\$ 0.040927	\$ 0.042973	\$ 0.045121	\$ 0.047378
Condo Sq. Ft.	\$ 0.25526	\$ 0.26802	\$ 0.28142	\$ 0.29549	\$ 0.31027

Projected Assessment	FY11	FY12	FY13	FY14	FY15
Linear Frontage	\$ 13.3020	\$ 13.9671	\$ 14.6654	\$ 15.3987	\$ 16.1686
Building Sq. Ft.	\$ 0.082435	\$ 0.086557	\$ 0.090885	\$ 0.095429	\$ 0.100200
Lot Square Ft.	\$ 0.049746	\$ 0.052234	\$ 0.054845	\$ 0.057588	\$ 0.060467
Condo Sq. Ft.	\$ 0.32578	\$ 0.34207	\$ 0.35917	\$ 0.37713	\$ 0.39599

Budget Adjustments:

Annual budget surpluses, if any, will be rolled into the following year’s budget. Assessments will be set annually, within the constraints of the Management District Plan’s allowed increase or through land use changes. Revenues from the delinquent accounts may be expended in the year they are received. If the District is not renewed, any remaining funds will be returned to property owners in the proportion by what each property owner paid.

If after the initial term the District decides to renew and if there is money left over from the previous term, the balance of remaining funds will be rolled over into the renewed district. These “rolled over” funds may only be used within the boundaries of the original district and cannot be expended for activities, services, or improvements in an area expanded beyond the original District. However, the rolled over funds may be used to finish District Management Corporation activities in the original district.

Time and Manner for Collecting Assessments:

In September 2017, the Downtown Downey CBD assessments will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. 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.

Disestablishment:

California Streets and Highways Code Section 36670 provides for the disestablishment of a District. Provisions for annual disestablishment of the CBD are provided for in Article 2, Chapter 14 of the local Downey CBD ordinance. Property owners dissatisfied with the results, management or quality of the services may petition the City Council to disestablish the CBD, in the same method in which they petitioned the City Council to establish the District.

Section 36670 states:

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.”

Unexpended surplus funds will be returned to property owners based upon each parcels percentage contribution to the previous fiscal year’s assessments if the District is not renewed.

Government Assessments:

The Downtown Downey CBD Management Plan assumes that the City of Downey will pay assessments for the public property they own within the boundaries of the District as per the methodology within this plan. Article XIII D, Section 4 of the California Constitution was added in November of 1996 to provide that the City is not exempt from such assessments.

Parcels owned by the City of Downey and the Downey Successor Agency shall receive benefits, commensurate with the sidewalk operations administration and contingency assessments paid into the Downtown Downey CBD. These publicly owned parcels are presumed to benefit equally to the privately owned parcels for the special benefits provided.

Table 4-B
Government Owned Parcels in the Downtown Downey CBD

APN	Legal Owner	Site #	Site Street	Annual Assessment	Percent
6254 008 901	City of Downey	8201	2nd St	\$ 5,104.96	2.01%
6254 009 900	City of Downey	11102	La Reina Ave	\$ 3,115.98	1.23%
6254 016 912	City of Downey	11111	Brookshire Ave	\$ 16,610.87	6.55%
6254 019 900	City of Downey	8321	2nd St	\$ 446.34	0.18%
6254 019 901	City of Downey	8320	3rd St	\$ 446.31	0.18%
6254 020 903	City of Downey	8313	Firestone Blvd	\$ 85.76	0.03%
6254 020 913	City of Downey	8355	Firestone Blvd	\$ 1,165.79	0.46%
6254 021 919	City of Downey	11131	Brookshire Ave	\$ 6,620.60	2.61%
6254 021 922	City of Downey	8435	Firestone Blvd	\$ 110.49	0.04%
6254 021 923	City of Downey	8435	Firestone Blvd	\$ 3,145.08	1.24%
6255 002 900	City of Downey	8356	Firestone Blvd	\$ 4,349.90	1.72%
6255 003 900	City of Downey		*no Site Address*	\$ 6,385.72	2.52%
TOTAL				\$ 47,587.81	18.77%
6254 019 904	Community Dev Commission of Downey City	11022	Downey Ave	\$ 1,479.15	0.58%
TOTAL				\$ 1,479.15	0.58%

Section 5

District Rules and Regulations and Governance

There are no specific rules and regulations prescribed for the proposed Downtown Downey Community Benefit District Management Corporation except that it will adhere to the open meeting and open records provisions of the Ralph M. Brown Act and will seek to be as open and transparent to the CBD assesses and the public at large as is reasonably possible.

Pursuant to the City of Downey Community Benefit District Ordinance and Section 36650 of the California Streets and Highway Code, a District Management Corporation or Owners' Association, will review District budgets and policies annually within the limitations of the Management District Plan. The Management Corporation will file Annual Reports with the City of Downey and will oversee the day-to-day implementation of services as defined in the Management District Plan. Section 36612 states:

"The "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose."

Bonds:

The District will not issue any bonds related to any program.

Section 6

Implementation Timetable

The Downtown Downey CBD is expected to be established and begin assessing benefiting parcels as of fiscal year 2017-18. Due to the timing of revenue collection and need to establish the owners' association or District Management Corporation, implementation of the Management District Plan and the delivery of services is scheduled to commence in or around the fall of 2018. Consistent with the local enabling ordinance, the Downtown Downey CBD will have a fifteen-year term through November 30, 2033 with operations winding down by November 30, 2033 unless renewed by Downtown property owners.

Section 7

Assessment Roll of Properties Included

APN	Annual Assessment		
		6254 011 008	\$699.90
		6254 011 010	\$809.41
6254 001 014	\$2,843.36	6254 011 012	\$5,262.62
6254 001 017	\$4,157.61	6254 011 013	\$2,435.07
6254 002 023	\$7,060.88	6254 011 014	\$1,188.60
6254 002 024	\$7,097.53	6254 012 008	\$596.39
6254 002 028	\$95.71	6254 012 009	\$623.02
6254 002 029	\$113.60	6254 012 010	\$2,137.21
6254 002 030	\$105.08	6254 012 011	\$3,523.33
6254 002 031	\$122.83	6254 012 013	\$3,996.82
6254 002 032	\$122.12	6254 012 015	\$1,559.58
6254 002 033	\$105.08	6254 016 912	\$16,610.87
6254 002 034	\$113.60	6254 018 005	\$538.97
6254 002 035	\$90.88	6254 018 023	\$969.39
6254 002 036	\$128.51	6254 018 024	\$3,682.74
6254 002 037	\$127.09	6254 018 028	\$863.92
6254 002 038	\$125.67	6254 019 001	\$2,445.95
6254 002 039	\$133.27	6254 019 003	\$758.41
6254 002 042	\$127.09	6254 019 004	\$761.41
6254 002 043	\$135.68	6254 019 027	\$2,148.53
6254 002 044	\$133.27	6254 019 028	\$4,613.93
6254 002 045	\$133.27	6254 019 900	\$446.34
6254 002 046	\$133.27	6254 019 901	\$446.31
6254 002 047	\$133.27	6254 019 904	\$1,479.15
6254 002 048	\$133.27	6254 020 001	\$119.80
6254 002 049	\$95.71	6254 020 002	\$717.73
6254 002 050	\$113.39	6254 020 003	\$951.15
6254 002 051	\$111.90	6254 020 014	\$1,160.47
6254 002 052	\$128.65	6254 020 017	\$1,739.08
6254 002 053	\$128.65	6254 020 020	\$836.77
6254 002 054	\$111.90	6254 020 023	\$1,623.42
6254 002 055	\$113.39	6254 020 024	\$451.43
6254 002 056	\$95.71	6254 020 025	\$533.85
6254 002 057	\$133.27	6254 020 027	\$8,257.93
6254 004 028	\$3,695.31	6254 020 028	\$1,909.16
6254 007 004	\$2,676.44	6254 020 029	\$2,003.14
6254 007 013	\$3,881.48	6254 020 808	\$2,158.96
6254 008 005	\$8,513.20	6254 020 903	\$85.76
6254 008 901	\$5,104.96	6254 020 913	\$1,165.79
6254 009 002	\$2,017.23	6254 021 023	\$2,059.57
6254 009 012	\$3,328.59	6254 021 025	\$1,072.70
6254 009 013	\$773.36	6254 021 030	\$5,032.22
6254 009 014	\$1,341.13	6254 021 031	\$16,260.95
6254 009 900	\$3,115.98	6254 021 919	\$6,620.60
6254 010 033	\$4,042.44	6254 021 922	\$110.49
6254 010 034	\$2,905.38	6254 021 923	\$3,145.08
6254 010 035	\$5,517.83	6255 001 012	\$724.83
6254 011 003	\$2,010.28	6255 002 008	\$2,204.26

6255 002 009	\$3,231.19	6255 003 001	\$3,114.60
6255 002 010	\$977.35	6255 003 005	\$891.16
6255 002 011	\$1,115.64	6255 003 006	\$564.85
6255 002 012	\$3,416.56	6255 003 007	\$1,153.76
6255 002 013	\$4,067.92	6255 003 015	\$2,659.70
6255 002 023	\$2,775.94	6255 003 018	\$8,010.09
6255 002 028	\$4,739.43	6255 003 019	\$2,185.15
6255 002 032	\$5,888.06	6255 003 900	\$6,385.72
6255 002 033	\$2,255.23		
6255 002 034	\$2,831.13		
6255 002 900	\$4,349.90		

