



Metro

*One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room*

Agenda - Final

Wednesday, April 17, 2024

11:00 AM

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Finance, Budget and Audit Committee

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Jacquelyn Dupont-Walker

Lindsey Horvath

Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

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(ALSO APPLIES TO BOARD COMMITTEES)

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A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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323.466.3876

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The Committee Meeting begins at 11:00 AM Pacific Time on April 17, 2024; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 202-735-3323 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

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Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 11:00 AM, hora del Pacifico, el 17 de Abril de 2024. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

Marque: 202-735-3323 y ingrese el codigo
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Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.

Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.

Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

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Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

APPROVE Consent Calendar Items: 5 and 6.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

5. SUBJECT: PROPERTY INSURANCE PROGRAM

[2024-0012](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase All Risk Property and Boiler and Machinery insurance policies for all Metro properties at a not-to-exceed premium of \$10.2 million for the 12-month period of May 10, 2024, through May 10, 2025.

Attachments: [Attachment A - Recommended Renewal Program Pricing](#)
[Attachment B - Alternatives Considered](#)

**6. SUBJECT: NORTH HOLLYWOOD TRANSIT PROPERTY- BASED
BUSINESS IMPROVEMENT DISTRICT (BID)**

[2024-0183](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) or their designee, to execute a Petition to Renew Los Angeles County Metropolitan Transportation Authority's (LACMTA) participation in the North Hollywood Transit Property-Based Business Improvement District (BID) for a period of six (6) years commencing January 1, 2025, for a total estimated amount not to exceed \$1,130,228.16 over the term of the BID renewal.

Attachments: [Attachment A - General Guidelines for Participation in Prop. Assmt. Districts](#)
[Attachment B - Bid Map](#)
[Attachment C - BID Renewal Documentation](#)
[Presentation](#)

NON-CONSENT

7. **SUBJECT: CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)** [2024-0028](#)

RECOMMENDATION

APPROVE the Resolution in Attachment A that:

- A. AUTHORIZES the Chief Executive Officer (CEO) or their designee to claim a total of \$54,230,499 in California Cap-and-Trade proceeds accumulated in State Fiscal Year (FY) 2023-24 disbursed through LCTOP and to use \$50,941,838 for one year of E Line operations, as enhanced by the opening of Regional Connector, and \$3,288,661 for the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley (NSFV) Transit Corridor;
- B. CERTIFIES that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. AUTHORIZES the CEO or their designee to execute all required documents and any amendments with the California Department of Transportation (Caltrans).

Attachments: [Attachment A - Board Resolution to Execute LCTOP Project Presentation](#)

(ALSO ON PLANNING AND PROGRAMMING COMMITTEE)

8. **SUBJECT: FISCAL YEAR 2025 BUDGET DEVELOPMENT STATUS UPDATE** [2024-0159](#)

RECOMMENDATION

RECEIVE AND FILE on Fiscal Year 2025 Budget Development Status Update.

Attachments: [Attachment A - Metro Transit O&M - \(Budget and Service Plan\)](#)
[Attachment B - Station Experience and Cleaning Initiatives](#)
[Attachment C - Metro Transit Capital Improvement Projects Details](#)
[Attachment D - Total Bus Investments](#)
[Attachment E - Early, Improved & Expanded Public Engagement Update](#)

- SUBJECT: GENERAL PUBLIC COMMENT** [2024-0222](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S
SUBJECT MATTER JURISDICTION

Adjournment



Board Report

File #: 2024-0012, File Type: Program

Agenda Number: 5.

FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 17, 2024

SUBJECT: PROPERTY INSURANCE PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase All Risk Property and Boiler and Machinery insurance policies for all Metro properties at a not-to-exceed premium of \$10.2 million for the 12-month period of May 10, 2024, through May 10, 2025.

ISSUE

The All Risk Property and Boiler and Machinery insurance policies expire on May 10, 2024.

BACKGROUND

Metro's insurance broker, USI Insurance Services ("USI"), is responsible for marketing the property insurance program to qualified insurance carriers. In this challenging, hard market, negotiations are ongoing to ensure placement with carriers that maintain acceptable A.M. Best ratings indicating financial soundness and the ability to pay claims. Premium indications are based on current market expectations. Final pricing, however, is not yet available as USI continues to broker the most competitive pricing for Metro.

Metro established the Excess Commercial Property Insurance program to protect against insured losses. Each year, Risk Management collaborates with USI to prepare for the upcoming marketing process, secure the data required to approach underwriters, and obtain the most competitive coverage and premium available.

Initial discussions begin in the first quarter of the fiscal year through an evaluation of market conditions to determine the availability of coverages and what premium levels are indicated. Once established, an annual stewardship meeting is conducted in September to review what data will be required, including new infrastructure, such as rolling stock (bus, rail, and non-revenue vehicles), real property (buildings and facilities), business personal property (equipment, furniture), and newly completed projects. Risk Management obtains status data, including targeted completion dates of various projects, to accurately account the agency's present and future property exposures.

As needed, Risk Management compiles updated information, including projected revenues, payroll, property valuations, and property distribution. Once internal data is collected, the data is forwarded to USI for presentation to the domestic insurance marketplace and international markets in London, Bermuda, and Europe. Due to timing requirements, USI approaches underwriters in January to ensure that data is current. Initial indications of interest and costs generally become apparent in late March.

USI provides a not-to-exceed number that serves two functions. First, the number provides an amount that Risk Management may utilize to approach the CEO and Board to obtain approval for the binding of the new program, which mitigates a potential gap in insurance coverage. Second, the number allows our broker ample time to continue negotiating with underwriters to ensure Metro obtains the most competitive pricing.

DISCUSSION

Property insurance protects against losses to structures, fleets, and improvements, valued at approximately \$19.6 billion, up from last year's \$18.8 billion. The increase in total insured value is primarily due to general replacement cost growth and the revaluation of both heavy and light rail vehicles. In addition, the Regional Connector Project has been fully incorporated into the overall statement of values. The inclusion ensured that no gaps in protection occurred during the transition into revenue operations. Property insurance is also required by many contracts and agreements, such as lease/leaseback agreements involving several of Metro's operating assets.

USI marketed the property program to qualified insurance carriers to obtain property insurance pricing with Probable Maximum Loss (PML) coverage limits at a minimum of \$550 million. Property insurance program quotations are currently being received from carriers with acceptable A.M. Best ratings. Final pricing is pending, and the quotes, including contingencies for unanticipated adjustments, serve as a not to exceed cost before policy binding.

The current property program includes an All Risk deductible of \$1,000,000 with no earthquake coverage and a flood deductible of 5% per location, subject to a \$1,000,000 minimum. USI continues negotiations with carriers regarding deductible limits and selected Metro assets, including rolling stock, non-revenue vehicles, and potential flooding in subway tunnels. Under the current program, if a loss exceeds the deductible, All Risk coverage is provided up to \$550 million per occurrence for losses except for flood-related damages that are covered up to \$150 million (tsunami and tunnels are covered up to \$50 million with a \$1,000,000 deductible for tsunami and flood damages). Therefore, authority for the upcoming property renewal program is requested to continue negotiations with carriers for a minimum of \$550 million in coverage limits and a not to exceed deductible of \$1 million. Attachment A shows the renewal program structure outline within the requested parameters. The not-to-exceed premium price includes a contingency for premium adjustments, taxes, and fees due to ongoing negotiations with insurance carriers.

Metro has not purchased earthquake coverage in previous years. In the event of a major disaster, we believe funding would be available through federal and state sources to restore public transportation in Southern California. The lack of earthquake coverage is consistent with decisions made by other large local government agencies.

The Terrorism Risk Insurance Act (TRIA) provides government support by providing mechanisms for spreading losses across policyholders. We rejected this coverage in the past because of the high likelihood of federal and state funding to restore transportation services due to a serious terrorism incident. We will continue to reject terrorism coverage.

The current and recommended renewal programs of insurance are layered structures. Several insurance carriers participate in the program, each contributing a portion of coverage that maintains a diversified portfolio of insurance carriers. Continuous monitoring through internal methods and updates provided by USI ensure that all carriers maintain the financial ratings indicated by financial reporting agencies and as determined by A.M. Best.

In January, February, and March 2024, USI contacted multiple domestic and international insurance providers to present Metro's property risks and supplemental data. USI provided an overview of the Metro transit system during discussions with the underwriters, including its extensive security infrastructure, fire protection, loss control, and minimal risk of flood exposures.

The Metro property program continues to be well received by insurers due to its favorable loss history, newer construction, and State of Good Repair programs. USI presented the submission to incumbent and new insurers to create competition in the insurance marketplace and for additional capacity. Incumbent carriers were maintained but at some reduced participation, requiring additional carriers to be added to the program because of our large values. Due to the continuing hard market, Metro's estimated renewal rate and premium are expected to increase, but not as significantly as in past years. The major factors driving the rate increase are summarized in the following paragraphs.

The property insurance market continues to experience major interruptions. Capital (and therefore, capacity) has either been exhausted or withdrawn from the market with little new capital added.

Commercial property insurance rates continue to show significant growth over several quarters. The influence of climate change on natural catastrophes, supply chain challenges, and inflation are working concurrently to push rates higher. Programs historically written by a single insurer moved to shared and layered program structures in which multiple participants provide capacity. London and Bermuda insurers took on larger positions in programs in which admitted markets vacated or reduced capacity.

Carriers are looking to return their portfolios to profit, which has led to continuing universal rate increases even for insureds that are claims-free. Insurers are instituting more restrictive terms along with premium increases and higher deductibles. Carriers are rated on the potential for loss (regardless of good loss history), and with Metro's increased valuations on buildings, facilities, buses, and rail cars, insurance carriers are rated on the potential for total loss estimates. Although most of Metro's property is not in official flood zones, heavy rain over the past few years has shown that Los Angeles is prone to more flood and water damage than officially mapped, which is a growing concern to underwriters.

Metro has historically enjoyed some of the lowest rates among transit systems and remains an attractive client within this space. However, due to the hardening of the insurance market, premium

pricing has increased exponentially over the past few years, and carriers continue to reduce their appetite for transit risks. This year's renewal is again challenging, but Metro's favorable insurability, loss record, and ability to take full advantage of USI's marketing efforts in a very demanding market environment places Metro at an advantage compared to other transit agencies in the country.

DETERMINATION OF SAFETY IMPACT

Approval of this procurement will not impact the safety of Metro's riders or employees.

FINANCIAL IMPACT

The funding for two months of \$1.7 million for this action is included in the FY24 Budget in cost center 0531, Non-Departmental Ops Risk Management, under projects 100001 - General Overhead, 300022 - Rail Operations - A Line, 300033 - Rail Operations - C Line, 300044 - Rail Operations - B Line, 300066 - E Line, 300077 - Rail Operations - K Line, 301012 - Bus Operations - G Line, 306001 - Operations Transportation, 306002 - Operations Maintenance, and 610061 - Owned Property.

The remaining ten months of \$8.5 million is included in the FY25 Budget Request under the same cost center and projects as listed above.

Additional funds required to cover premium costs beyond the budgeted amounts will be addressed by fund reallocations during the year.

Impact to Budget

The source of funding for this action will come from federal, state, and local funding sources that are eligible for bus and rail operations.

EQUITY PLATFORM

The insurance policies cover all Metro-owned property, stations, tunnels, bridges, rolling stock fleet, right of ways, facilities, and buildings that provide transportation service and benefits to low-income residents, BIPOC (Black, Indigenous, and People of Color), people with disabilities, people with limited English proficiency, women, disadvantaged or disabled veterans, LGBTQ community, and other marginalized groups. Metro's property insurance program ensures that its facilities, rolling stock fleet, and infrastructure, which serve these groups, are covered by insurance policies in the event of a major loss or damage and that service may resume. The valuation of these assets, including assets in Equity Focus Communities, conforms to the insurance industry's replacement cost methodology.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #5) "Provide responsive, accountable, and trustworthy governance within the LA Metro organization." The responsible administration of Metro's risk management programs includes using insurance to mitigate large financial risks resulting from damage to or loss of Metro property.

ALTERNATIVES CONSIDERED

The current program, the recommended renewal program, and an alternative option with earthquake coverage are summarized in Attachment B. Based upon the history of favorable renewal and losses, Risk Management recommends continuing the current insurance program as the most cost effective and prudent program. The option of adding earthquake coverage is not recommended because the high cost of earthquake premiums does not justify the benefit of the coverage.

NEXT STEPS

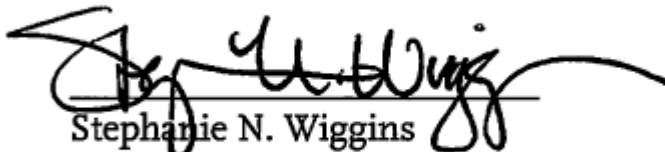
Upon Board approval of this action, staff will advise USI to proceed with the placement of the property insurance program outlined herein, effective May 10, 2024.

ATTACHMENTS

Attachment A - Recommended Renewal Program Pricing
Attachment B - Alternatives Considered

Prepared by: Bill Douglas, Senior Manager, Risk Financing, (213) 922-2105
Claudia Castillo del Muro, Executive Officer, Risk Management, (213) 922-4158

Reviewed by: Kenneth Hernandez, Interim Chief Safety Officer (213) 922-2990


Stephanie N. Wiggins
Chief Executive Officer



RECOMMENDED RENEWAL PROGRAM PRICING

USI Insurance Services

Proposed Property/B&M Insurance Summary 2024 - 2025 (as of February 28, 2024)

Los Angeles County Metropolitan Transportation Authority

Limit	Excess of	Coverage	Carrier	Limit (\$)	Total Premium (inc. taxes and fees)
Min. of \$400M	\$150M	All Risk Excluding Flood & Earthquake	Chubb	Min. \$400M	\$1,100,000
				Min. \$400M	\$1,100,000
\$150M	Underlying Deductibles*	All Risk Excluding Earthquake	Various Carriers	\$150M	\$9,100,000
				\$150M	\$9,100,000
				\$550M	\$10,200,000

Total Limits Minimum

Estimated Program Premiums**

Including contingency for carrier premium, taxes and fee adjustments

Estimated Program Not to Exceed Total

\$10,200,000

2024/25 Total Insurable Values

\$19,672,735,643

* Deductibles are \$1 million per occurrence; 5% flood deductible minimum and \$1 million minimum for flood in tunnels.

** Subject to finalization of ongoing negotiations with carriers. Amounts are estimates only.

ATTACHMENT B

ALTERNATIVES CONSIDERED

	Current Program	Recommended Program	Alternative Program with Earthquake
Deductibles	Up to \$1,000,000 All Risk / 5% of location per unit value for Flood *	Up to \$1,000,000 All Risk / 5% of location per unit value for Flood *	Up to \$1,000,000 All Risk / 5% of location per unit value for Flood *
All Risk Limits	Min. \$550 Million	Min. \$550 Million	Min. \$550 Million
Flood Limits	\$50 Million	\$50 Million	\$50 Million
Earthquake Limits	None	None	\$50 Million after 10% per unit deductible
Terrorism	None	None	None
Total not to Exceed or Actual Premium	\$8,360,000	\$10,200,000	\$17,600,000**

*\$50 million limit on tsunami/flood in tunnels with \$1,000,000 deductibles.
\$25 million limit for flood in special flood hazard areas.

**Not to exceed amounts, subject to no losses until expiring.

Non-TRIA Terrorism subject to full underwriting:

TIV: \$19.7B
Loss Limit: \$100M
Deductible: \$250k deductible
Premium: \$165,000

Earthquake subject to full underwriting:

TIV: \$19.7B
Loss Limit: \$50M
Deductible: 10% per unit of coverage
Premium:
\$7,400,000



Board Report

File #: 2024-0183, File Type: Program

Agenda Number: 6.

FINANCE, BUDGET AND AUDIT COMMITTEE APRIL 17, 2024

SUBJECT: NORTH HOLLYWOOD TRANSIT PROPERTY- BASED BUSINESS IMPROVEMENT DISTRICT (BID)

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) or their designee, to execute a Petition to Renew Los Angeles County Metropolitan Transportation Authority's (LACMTA) participation in the North Hollywood Transit Property-Based Business Improvement District (BID) for a period of six (6) years commencing January 1, 2025, for a total estimated amount not to exceed \$1,130,228.16 over the term of the BID renewal.

ISSUE

LACMTA owns thirty (30) parcels within the BID, representing 18.49% of total assessments for the BID. The renewal of the BID requires the submission of favorable petitions from property owners representing more than 50% of total assessments. Board approval is required as the value of the BID renewal exceeds the CEO's delegated authority of \$500,000.

BACKGROUND

Under the 1994 Property and Business Improvement District law, the State of California provided a legal basis for the formation of property-based assessment districts if a petition sent to the property owners in the district's boundaries is approved by a majority (50%). Any approved district requires renewal after its term expires. In 2019, the Board updated its 2014 Guidelines for Participation in BIDs, which are included in Attachment A.

The North Hollywood BID was established in 2007. The boundary of the BID was created to include the North Hollywood art and transit areas, including LACMTA's B Line North Hollywood Station and G Line bus terminal. The BID area is bounded roughly by Cumpston Street, Camarillo Drive, Tujunga Avenue, and Vineland Avenue (see Attachment B - BID Map). The property uses within the general boundaries of the BID are a mix of commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious. The previous BID term was approved by the Board on March 28, 2019, for five years from 2020 through 2024 for a total amount of \$699,294.

BID participation by LACMTA is paid annually to the BID upon assessment of real property ownership in the BID's defined assessment area. BID assessments, based upon an allocation of program costs and a calculation of assessable footage, will be determined by the BID Owners' Association Board of Directors each year for parcels in the defined assessment area (Attachment C - Bid Renewal Documentation).

DISCUSSION

LACMTA policy, passed at the June 1998 regular Board meeting and last updated in October 2019 (Attachment A), created an established procedure for the evaluation of benefits derived from participation in any proposed benefit assessment district.

Developed by the North Hollywood Transit Board of Directors, the BID Management Plan conveys special benefits to assessed parcels located within the BID area. The BID provides activities in three (3) program areas, including Clean & Safe, Communications, and Management. Each of the programs is designed to meet the goals of the BID, which are to improve the safety and cleanliness of each individual assessed parcel within the BID, to increase building occupancy and lease rates, to encourage new business development; and attract ancillary businesses and services for assessed parcels within the BID.

Findings

The fees paid by LACMTA to the BID will finance, in part, the annual budget for the BID, which includes:

- Clean & Safe Programs:
 - Bicycle and foot patrol
 - Sidewalk sweeping and pressure washing
 - Graffiti and handbill removal
 - Trash removal and landscaping.
- Communication & Marketing Programs:
 - NoHo Card/App business attraction program
 - District banner branding program
 - Destination Marketing
 - Placemaking Activities
 - Website
- Management, Office and City Fees

Considerations

Assessment districts can provide a wide variety of services and improvements. LACTMA analyzed whether or not LACMTA property benefits from such services and improvements. In order to determine the benefits of the BID, LACMTA's staff reviewed LACMTA's real property within the BID. Based on the analysis it was determined the real property benefits include Tier 1, Tier 2, and Tier 3 benefits, as defined in the General Guidelines for MTA Participation in Proposed Assessment Districts approved by the Board October 24, 2019, (see Attachment A). The determination of benefits

are defined as:

- Tier 1 - No Benefit - includes subsurface easements, aerial easements, and rights of way
- Tier 2 - Minor or No Potential Benefit - includes vacant land and parking lots
- Tier 3 - Minor or Some Potential Benefit - includes bus divisions and terminals, customer service centers, USG, maintenance facilities and rail divisions, terminals and stations.
- Tier 4 - Actual Benefit - Joint Development Projects

A map of LACMTA’s real property benefit types within the BID can be found in Attachment B - Bid Map, page two.

Additionally, LACMTA has executed an Exclusive Negotiations and Planning Agreement with Trammell Crow Company/Greenland USA under the Joint Development Program to develop the parcels in the immediate area as approved by the Board at the May 25, 2017, meeting. The resulting development will see these properties move to Tier 4 - Actual Benefit, under the tiered benefit definitions.

Because of the approximately 2-year processing time for the BID renewal, the BID chose a six-year term for the current BID renewal instead of the previous five-year term. In addition, higher labor costs for the Clean & Safe Program increased the BID annual assessment from 5% to 7%. That increase, along with the additional year, resulted in an overall increase from the previous BID total of \$699,294 to this year’s BID estimate of \$1,130,288.

DETERMINATION OF SAFETY IMPACT

This Board action will have a positive impact on safety for LACMTA as the BID Clean & Safe Program includes safety patrols of the streets and sidewalks within the BID. Additionally, the BID programs enhance the transit rider safety experience by providing more pedestrian traffic and a cleaner environment around the station.

FINANCIAL IMPACT

The total cost of the BID will not exceed \$1,130,228.16 over the six-year term of the BID renewal period. Annual assessment increases will not exceed 7% per year. Increases will be determined by the BID Owners' Association Board of Directors and will vary between 0% and 7% in any given year. The table below outlines the year-over-year costs to LACMTA assuming the maximum annual increase of 7%:

PERIOD	YEAR	AMOUNT	ANNUAL INCREASE
1	2025	\$158,001.15	Base
2	2026	\$169,061.23	7%
3	2027	\$180,895.52	7%
4	2028	\$193,558.20	7%
5	2029	\$207,107.28	7%

6	2030	\$221,604.79	7%
TOTAL		\$1,130,228.16	

Impact to Budget

The BID fees are included in the FY25 draft budget, Cost Center 0651, Project 306006, Task 01.001, Account 50799 -Tax Others. Future BID fee increases will be included during the annual budget development process throughout the BID term. These funds are eligible for bus and rail operations.

EQUITY PLATFORM

BIDs provide a general subsidy to support neighborhood cleanliness, public health, and safety where the agency owns real property. This BID partners with the City of Los Angeles to conduct outreach to people who are unhoused in the BID area, and the BIDs Safety Ambassador program provides recommendations on a range of services and shelter/interim housing options for them. The BID also facilitates a business discount program for local community members, which is advertised through social media, email, and the BIDs website. Lastly, to support bias-free policing, the BIDs security contractor is in the process of conducting full unconscious bias training for employees serving the BID area.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goals #3 Enhance communities and lives through mobility and access to opportunity; #4 Transform LA County through regional collaboration and national leadership; and #5 Provide responsive, accountable, and trustworthy governance within LACMTA’s organization.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the BID Petition to Renew and thereby not participate in the BID. This is not recommended as it may impact the BID’s ability to be renewed as LACMTA owns real property comprising 18.49% of the BID, which would potentially have an adverse impact on LACMTA’s B and G line termini and the proposed North Hollywood Joint Development, “District NoHo” project.

NEXT STEPS

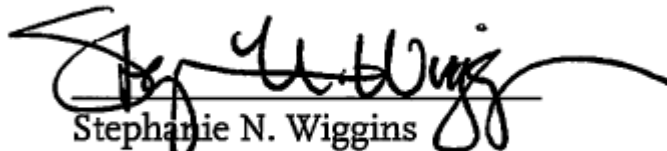
Upon guidance and approval by the Board of Directors, the BID Petition to Renew will be finalized and executed by the CEO or their designee.

ATTACHMENTS

- Attachment A - General Guidelines for Participation in Proposed Assessment Districts
- Attachment B - BID Map
- Attachment C - BID Renewal Documentation

Prepared by: Michael Luna, Senior Manager, Transportation Planning, Real Estate, (213) 922-2332
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Craig Justesen, Executive Officer, Real Estate (213) 928-7051
Holly Rockwell, Senior Executive Officer, Real Estate and Transit Oriented Communities (213) 922-5585

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins
Chief Executive Officer



**GENERAL GUIDELINES
for MTA Participation in Proposed Assessment Districts**

1. MTA Participation in Assessment Districts

Assessment districts can provide a wide variety of services and improvements. However, the MTA must decide individually whether or not specific MTA property benefits from such services and improvements. Such determination shall be dependent upon:

- the use of MTA property, and
- the services or improvements provided by the assessment district.

2. Evaluation Criteria

The following criteria shall be used to evaluate whether or not an assessment district services and/or improvements will benefit MTA is the extent that the services or improvements specifically:

- improve MTA property or facilities,
- benefit MTA employees,
- benefit the MTA riding public, or
- reduce costs for the MTA.

3. Determination of Benefit

Each proposed assessment district containing MTA property will be analyzed on a case-by-case basis; however, general guidelines for determining benefit to MTA properties are as outlined in the following:

TIER 1 - NO BENEFIT

- Subsurface easements
- Aerial easements
- Rights of Way

TIER 2 - MINOR OR NO POTENTIAL BENEFIT

- Vacant Land
- Parking Lots

- **Bus Layovers**

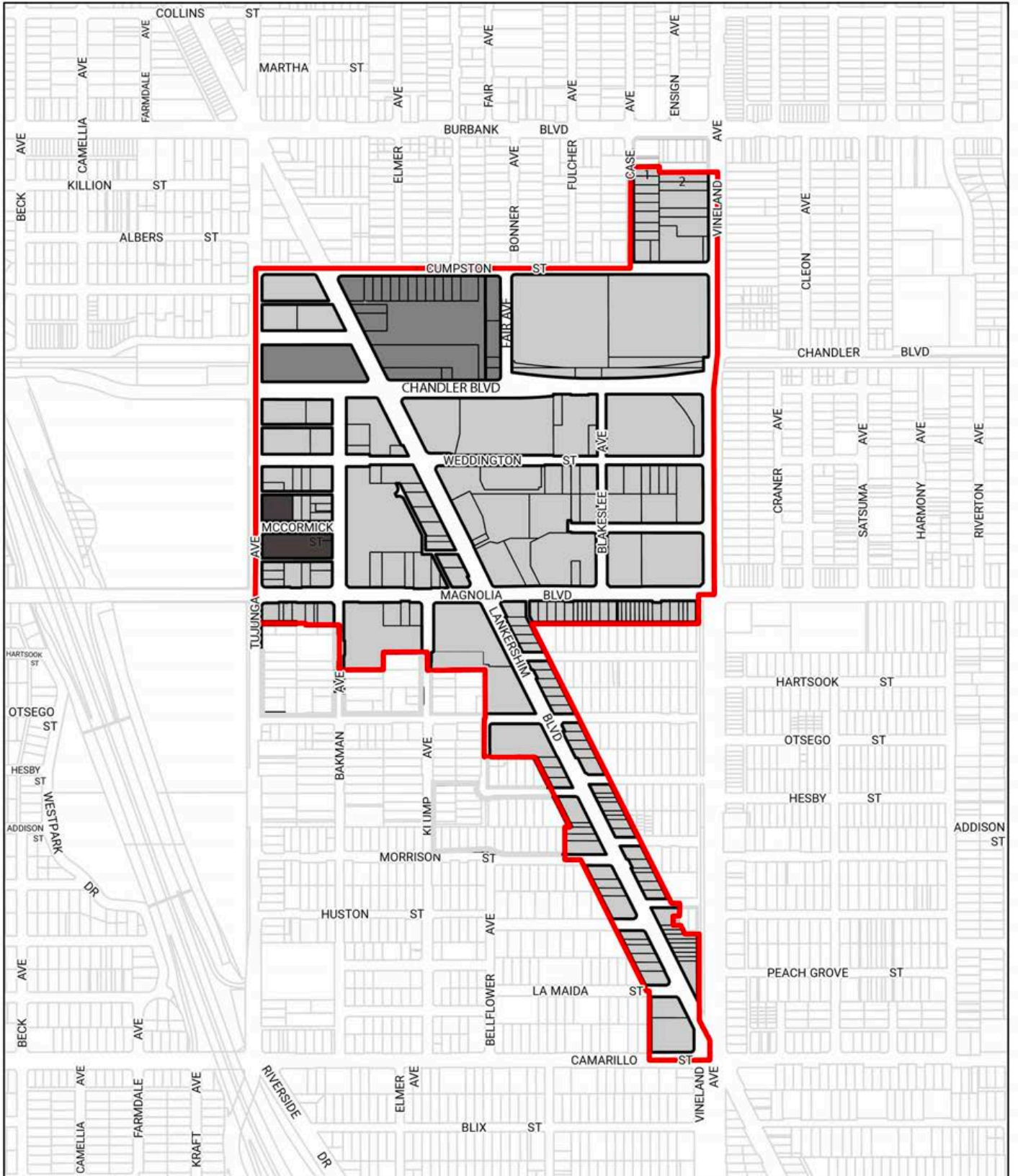
TIER 3 - MINOR OR SOME POTENTIAL BENEFIT

- **Bus Divisions**
- **Bus Terminals**
- **Customer Service Centers**
- **USG Headquarters Building**
- **Maintenance Facilities**
- **Rail Division**
- **Rail Terminals**
- **Stations**

TIER 4 - ACTUAL BENEFIT

- **Joint Development Projects**

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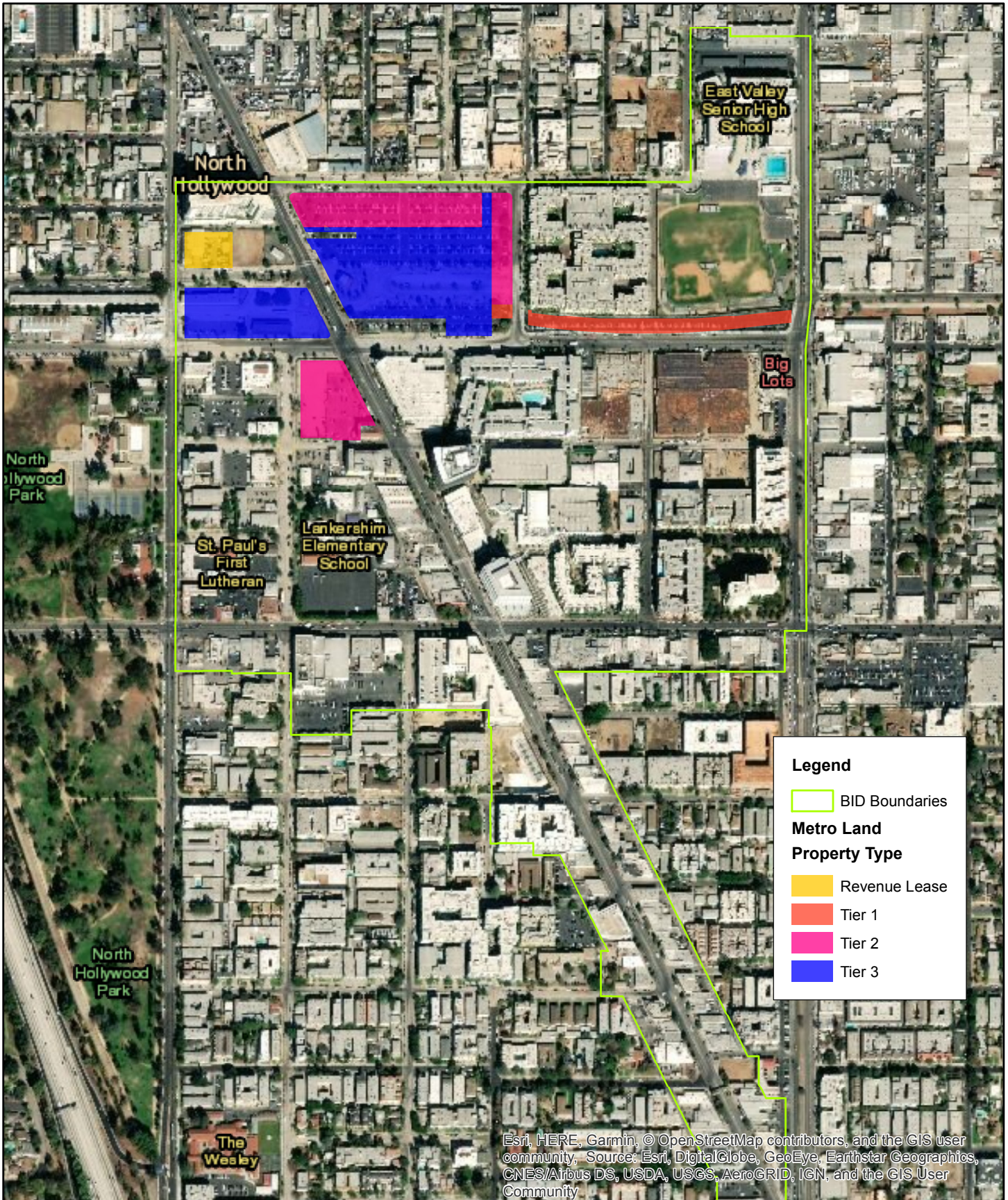
- █ BID Boundary
 - Zone 1
 - Zone 2
 - Zone 3
- APN List
 1= 2350-003-902
 2= 2350-003-906

North Hollywood Transit Business Improvement District

2025 - 2030



Metro Owned Land Property Types within BID Boundaries



Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community. Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Attachment C - BID Renewal Documentation

**PETITION TO RENEW THE
NORTH HOLLYWOOD TRANSIT PROPERTY BASED
BUSINESS IMPROVEMENT DISTRICT**

PURSUANT TO (SECTION 36600 ET. SEQ OF THE
CALIFORNIA STREETS AND HIGHWAYS CODE)

LEGAL OWNER: LACMTA

<u>APN NUMBER</u>	<u>SITE ADDRESS</u>	<u>ASSESSMENT AMOUNT</u>	<u>PERCENTAGE</u>
2350012902	*NO SITE ADDRESS*	\$3,977.85	0.47%
2350013915	*NO SITE ADDRESS*	\$2,175.89	0.25%
2350013917	*NO SITE ADDRESS*	\$1,190.70	0.14%
2350013922	*NO SITE ADDRESS*	\$3,416.98	0.40%
2350012920	*NO SITE ADDRESS*	\$56,866.00	6.65%
2350012926	*NO SITE ADDRESS*	\$1,304.52	0.15%
2350013907	*NO SITE ADDRESS*	\$3,091.15	0.36%
2350013908	*NO SITE ADDRESS*	\$3,789.10	0.44%
2350013920	*NO SITE ADDRESS*	\$2,588.15	0.30%
2350013906	11163 Chandler Blvd	\$1,032.13	0.12%
2350012925	11204 CUMPSTON ST	\$2,521.83	0.30%
2350012938	11211 CHANDLER BLVD	\$40,213.24	4.71%
2350012927	11216 CUMPSTON ST	\$1,304.52	0.15%
2350012928	11220 CUMPSTON ST	\$1,304.52	0.15%
2350012922	11223 CHANDLER BLVD	\$731.02	0.09%
2350012929	11228 CUMPSTON ST	\$1,304.52	0.15%
2350012930	11234 CUMPSTON ST	\$1,304.52	0.15%
2350012931	11238 CUMPSTON ST	\$1,304.52	0.15%
2350012932	11244 CUMPSTON ST	\$1,304.52	0.15%
2350012933	11250 CUMPSTON ST	\$1,304.52	0.15%
2350012934	11254 CUMPSTON ST	\$1,304.52	0.15%
2350012935	11260 CUMPSTON ST	\$1,304.52	0.15%
2350012936	11264 CUMPSTON ST	\$1,304.52	0.15%
2350016905	5300 Bakman Ave	\$884.28	0.10%
2350016907	5308 Bakman Ave	\$2,120.86	0.25%
2350016906	5311 LANKERSHIM BLVD	\$7,624.09	0.89%
2350012921	5356 LANKERSHIM BLVD	\$3,910.94	0.46%
2350012924	5420 LANKERSHIM BLVD	\$2,725.65	0.32%
2350012923	5430 LANKERSHIM BLVD	\$1,672.64	0.20%
2350012937	5430 LANKERSHIM BLVD	\$3,119.00	0.36%
<u>TOTALS</u>		\$158,001.16	18.49%

Attachment C - BID Renewal Documentation

YES, I want my property(ies) to be included in this Business Improvement District.

Property Owner's Name
(Please Print or Type)

[Empty box for Property Owner's Name]

Property Owner's OR Duly Authorized Representative's
Signature

[Empty box for Signature]

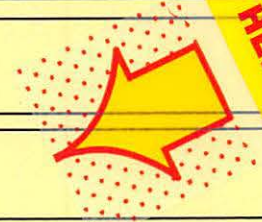
Title
(Please Print or Type)

[Empty box for Title]

Date

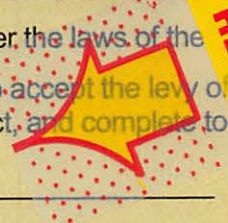
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**SIGN
HERE**



STATEMENT OF AUTHORITY TO SIGN THIS PETITION – (Must be completed by petition signer)

I, _____, hereby certify (or declare) under penalty of perjury under the laws of the
PRINT NAME CLEARLY
State of California that I am legally authorized as owner, or legal representative of owner, to accept the levy of
liens (assessment amounts) on the property(ies) listed above. This statement is true, correct, and complete to
the best of my knowledge as of ____ / ____ / _____. Petitioner Signature: _____
MONTH DAY YEAR



**SIGN
HERE**

NOTE: ALL FIELDS MUST BE COMPLETED. PETITIONS WITH EMPTY FIELDS WILL BE REJECTED.

Please return original by either:
email: aaron@urbanplaceconsulting.com
mail: North Hollywood BID
3982 S. Figueroa St., Ste. 207
Los Angeles, CA 90037

FINAL

**North Hollywood Transit
Business Improvement District
Management District Plan**

**For
A Property Based
Business Improvement District Renewal
In North Hollywood of Los Angeles**

**December 2023
(12/18/23)**

**Prepared By
Urban Place Consulting Group, Inc.**

Table of Contents

**For the
North Hollywood Transit Business Improvement District (District)
Los Angeles, California**

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Management District Plan Summary

The name of the renewed Property-based Business Improvement District is the “North Hollywood Transit Business Improvement District” (the “District”). The District is being renewed 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 North Hollywood Transit Board of Directors, the North Hollywood Transit Business Improvement District Management Plan conveys special benefits to assessed parcels located within the North Hollywood Transit Business Improvement District area. The District will provide continued activities in three program areas including: Clean & Safe, Communications and Management. 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 North Hollywood Transit Business Improvement District was created to include the art and transit areas of North Hollywood. The Business Improvement District area is bounded roughly by Cumpston Street, Camarillo Drive, Tujunga Avenue and Vineland Avenue. The property uses within the general boundaries of the North Hollywood Transit Business Improvement District are a mix of commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious. Services and improvements provided by the District are designed to provide special benefits in the form of improving economic vitality in the District by increasing building occupancy and lease rates, encouraging new business development, attracting residential serving businesses and services, attracting office and retail tenants, attracting retail and transit customers, attracting new residents and students, and increasing attendance that provide a special benefit to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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 2025 year of operation is approximately \$881,000.

Improvements, Activities, Services:

CLEAN & SAFE	\$719,500	82%
-------------------------	------------------	------------

Enhanced Safe Programs will consist of some of the following:

- Bicycle Patrol
- Vehicle Patrol
- Foot Patrol

Enhanced Clean Programs will consist of some of the following:

- Sidewalk Sweeping
- Sidewalk Pressure Washing

- Graffiti & Handbill Removal
- Trash Removal
- Landscape Programs

COMMUNICATION **\$25,500** **3%**

- Destination Marketing
- Placemaking/Activations
- Website

MANAGEMENT/OFFICE/CITY FEES **\$136,000** **15%**

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.

2024 CARRYOVER FUNDS

The estimate for assessment funds carried over from the current North Hollywood Transit Business Improvement District to the first year 2025 budget is \$25,000. The amount of actual prior year carryover funds, if any, from the 2024 budget will be applied to the 2025 District budget. The funds will be applied to the same budget line item in 2025 as the line item in 2024 that was the source of the carryover funds. Carryover funds from 2024, if any exist, are projected to be from the clean and safe line item. Therefore, the Clean and Safe budget line item of \$719,500 could increase to as much as \$744,500 if the total \$25,000 carryover becomes a reality and is totally from the Clean and Safe line item.

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 (76%) and building square footage (24%), will be used in the calculation. The 2025 year assessments per assessment variable will not exceed amounts listed in the following chart:

2025 Assessment Rates	Lot Sq Ft Rate	Bldg Sq Ft Rate
Zone 1	\$0.1326	\$0.0303
Zone 2	\$0.1741	\$1.3721

Attachment C - BID Renewal Documentation

Zone 3	\$0.0336	\$0.0248
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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. Including surpluses from the prior District 2024 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 6-year life beginning January 1, 2025 and ending December 31, 2030.

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
North Hollywood Transit Business Improvement District Boundaries

The North Hollywood Transit Business Improvement District includes all property within a boundary formed by:

Beginning on the southeast corner of Cumpston Street and Tujunga Avenue go east on Cumpston Street to Case Avenue. At Case Avenue turn north along Case Avenue to the north parcel line of parcel 2350-003-902. Turn east along the north parcel line of parcels 2350-003-902 and 2350-003-906 to Vineland Avenue go south along the west side of Vineland Avenue to the south parcel line of parcels facing on the south side of Magnolia Boulevard. Go west on the southern parcel line of parcels facing the south side of Magnolia Boulevard. At the intersection of the east parcel line of parcels facing on the east side of Lankershim Boulevard go south along the eastern parcel line of all parcels facing on the east side of Lankershim Boulevard to the intersection of Camarillo Street. Go west on Camarillo Street to an intersection with the west parcel line of parcels facing on the west side of Lankershim Boulevard. Go north along the western parcel line of all parcels facing on the west side of Lankershim Boulevard. At Magnolia Boulevard go west along the south parcel line of parcels facing on the south side of Magnolia Boulevard. At Tujunga Avenue go north along the western parcel line of parcels facing the west side of Tujunga to Cumpston Street.

Zone One

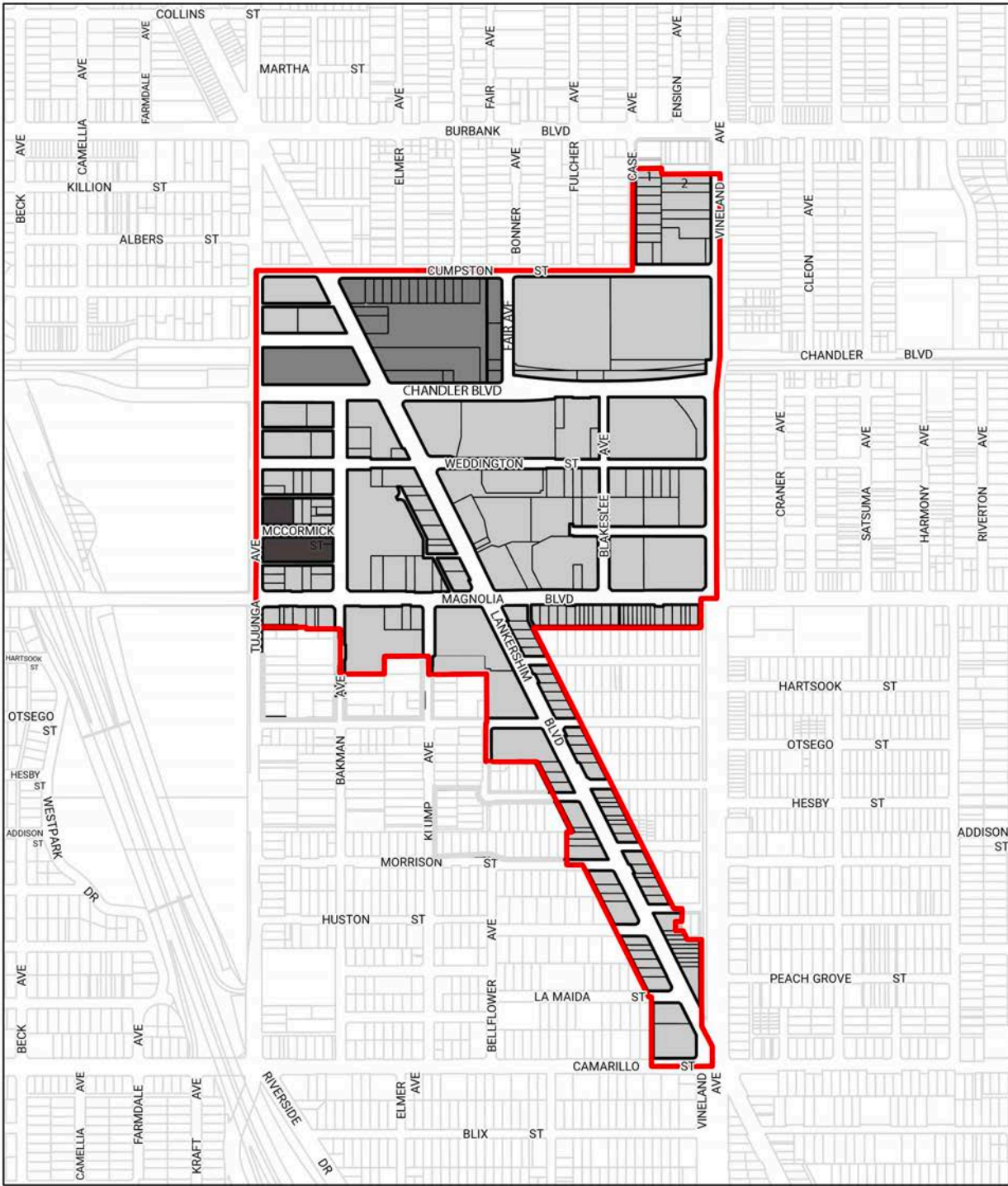
Zone One contains a mix of commercial, mixed-use, high-density residential, office, theater, education, hotel and religious uses within the District. Zone One has the second highest demand for clean and safe services based on historical data from the last seventeen years of District operation. See the map on page 7 for the Zone One boundaries.

Zone Two

Zone Two is the unique transit zone. Zone Two contains the B Line (former Red Line) Metro Station and the G Line (former Orange Line) Metro Station as well as park and ride lots for both stations. Both Metro stations are the terminus for each respective transit line, and because of this have a high volume of riders passing through Zone Two and the highest level of pedestrian traffic in the District. Zone Two has the highest demand for clean and safe services within the District based on historical data from the last seventeen years of District operation. See the map on page 7 for the Zone Two boundaries.

Zone Three

Zone Three contains a mix of religious and religious education uses. Zone Three has the lowest pedestrian traffic and lowest demand for clean and safe services based on historical data from the last seventeen years of District operation. See the map on page 7 for the Zone Three boundaries.



- BID Boundary
 - Zone 1
 - Zone 2
 - Zone 3
- APN List
 1= 2350-003-902
 2= 2350-003-906

North Hollywood Transit
Business Improvement District
 2025 - 2030

▲
N
NOT TO SCALE

District Boundary Rationale

The property uses within the general boundaries of the North Hollywood Transit Business Improvement District are a mix of commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious parcels. Services and improvements provided by the District are designed to provide special benefits to parcels that contain commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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 residential serving businesses and services, attracting office and retail tenants, attracting retail and transit customers, attracting new residents and students, increasing attendance and encouraging commerce that provide a special benefit to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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 North Hollywood Transit Business Improvement District is Cumpston Street and the northern boundary of the high school north of Cumpston. The majority of parcels north of Cumpston Street are solely residential in use and will not benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious uses for which the special benefits to assessed parcels is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity and increase in customers. Other parcels north of the District boundary are commercial and manufacturing uses that have no relationship to the District and its unique mix of arts, transit and high-density transit oriented mixed-use development. The parcels outside of the northern boundary will not specially benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious uses which depend on customers physically visiting 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 to individual parcels within the boundaries of the District.

Eastern Boundary: The eastern boundary of the North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels east of the District boundaries. The parcels east of the District boundaries are residential uses or light manufacturing. These uses have no relationship to the District and its mix of arts, transit and high-density transit oriented mixed-use development uses. Both the residential parcels and the light manufacturing parcels will not specially benefit from the District programs. The parcels east of the District boundary, for the most part, do not rely on attracting customers to physically visit their businesses in order to engage in commerce. The District clean, safe and communication programs are designed to physically attract customers to visit the District and engage in commerce that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, parking, transit, hotel and religious uses which

depend on customers physically visiting 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.

Southern Boundary: The southern boundary of the North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels south of the District boundaries. Parcels south of the District boundaries are zoned primarily solely residential. Residential zoned parcels, which are excluded by law from participating in the District, will not specially benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, parking, transit, hotel and religious uses. Other parcels south of the District boundary are commercial uses that have no relationship to the District and its unique mix of arts, transit and high-density transit oriented mixed-use development. The six-way intersection formed by the intersection of Lankershim Boulevard, Vineland Avenue and Camarillo Drive acts as a barrier to pedestrian flow. This barrier greatly restricts the number of pedestrians that exit or enter the southern border of the District. Because of this restriction District programs that are designed to benefit District parcels by increasing pedestrian activity and commerce do not cross this barrier and do not benefit parcels south of the District boundary. Parcel uses south of the District are not arts related uses and are not high-density transit mixed-use parcels and have no relationship to parcels within the District. Parcels south of the District will not benefit from the District's clean, safe and communication programs which are designed to benefit the District's unique mix of arts, transit and high-density transit oriented mixed-use development. 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 North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels west of the District boundaries. The parcels west of the District boundaries are zoned a mix of solely residential and open space (park land). The purpose of the district is to improve commerce through District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel and religious uses which depend on customers physically visiting the District. The special benefits to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers. The residential zoned parcels are excluded by law from participating in the District. The open spaced zoned parcels do not engage in commerce and will not benefit from the District programs that are designed to attract users to the District to specifically engage in commerce. 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 North Hollywood Transit Business Improvement District Board of Directors 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, communications and management. 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 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 the commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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: Safe/Clean, Communication and Management 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.

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 within the District. Mixed-use parcels benefit from District programs that in an effort to 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 new residents, businesses and District investment. High-density residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, enhances the business climate and improves the business offering and attracts new residents within the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Theater parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness that provide a better pedestrian experience which provides an opportunity to increase attendance. Education parcels benefit from District programs that work to provide an enhanced sense of safety, cleanliness and positive user experience which, in turn, enhances student enrollment, attracts students, and District investment. Transit parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and cleanliness, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an enhanced business climate, new business attraction, business retention, District investment, and increased sales, all of which work to draw more users and

cars to the District. Hotel parcels benefit from District programs which increase pedestrian foot traffic, a positive user experience and provide an enhanced sense of safety and cleanliness. This all works to increase occupancy and attract customers. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of cleanliness which provides an opportunity to increase attendance 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 residential serving businesses such as restaurants and retail and enhanced overall safety and image within the North Hollywood Transit. All services, Safety, Cleaning, Communication, and Management services are provided solely to assessed parcels within the district to enhance the image and viability of properties and businesses within the North Hollywood Transit 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 14 “Special Benefit”)

TOTAL ASSESSMENT

The total improvement and activity plan budget for 2025 is projected at \$881,000. Of the total budget, special benefit to parcels within the District totals \$854,570 and is funded by property assessments. General benefit from the District budget is calculated to be \$26,430 and is not funded by assessment revenue from District parcels. The costs of providing each of the budget components was developed from actual experience obtained in providing these same services over the last 17 years of operation of the North Hollywood Transit Business Improvement District. Actual service hours and frequency will vary in order to match District needs over the 6-year life of the District. A detailed operation deployment for 2025 is available from the property owner’s association. The budget is made up of the following components.

2024 CARRYOVER FUNDS

The estimate for assessment funds carried over from the current North Hollywood Transit Business Improvement District to the first year 2025 budget is \$25,000. The amount of actual prior year carryover funds, if any, from the 2024 budget will be applied to the 2025 District budget. Because there is no certainty that there will be any surplus funds, the surplus funds are not included in the 2025 budget. The funds will be applied to the same budget line item in 2025 as the line item in 2024 that was the source of the carryover funds. Carryover funds from 2024, if any exist, are projected to be from the clean and safe line item. Therefore, the clean and safe budget line item of \$719,500 could increase to as much as \$744,500 if the total \$25,000 carryover becomes a reality and is totally from the clean and safe line item.

CLEAN AND SAFE PROGRAMS

Budget	Possible Carryover
\$719,500	\$25,000

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 3% 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 patrolling bicycle personnel and walking patrols. Late night/early morning vehicle patrols will be deployed when the budget allows. 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 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.

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 within the District. Mixed use and high-density residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, enhances the business climate and improves the business offering and attracts new residents within the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Education parcels benefit from District programs that work to provide an enhanced sense of safety and positive user experience which, in turn, enhances student enrollment, attracts students, and District investment. Theater parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness that provide a better pedestrian experience which provides an opportunity to increase attendance. Transit parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and cleanliness, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an enhanced business climate, new business attraction, business retention, District investment, and increased sales, all of which work to draw more users and cars to the District. Hotel parcels benefit from District programs which increase pedestrian foot traffic, a positive user experience and provide an enhanced sense of safety and cleanliness. This all works to increase occupancy and attract customers. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase attendance within the District.

Clean Team Program

In order to consistently deal with cleaning issues, a Clean Program will continue to be provided as it has for the last 17 years. 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 when the budget allows. 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. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

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 within the District. Mixed use and high-density residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, enhances the business climate and improves the business offering and attracts new residents within the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Education parcels benefit from District programs that work to provide an enhanced sense of cleanliness and positive user experience which, in turn, enhances student enrollment, attracts students, and District investment. Theater parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness that provide a better pedestrian experience which provides an opportunity to increase attendance. Transit parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and cleanliness, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an enhanced business climate, new business attraction, business retention, District investment, and increased sales, all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Hotel parcels benefit from District programs which increase pedestrian foot traffic, a positive user experience and provide an enhanced sense of safety and cleanliness. This all works to increase occupancy and attract customers. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of cleanliness which provides an opportunity to increase attendance within 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.

COMMUNICATIONS

\$25,500

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 39% of the communications budget is allocated to management staff expenses.

In order to communicate the changes that are taking place in the North Hollywood Transit Business Improvement District and to enhance the positive perception of the North Hollywood Transit Business Improvement District parcels, a professionally developed communications 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. 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. Mixed use and high-density 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. Office 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. Education parcels benefit from District programs which increase exposure and awareness of District amenities which in turn work to provide greater pedestrian traffic and awareness of public schools. Theater parcels benefit from increased exposure and awareness of District programs that work to provide greater pedestrian traffic and increased sales which provides an opportunity to increase attendance and participation. Transit parcels benefit from greater awareness of businesses and offerings that work to provide greater pedestrian traffic, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an increased exposure and awareness which in turn work to provide an enhanced business. Hotel 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, and business retention.

The following are some of the communication programs currently in place or being considered:

- Destination Marketing
- Business Card Program
- Banner Program
- Media Relations
- Placemaking/Activations

MANAGEMENT/OFFICE/CITY FEES

\$136,000

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 35% of the Management/Office/City Fees budget is allocated to management staff expenses.

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

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. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

SIX-YEAR OPERATING BUDGET

A projected six-year operating budget for the North Hollywood Transit 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. The estimate for assessment funds carried over from the current North Hollywood Transit Business Improvement District to the first year 2025 budget is \$25,000. The amount of actual prior year carryover funds, if any, from the 2024 budget will be applied to the 2025 District budget. The funds will be applied to the same budget line item in 2025 as the line item in

Attachment C - BID Renewal Documentation

2024 that was the source of the carryover funds. Carryover funds from 2024, if any exist, are projected to be from the clean and safe line item. Therefore, the clean and safe budget line item of \$719,500 could increase to as much as \$744,500 if the total \$25,000 carryover becomes a reality and is totally from the clean and safe line item.

	2025	2026	2027	2028	2029	2030
Clean & Safe	\$719,500.00	\$769,865.00	\$823,755.55	\$881,418.44	\$943,117.73	\$1,009,135.97
Communication	\$25,500.00	\$27,285.00	\$29,194.95	\$31,238.60	\$33,425.30	\$35,765.07
Management/Office/City Fee	\$136,000.00	\$145,520.00	\$155,706.40	\$166,605.85	\$178,268.26	\$190,747.04
Total Budget	\$881,000.00	\$942,670.00	\$1,008,656.90	\$1,079,262.88	\$1,154,811.28	\$1,235,648.07
Assessment Revenues	\$854,570.00	\$914,389.90	\$978,397.19	\$1,046,885.00	\$1,120,166.95	\$1,198,578.63
Other Revenues**	\$26,430.00	\$28,280.10	\$30,259.71	\$32,377.89	\$34,644.34	\$37,069.44
Total Revenues	\$881,000.00	\$942,670.00	\$1,008,656.90	\$1,079,262.88	\$1,154,811.28	\$1,235,648.07

*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 North Hollywood Transit 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 14.

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the North Hollywood Transit 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 commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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, residents, patrons, tenants, students, 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 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. Seventy six percent (76%) of the budget is 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 four percent (24%) of the budget is 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 3% of the programs provided by the District provide general benefit. Assessment revenue cannot be used to pay for general benefits. (See page 14 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

	Lot Square Feet	Building Square Feet
Zone 1	4,094,357	5,660,618
Zone 2	596,513	23,896
Zone 3	82,122	35,079

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, three 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 analyzing historical data on the amount of clean and safe services delivered to parcels, current service delivery needs and projecting future 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 One

Zone One contains a mix of the commercial, mixed-use, high-density residential, office, theater, education, hotel, and religious uses within the District. Zone One has the second highest demand for clean and safe services based on historical data from the last seventeen years of District operation and is not located within the high demand transit zone. Zone One will receive a differing level of special benefit in the form of lower frequency of safety and cleaning services than Zone Two. 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 Two

Zone Two is the unique transit zone. Parcels within Zone Two contain the B Line (former Red Line) Metro Station and the G Line (former Orange Line) Metro Station, as well as park and ride lots for both stations. Both Metro stations are the terminus for each respective transit line, and because of this have a high volume of riders passing through Zone Two. Because of this high level of usage Zone Two has

the highest demand for clean and safe services within the District and has the highest assessment rates in order to provide the special benefit of increasing ridership, commerce and transit revenue. Zone Two will receive a differing level of special benefit in the form of a higher frequency of safety and cleaning services than Zone One and Zone Three. Therefore, property owners in Zone Two will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

Zone Three

Zone Three contains a mix of religious and religious education uses. Zone Three has the lowest pedestrian traffic and lowest demand for clean and safe services based on data from the last seventeen years of District operation and is not located within the high demand transit zone. Zone Three does not receive benefit from District Communications which are designed to attract users to businesses. Therefore, property owners in Zone Three 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	Zone 3	Total
Clean and Safe	\$601,214.20	\$115,120.00	\$3,165.80	\$719,500.00
Communication	\$21,420.00	\$4,080.00		\$25,500.00
Management/Office/City Fee	\$113,789.80	\$21,635.58	\$574.61	\$136,000.00
Total Budget	\$736,424.00	\$140,835.58	\$3,740.41	\$881,000.00
Assessment Revenues	\$714,331.28	\$136,610.51	\$3,628.20	\$854,570.00
Other Revenues	\$22,092.72	\$4,225.07	\$112.21	\$26,430.00
Total Revenues	\$736,424.00	\$140,835.58	\$3,740.41	\$881,000.00

Assessments

Based on the special benefit factors and assessment methodology discussed in the Engineer’s Report on page 17, 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 and a parcel’s assessment may vary slightly when calculated using the assessment rates below.

	Lot Square Feet	Building Square Feet
Zone 1 Rates	\$0.1326	\$0.0303
Zone 2 Rates	\$0.1741	\$1.3721
Zone 3 Rates	\$0.0336	\$0.0248

Assessment Rate Calculation

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

Zone 1 Assessment Budget = \$714,331.28

Assessment Budget allocated to Parcel Square Footage @ 76% = \$542,891.78

Assessment Budget allocated to Building Square Footage @ 24% = \$171,439.51

Parcel Square Footage Assessment Rate-

Assessment Budget \$542,891.78 / 4,094,357 Lot Sq Ft = \$0.1326

Building Square Footage Assessment Rate-

Assessment Budget \$171,439.51 / 5,660,618 Building Sq Ft = \$0.0303

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000 square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.1326) = (\$663) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.0303) = (\$151.50) = Initial Annual Parcel Assessment (\$814.50).

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

Zone 2 Assessment Budget = \$136,610.51

Assessment Budget allocated to Parcel Square Footage @ 76% = \$103,823.99

Assessment Budget allocated to Building Square Footage @ 24% = \$32,786.52

Parcel Square Footage Assessment Rate-

Assessment Budget \$103,823.99 / 596,513 Parcel Sq Ft = \$0.1741

Building Square Footage Assessment Rate-

Assessment Budget \$32,786.52 / 23,896 Building Sq Ft = \$1.3721

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000 square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.1741) = (\$870.50) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$1.3721) = (\$6,860.50) = Initial Annual Parcel Assessment (\$7,731).

The Zone 3 assessment rate is determined by the following calculation:

Zone 3 Assessment Budget = \$3,628.20

Assessment Budget allocated to Parcel Square Footage @ 76% = \$2,757.43

Assessment Budget allocated to Building Square Footage @ 24% = \$870.77

Parcel Square Footage Assessment Rate-

Assessment Budget \$2,757.43 / 82,122 Parcel Sq Ft = \$0.0336

Building Square Footage Assessment Rate-

Assessment Budget \$870.77 / 35,079 Building Sq Ft = \$0.0248

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000 square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.0336) = (\$168) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.0248) = (\$124) = Initial Annual Parcel Assessment (\$292).

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

	2025	2026	2027	2028	2029	2030
Zone One Parcel Sq Ft Rate	\$0.1326	\$0.1419	\$0.1518	\$0.1624	\$0.1738	\$0.1860
Zone One Bldg Sq Ft Rate	\$0.0303	\$0.0324	\$0.0347	\$0.0371	\$0.0397	\$0.0425
Zone Two Parcel Sq Ft Rate	\$0.1741	\$0.1862	\$0.1993	\$0.2132	\$0.2281	\$0.2441
Zone Two Bldg Sq Ft Rate	\$1.3721	\$1.4681	\$1.5709	\$1.6808	\$1.7985	\$1.9244
Zone Three Parcel Sq Ft Rate	\$0.0336	\$0.0359	\$0.0384	\$0.0411	\$0.0440	\$0.0471
Zone Three Bldg Sq Ft Rate	\$0.0248	\$0.0266	\$0.0284	\$0.0304	\$0.0325	\$0.0348

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 the first year's assessment for all property owners and 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 the first fiscal year of operation or 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. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent. 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 2024 assessments if the District is not renewed.

Bond Issuance

The District will not issue Bonds.

Public Property Assessments

There are 56 publicly owned parcels in the District, all of which are identified as assessable and for which special benefit services will be provided. Of the 56 identified assessed parcels, 3 are owned by the City of Los Angeles, 30 by the Los Angeles County Metro Transit Agency (LACMTA), 1 by Los Angeles County, 22 by the 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. There is a U.S. Federal Government parcel within the North Hollywood Transit BID. The U.S. Federal Government has declared that parcels owned by the U.S. Federal Government are exempt from local property assessments pursuant to the Supremacy Clause of the U.S. Constitution. Because of the exemption, District services and programs that would specially benefit this parcel, will not be provided and the assessment amount will be \$0. See Engineer’s Report page 27 for publicly owned parcels special benefit designation. Article XIIID 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.

APN	Zone	owner	site address	2025 Asmt	%
2350017901	1	L A City	NO SITUS ADDRESS	\$2,657.21	0.31%
2353007900	1	L A City	5108 LANKERSHIM BLVD	\$1,055.25	0.12%
2350016901	1	L A City	*NO SITE ADDRESS*	\$5,116.66	0.60%
				\$8,829.11	1.03%
2350016902	1	L A County	5300 Tujunga Ave	\$5,733.98	0.67%
2350012902	1	LACMTA	*NO SITE ADDRESS*	\$3,977.85	0.47%
2350013915	1	LACMTA	*NO SITE ADDRESS*	\$2,175.89	0.25%
2350013917	1	LACMTA	*NO SITE ADDRESS*	\$1,190.70	0.14%
2350013922	1	LACMTA	*NO SITE ADDRESS*	\$3,416.98	0.40%
2350016905	1	LACMTA	5300 Bakman Ave	\$884.28	0.10%
2350016906	1	LACMTA	5311 LANKERSHIM BLVD	\$7,624.09	0.89%
2350016907	1	LACMTA	5308 Bakman Ave	\$2,120.86	0.25%
2350012920	2	LACMTA	*NO SITE ADDRESS*	\$56,866.00	6.65%
2350012921	2	LACMTA	5356 LANKERSHIM BLVD	\$3,910.94	0.46%
2350012922	2	LACMTA	11223 CHANDLER BLVD	\$731.02	0.09%
2350012923	2	LACMTA	5430 LANKERSHIM BLVD	\$1,672.64	0.20%
2350012924	2	LACMTA	5420 LANKERSHIM BLVD	\$2,725.65	0.32%
2350012925	2	LACMTA	11204 CUMPSTON ST	\$2,521.83	0.30%

Attachment C - BID Renewal Documentation

2350012926	2	LACMTA	*NO SITE ADDRESS*	\$1,304.52	0.15%
2350012927	2	LACMTA	11216 CUMPSTON ST	\$1,304.52	0.15%
2350012928	2	LACMTA	11220 CUMPSTON ST	\$1,304.52	0.15%
2350012929	2	LACMTA	11228 CUMPSTON ST	\$1,304.52	0.15%
2350012930	2	LACMTA	11234 CUMPSTON ST	\$1,304.52	0.15%
2350012931	2	LACMTA	11238 CUMPSTON ST	\$1,304.52	0.15%
2350012932	2	LACMTA	11244 CUMPSTON ST	\$1,304.52	0.15%
2350012933	2	LACMTA	11250 CUMPSTON ST	\$1,304.52	0.15%
2350012934	2	LACMTA	11254 CUMPSTON ST	\$1,304.52	0.15%
2350012935	2	LACMTA	11260 CUMPSTON ST	\$1,304.52	0.15%
2350012936	2	LACMTA	11264 CUMPSTON ST	\$1,304.52	0.15%
2350012937	2	LACMTA	5430 LANKERSHIM BLVD	\$3,119.00	0.36%
2350012938	2	LACMTA	11211 CHANDLER BLVD	\$40,213.24	4.71%
2350013906	2	LACMTA	11163 Chandler Blvd	\$1,032.13	0.12%
2350013907	2	LACMTA	*NO SITE ADDRESS*	\$3,091.15	0.36%
2350013908	2	LACMTA	*NO SITE ADDRESS*	\$3,789.10	0.44%
2350013920	2	LACMTA	*NO SITE ADDRESS*	\$2,588.15	0.30%
				\$158,001.16	18.49%
2350003900	1	LAUSD	5536 CASE AVE,	\$960.25	0.11%
2350003901	1	LAUSD	11039 CUMPSTON ST,	\$1,571.92	0.18%
2350003902	1	LAUSD	5550 CASE AVE,	\$961.58	0.11%
2350003903	1	LAUSD	5518 CASE AVE,	\$961.71	0.11%
2350003904	1	LAUSD	5520 CASE AVE,	\$1,230.88	0.14%
2350003905	1	LAUSD	5540 CASE AVE,	\$961.58	0.11%
2350003906	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003907	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003908	1	LAUSD	5514 CASE AVE,	\$961.71	0.11%
2350003909	1	LAUSD	5546 CASE AVE,	\$961.58	0.11%
2350003910	1	LAUSD	5530 CASE AVE,	\$961.58	0.11%
2350003911	1	LAUSD	5535 VINELAND AVE,	\$3,713.99	0.43%
2350003912	1	LAUSD	5531 VINELAND AVE,	\$1,857.13	0.22%
2350003913	1	LAUSD	5525 VINELAND AVE,	\$3,289.15	0.38%
2350003914	1	LAUSD	11035 CUMPSTON ST,	\$826.73	0.10%
2350003915	1	LAUSD	*NO SITE ADDRESS*	\$570.16	0.07%
2350003916	1	LAUSD	11015 CUMPSTON ST,	\$11,219.42	1.31%
2350013900	1	LAUSD	11030 Cumpston St,	\$35,521.44	4.16%
2350013921	1	LAUSD	*NO SITE ADDRESS*	\$3,326.81	0.39%
2350017903	1	LAUSD	5250 Bakman Ave	\$25,465.22	2.98%
2350017905	1	LAUSD	11261 MAGNOLIA BLVD	\$1,809.92	0.21%
2350017906	1	LAUSD	11241 MAGNOLIA BLVD	\$3,447.47	0.40%
				\$104,293.97	12.20%

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 North Hollywood Transit Business Improvement District is expected to be established and begin implementation of the Management District Plan on January 1, 2025. Consistent with State law, the North Hollywood Transit Business Improvement District will have a six-year life through December 31, 2030.

Section 7 Parcel Roll

APN	Zone	owner	site address	2025 Asmt	%
2350017901	1	L A City	NO SITUS ADDRESS	\$2,657.21	0.31%
2353007900	1	L A City	5108 LANKERSHIM BLVD	\$1,055.25	0.12%
2350016901	1	L A City	*NO SITE ADDRESS*	\$5,116.66	0.60%
				\$8,829.11	1.03%
2350016902	1	L A County	5300 Tujunga Ave	\$5,733.98	0.67%
2350012902	1	LACMTA	*NO SITE ADDRESS*	\$3,977.85	0.47%
2350013915	1	LACMTA	*NO SITE ADDRESS*	\$2,175.89	0.25%
2350013917	1	LACMTA	*NO SITE ADDRESS*	\$1,190.70	0.14%
2350013922	1	LACMTA	*NO SITE ADDRESS*	\$3,416.98	0.40%
2350016905	1	LACMTA	5300 Bakman Ave	\$884.28	0.10%
2350016906	1	LACMTA	5311 LANKERSHIM BLVD	\$7,624.09	0.89%
2350016907	1	LACMTA	5308 Bakman Ave	\$2,120.86	0.25%
2350012920	2	LACMTA	*NO SITE ADDRESS*	\$56,866.00	6.65%
2350012921	2	LACMTA	5356 LANKERSHIM BLVD	\$3,910.94	0.46%
2350012922	2	LACMTA	11223 CHANDLER BLVD	\$731.02	0.09%
2350012923	2	LACMTA	5430 LANKERSHIM BLVD	\$1,672.64	0.20%
2350012924	2	LACMTA	5420 LANKERSHIM BLVD	\$2,725.65	0.32%
2350012925	2	LACMTA	11204 CUMPSTON ST	\$2,521.83	0.30%
2350012926	2	LACMTA	*NO SITE ADDRESS*	\$1,304.52	0.15%
2350012927	2	LACMTA	11216 CUMPSTON ST	\$1,304.52	0.15%
2350012928	2	LACMTA	11220 CUMPSTON ST	\$1,304.52	0.15%
2350012929	2	LACMTA	11228 CUMPSTON ST	\$1,304.52	0.15%
2350012930	2	LACMTA	11234 CUMPSTON ST	\$1,304.52	0.15%
2350012931	2	LACMTA	11238 CUMPSTON ST	\$1,304.52	0.15%
2350012932	2	LACMTA	11244 CUMPSTON ST	\$1,304.52	0.15%
2350012933	2	LACMTA	11250 CUMPSTON ST	\$1,304.52	0.15%
2350012934	2	LACMTA	11254 CUMPSTON ST	\$1,304.52	0.15%
2350012935	2	LACMTA	11260 CUMPSTON ST	\$1,304.52	0.15%
2350012936	2	LACMTA	11264 CUMPSTON ST	\$1,304.52	0.15%
2350012937	2	LACMTA	5430 LANKERSHIM BLVD	\$3,119.00	0.36%
2350012938	2	LACMTA	11211 CHANDLER BLVD	\$40,213.24	4.71%
2350013906	2	LACMTA	11163 Chandler Blvd	\$1,032.13	0.12%
2350013907	2	LACMTA	*NO SITE ADDRESS*	\$3,091.15	0.36%
2350013908	2	LACMTA	*NO SITE ADDRESS*	\$3,789.10	0.44%
2350013920	2	LACMTA	*NO SITE ADDRESS*	\$2,588.15	0.30%
				\$158,001.16	18.49%

Attachment C - BID Renewal Documentation

2350003900	1	LAUSD	5536 CASE AVE,	\$960.25	0.11%
2350003901	1	LAUSD	11039 CUMPSTON ST,	\$1,571.92	0.18%
2350003902	1	LAUSD	5550 CASE AVE,	\$961.58	0.11%
2350003903	1	LAUSD	5518 CASE AVE,	\$961.71	0.11%
2350003904	1	LAUSD	5520 CASE AVE,	\$1,230.88	0.14%
2350003905	1	LAUSD	5540 CASE AVE,	\$961.58	0.11%
2350003906	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003907	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003908	1	LAUSD	5514 CASE AVE,	\$961.71	0.11%
2350003909	1	LAUSD	5546 CASE AVE,	\$961.58	0.11%
2350003910	1	LAUSD	5530 CASE AVE,	\$961.58	0.11%
2350003911	1	LAUSD	5535 VINELAND AVE,	\$3,713.99	0.43%
2350003912	1	LAUSD	5531 VINELAND AVE,	\$1,857.13	0.22%
2350003913	1	LAUSD	5525 VINELAND AVE,	\$3,289.15	0.38%
2350003914	1	LAUSD	11035 CUMPSTON ST,	\$826.73	0.10%
2350003915	1	LAUSD	*NO SITE ADDRESS*	\$570.16	0.07%
2350003916	1	LAUSD	11015 CUMPSTON ST,	\$11,219.42	1.31%
2350013900	1	LAUSD	11030 Cumpston St,	\$35,521.44	4.16%
2350013921	1	LAUSD	*NO SITE ADDRESS*	\$3,326.81	0.39%
2350017903	1	LAUSD	5250 Bakman Ave	\$25,465.22	2.98%
2350017905	1	LAUSD	11261 MAGNOLIA BLVD	\$1,809.92	0.21%
2350017906	1	LAUSD	11241 MAGNOLIA BLVD	\$3,447.47	0.40%
				\$104,293.97	12.20%

APN	Zone	2025 Asmt	%
2350012040	1	\$406.49	0.05%
2350012041	1	\$69.40	0.01%
2350012042	1	\$74.55	0.01%
2350012043	1	\$71.82	0.01%
2350012044	1	\$71.52	0.01%
2350012045	1	\$72.43	0.01%
2350012046	1	\$59.41	0.01%
2350012047	1	\$74.55	0.01%
2350012048	1	\$64.25	0.01%
2350012049	1	\$77.58	0.01%
2350012050	1	\$62.13	0.01%
2350012051	1	\$77.88	0.01%
2350012052	1	\$60.01	0.01%
2350012053	1	\$70.61	0.01%
2350012054	1	\$72.13	0.01%
2350012055	1	\$72.73	0.01%
2350012056	1	\$69.40	0.01%
2350012057	1	\$74.55	0.01%

Attachment C - BID Renewal Documentation

2350012058	1	\$71.82	0.01%
2350012059	1	\$71.52	0.01%
2350012060	1	\$71.52	0.01%
2350012061	1	\$72.43	0.01%
2350012062	1	\$61.22	0.01%
2350012063	1	\$59.41	0.01%
2350012064	1	\$60.92	0.01%
2350012065	1	\$74.55	0.01%
2350012066	1	\$61.53	0.01%
2350012067	1	\$64.25	0.01%
2350012068	1	\$77.58	0.01%
2350012069	1	\$62.13	0.01%
2350012070	1	\$77.88	0.01%
2350012071	1	\$60.01	0.01%
2350012072	1	\$70.61	0.01%
2350012073	1	\$72.13	0.01%
2350012074	1	\$72.73	0.01%
2350012075	1	\$69.40	0.01%
2350012076	1	\$74.55	0.01%
2350012077	1	\$71.82	0.01%
2350012078	1	\$71.52	0.01%
2350012079	1	\$71.52	0.01%
2350012080	1	\$72.43	0.01%
2350012081	1	\$61.22	0.01%
2350012082	1	\$59.41	0.01%
2350012083	1	\$60.92	0.01%
2350012084	1	\$74.55	0.01%
2350012085	1	\$61.53	0.01%
2350012086	1	\$64.25	0.01%
2350012087	1	\$77.58	0.01%
2350012088	1	\$62.13	0.01%
2350012089	1	\$77.88	0.01%
2350012090	1	\$60.01	0.01%
2350012091	1	\$70.61	0.01%
2350012092	1	\$72.13	0.01%
2350012093	1	\$72.73	0.01%
2350012094	1	\$69.40	0.01%
2350012095	1	\$74.55	0.01%
2350012096	1	\$71.82	0.01%
2350012097	1	\$71.52	0.01%
2350012098	1	\$71.52	0.01%
2350012099	1	\$72.43	0.01%
2350012100	1	\$61.22	0.01%

Attachment C - BID Renewal Documentation

2350012101	1	\$59.41	0.01%
2350012102	1	\$60.92	0.01%
2350012103	1	\$74.55	0.01%
2350012104	1	\$61.53	0.01%
2350012105	1	\$64.25	0.01%
2350012106	1	\$77.58	0.01%
2350012107	1	\$62.13	0.01%
2350012108	1	\$77.88	0.01%
2350012109	1	\$60.01	0.01%
2350012110	1	\$70.61	0.01%
2350012111	1	\$72.13	0.01%
2350012112	1	\$72.73	0.01%
2350012113	1	\$69.40	0.01%
2350012114	1	\$74.55	0.01%
2350012115	1	\$71.82	0.01%
2350012116	1	\$71.52	0.01%
2350012117	1	\$71.52	0.01%
2350012118	1	\$72.43	0.01%
2350012119	1	\$61.22	0.01%
2350012120	1	\$59.41	0.01%
2350012121	1	\$60.92	0.01%
2350012122	1	\$74.55	0.01%
2350012123	1	\$61.53	0.01%
2350012124	1	\$64.25	0.01%
2350012125	1	\$77.58	0.01%
2350012126	1	\$62.13	0.01%
2350012127	1	\$77.88	0.01%
2350012128	1	\$60.01	0.01%
2350012129	1	\$70.61	0.01%
2350012130	1	\$72.13	0.01%
2350012131	1	\$72.73	0.01%
2350012132	1	\$69.40	0.01%
2350012133	1	\$74.55	0.01%
2350012134	1	\$71.82	0.01%
2350012135	1	\$71.52	0.01%
2350012136	1	\$71.52	0.01%
2350012137	1	\$72.43	0.01%
2350012138	1	\$61.22	0.01%
2350012139	1	\$59.41	0.01%
2350012140	1	\$60.92	0.01%
2350012141	1	\$74.55	0.01%
2350012142	1	\$61.53	0.01%
2350012143	1	\$64.25	0.01%

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2350012144	1	\$77.58	0.01%
2350012145	1	\$62.13	0.01%
2350012146	1	\$77.88	0.01%
2350012147	1	\$60.01	0.01%
2350012148	1	\$70.61	0.01%
2350012149	1	\$72.13	0.01%
2350012150	1	\$72.73	0.01%
2350012151	1	\$69.40	0.01%
2350012152	1	\$74.55	0.01%
2350012153	1	\$71.82	0.01%
2350012154	1	\$71.52	0.01%
2350012155	1	\$71.52	0.01%
2350012156	1	\$72.43	0.01%
2350012157	1	\$61.22	0.01%
2350012158	1	\$59.41	0.01%
2350012159	1	\$60.92	0.01%
2350012160	1	\$74.55	0.01%
2350012161	1	\$61.53	0.01%
2350012162	1	\$64.25	0.01%
2350012163	1	\$77.58	0.01%
2350012164	1	\$62.13	0.01%
2350012165	1	\$77.88	0.01%
2350012166	1	\$60.01	0.01%
2350012167	1	\$70.61	0.01%
2350012168	1	\$72.13	0.01%
2350012169	1	\$72.73	0.01%
2350012170	1	\$69.40	0.01%
2350012171	1	\$74.55	0.01%
2350012172	1	\$71.82	0.01%
2350012173	1	\$71.52	0.01%
2350012174	1	\$71.52	0.01%
2350012175	1	\$72.43	0.01%
2350012176	1	\$61.22	0.01%
2350012177	1	\$59.41	0.01%
2350012178	1	\$60.92	0.01%
2350012179	1	\$74.55	0.01%
2350012180	1	\$61.53	0.01%
2350012181	1	\$64.25	0.01%
2350012182	1	\$77.58	0.01%
2350012183	1	\$62.13	0.01%
2350012184	1	\$77.88	0.01%
2350012185	1	\$60.01	0.01%
2350012186	1	\$70.61	0.01%

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2350012187	1	\$72.13	0.01%
2350012188	1	\$72.73	0.01%
2350012189	1	\$69.40	0.01%
2350012190	1	\$74.55	0.01%
2350012191	1	\$71.82	0.01%
2350012192	1	\$71.52	0.01%
2350012193	1	\$71.52	0.01%
2350012194	1	\$72.43	0.01%
2350012195	1	\$61.22	0.01%
2350012196	1	\$59.41	0.01%
2350012197	1	\$60.92	0.01%
2350012198	1	\$74.55	0.01%
2350012199	1	\$61.53	0.01%
2350012200	1	\$64.25	0.01%
2350012201	1	\$77.58	0.01%
2350012202	1	\$62.13	0.01%
2350012203	1	\$77.88	0.01%
2350012204	1	\$60.01	0.01%
2350012205	1	\$70.61	0.01%
2350012206	1	\$72.13	0.01%
2350012207	1	\$72.73	0.01%
2350012208	1	\$69.40	0.01%
2350012209	1	\$74.55	0.01%
2350012210	1	\$71.82	0.01%
2350012211	1	\$71.52	0.01%
2350012212	1	\$71.52	0.01%
2350012213	1	\$72.43	0.01%
2350012214	1	\$61.22	0.01%
2350012215	1	\$59.41	0.01%
2350012216	1	\$74.55	0.01%
2350012217	1	\$86.36	0.01%
2350012218	1	\$64.25	0.01%
2350012219	1	\$77.58	0.01%
2350012220	1	\$62.13	0.01%
2350012222	1	\$8,435.62	0.99%
2350013020	1	\$58,920.84	6.89%
2350014016	1	\$11,802.84	1.38%
2350014017	1	\$2,495.71	0.29%
2350014018	1	\$2,494.32	0.29%
2350014019	1	\$1,093.91	0.13%
2350014020	1	\$1,093.91	0.13%
2350014021	1	\$1,093.91	0.13%
2350014022	1	\$1,093.91	0.13%

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2350014031	1	\$4,260.48	0.50%
2350014033	1	\$7,485.53	0.88%
2350014034	1	\$7,640.90	0.89%
2350014035	1	\$34,297.13	4.01%
2350015037	1	\$1,324.24	0.15%
2350015043	1	\$1,318.27	0.15%
2350015114	1	\$12,718.52	1.49%
2350015115	1	\$30,116.46	3.52%
2350015116	1	\$15,262.01	1.79%
2350016006	1	\$1,024.37	0.12%
2350016008	1	\$2,784.66	0.33%
2350017004	1	\$1,099.60	0.13%
2350017005	1	\$927.50	0.11%
2350017006	1	\$927.50	0.11%
2350017010	1	\$944.63	0.11%
2350017013	3	\$1,285.17	0.15%
2350017014	1	\$1,070.91	0.13%
2350017015	1	\$1,210.71	0.14%
2350017016	1	\$297.94	0.03%
2350017017	1	\$571.97	0.07%
2350017018	1	\$828.72	0.10%
2350017019	1	\$2,646.51	0.31%
2350017020	3	\$237.66	0.03%
2350017021	3	\$2,105.37	0.25%
2350017022	1	\$1,151.54	0.13%
2350017023	1	\$828.72	0.10%
2350017027	1	\$910.34	0.11%
2350017029	1	\$969.34	0.11%
2350017030	1	\$3,603.50	0.42%
2350017031	1	\$851.26	0.10%
2350017032	1	\$2,069.96	0.24%
2350017033	1	\$1,828.15	0.21%
2350017034	1	\$1,537.47	0.18%
2350017035	1	\$695.32	0.08%
2350017036	1	\$1,182.14	0.14%
2350017043	1	\$1,503.64	0.18%
2350017047	1	\$724.37	0.08%
2350017048	1	\$2,010.02	0.24%
2350017051	1	\$1,033.61	0.12%
2350017052	1	\$361.76	0.04%
2350017053	1	\$1,426.43	0.17%
2350017054	1	\$954.15	0.11%
2350017055	1	\$1,693.00	0.20%

Attachment C - BID Renewal Documentation

2350017057	1	\$3,166.96	0.37%
2350017059	1	\$1,973.78	0.23%
2350018028	1	\$2,483.17	0.29%
2350018029	1	\$1,413.73	0.17%
2350018030	1	\$1,093.91	0.13%
2350018031	1	\$2,607.62	0.31%
2350018032	1	\$2,599.05	0.30%
2350018059	1	\$19,550.00	2.29%
2350018077	1	\$1,133.48	0.13%
2350018079	1	\$10,655.39	1.25%
2350018082	1	\$4,139.53	0.48%
2350018083	1	\$11,765.51	1.38%
2350018084	1	\$19,892.64	2.33%
2350018085	1	\$14,556.84	1.70%
2350018089	1	\$13,066.99	1.53%
2350018090	1	\$12,758.37	1.49%
2350018091	1	\$4,922.06	0.58%
2350018092	1	\$441.45	0.05%
2350018093	1	\$11,602.25	1.36%
2350018094	1	\$1,093.91	0.13%
2353002031	1	\$1,436.03	0.17%
2353002033	1	\$314.12	0.04%
2353002034	1	\$1,849.26	0.22%
2353002039	1	\$386.56	0.05%
2353002041	1	\$837.29	0.10%
2353002042	1	\$1,016.61	0.12%
2353002136	1	\$1,283.88	0.15%
2353003022	1	\$983.04	0.12%
2353003023	1	\$1,891.87	0.22%
2353003024	1	\$1,462.50	0.17%
2353003803	1	\$17,100.21	2.00%
2353004040	1	\$25,907.10	3.03%
2353004041	1	\$22,248.92	2.60%
2353005001	1	\$909.24	0.11%
2353005002	1	\$884.92	0.10%
2353005005	1	\$435.64	0.05%
2353005006	1	\$450.48	0.05%
2353005007	1	\$443.21	0.05%
2353005008	1	\$468.99	0.05%
2353005010	1	\$893.21	0.10%
2353005011	1	\$977.29	0.11%
2353005012	1	\$946.22	0.11%
2353005013	1	\$1,326.41	0.16%

Attachment C - BID Renewal Documentation

2353005014	1	\$1,897.50	0.22%
2353005015	1	\$922.77	0.11%
2353005016	1	\$909.74	0.11%
2353005017	1	\$934.14	0.11%
2353005025	1	\$901.57	0.11%
2353005028	1	\$866.91	0.10%
2353005029	1	\$952.30	0.11%
2353006001	1	\$876.31	0.10%
2353006002	1	\$469.72	0.05%
2353006003	1	\$443.21	0.05%
2353006004	1	\$886.43	0.10%
2353006005	1	\$947.00	0.11%
2353006007	1	\$431.43	0.05%
2353006008	1	\$402.87	0.05%
2353006009	1	\$458.36	0.05%
2353006010	1	\$397.79	0.05%
2353006011	1	\$397.79	0.05%
2353006012	1	\$455.03	0.05%
2353006013	1	\$464.78	0.05%
2353006014	1	\$443.21	0.05%
2353006025	1	\$803.64	0.09%
2353007015	1	\$960.42	0.11%
2353007018	1	\$897.03	0.10%
2353007019	1	\$915.96	0.11%
2353007020	1	\$938.49	0.11%
2353007037	1	\$850.42	0.10%
2353008014	1	\$689.07	0.08%
2353008015	1	\$946.88	0.11%
2353008016	1	\$884.16	0.10%
2353008017	1	\$895.06	0.10%
2353008034	1	\$1,502.78	0.18%
2353009008	1	\$1,049.52	0.12%
2353009009	1	\$458.93	0.05%
2353009010	1	\$451.18	0.05%
2353009011	1	\$937.16	0.11%
2353009012	1	\$445.85	0.05%
2353009013	1	\$438.67	0.05%
2353009014	1	\$894.06	0.10%
2353009015	1	\$958.94	0.11%
2353010007	1	\$1,072.18	0.13%
2353010008	1	\$933.47	0.11%
2353010009	1	\$1,047.65	0.12%

Attachment C - BID Renewal Documentation

2353010033	1	\$13,586.58	1.59%
2353011001	1	\$938.04	0.11%
2353011002	1	\$1,041.47	0.12%
2353011003	1	\$2,539.45	0.30%
2353011011	1	\$489.77	0.06%
2353011026	1	\$3,073.46	0.36%
2353017002	1	\$1,076.09	0.13%
2353017003	1	\$973.37	0.11%
2353017004	1	\$2,847.64	0.33%
2353017025	1	\$1,662.93	0.19%
2353018006	1	\$1,434.28	0.17%
2353018009	1	\$451.10	0.05%
2353018010	1	\$926.71	0.11%
2353018011	1	\$900.82	0.11%
2353018012	1	\$986.07	0.12%
2353018014	1	\$849.21	0.10%
2353019007	1	\$479.12	0.06%
2353019008	1	\$440.19	0.05%
2353019009	1	\$678.05	0.08%
2353019010	1	\$653.71	0.08%
2353019011	1	\$574.86	0.07%
2353019012	1	\$552.54	0.06%
2353019013	1	\$472.81	0.06%
2353019014	1	\$456.99	0.05%
2353019015	1	\$3,656.34	0.43%
2353019020	1	\$1,607.05	0.19%
2353020001	1	\$1,175.75	0.14%
2353020002	1	\$651.65	0.08%
2353020003	1	\$1,132.45	0.13%
2353020004	1	\$1,102.31	0.13%
2353020005	1	\$1,023.54	0.12%
2353020086	1	\$1,547.46	0.18%
2353025001	1	\$3,164.44	0.37%
2353025048	1	\$6,695.29	0.78%
Private parcels		\$577,711.79	67.60%
Publicly-owned parcels		\$276,858.21	32.40%
Total all parcels		\$854,570.00	100.00%

Attachment A

**North Hollywood Transit
Business Improvement District**

FINAL

Engineer's Report
(12-18-2023)

**Los Angeles, California
December 2023**

Prepared by:
Kristin Lowell Inc.

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

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ENGINEER'S STATEMENT

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

The North Hollywood Transit Property-Based Business Improvement District ("PBID") will provide activities either currently not provided or are above and beyond what the City of Los Angeles provides. These activities will specially benefit each individual assessable parcel in the PBID. Every individual assessed parcel within the PBID receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the PBID receive the special benefit of these proposed activities.

The duration of the proposed PBID is six (6) years, commencing January 1, 2025 and ending December 31, 2030. An estimated budget for the PBID improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 7% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 7% in any given year. Funding for the PBID improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the PBID. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

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



Respectfully submitted,

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

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

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

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

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

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

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: "Special benefit also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefits does not make the benefits general."³

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36613.

³ California Streets and Highways Code, Section 36615.5(b)

Article XIID of the State Constitution

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

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.⁴

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁵

Judicial Guidance

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. The notable portion of a case that applies to PBIDs in particular is noted below.

"The engineer's report describes the services to be provided by the PBID [i.e. the PBID]; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the PBID. And they are particular and distinct benefits to be provided only to the properties within the PBID, not to the public at large—they 'affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share."⁶

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

⁴ Section 4, Article XIID of the State Constitution.

⁵ Section 2 (j), Article XIID of the State Constitution.

⁶ *Dahms v. Downtown Pomona Property and Business Improvement District* (2009) 174 Cal.App. 4th 708, 722.

SECTION B: IMPROVEMENTS AND ACTIVITIES

The North Hollywood Transit PBID Steering Committee collectively determined the priority for improvements and activities that the PBID will deliver. The primary needs as determined by the property owners are Clean and Safe programs specifically, the North Hollywood Transit PBID shall provide the following activities:

CLEAN and SAFE

Safe Team Program

The Safety Program will provide safety services for the individual parcels located within the District in the form of patrolling bicycle personnel and walking patrols. Late night/early morning vehicle patrols will be deployed when the budget allows. 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 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.

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 within the District. Mixed use and high-density residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, enhances the business climate and improves the business offering and attracts new residents within the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Education parcels benefit from District programs that work to provide an enhanced sense of safety and positive user experience which, in turn, enhances student enrollment, attracts students, and District investment. Theater parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness that provide a better pedestrian experience which provides an opportunity to increase attendance. Transit parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and cleanliness, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an enhanced business climate, new business attraction, business retention, District investment, and increased sales, all of which work to draw more users and cars to the District. Hotel parcels benefit from District programs which increase pedestrian foot traffic, a positive user experience and provide an enhanced sense of safety and cleanliness. This all works to increase occupancy and attract customers. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of safety which provides an opportunity to increase attendance within the District.

Clean Team Program

In order to consistently deal with cleaning issues, a Clean Program will continue to be provided

as it has for the last 17 years. 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 when the budget allows. 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. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.

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 within the District. Mixed use and high-density residential parcels benefit from District programs that provide an enhanced sense of safety, cleanliness and a positive user experience which, in turn, enhances the business climate and improves the business offering and attracts new residents within the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Education parcels benefit from District programs that work to provide an enhanced sense of cleanliness and positive user experience which, in turn, enhances student enrollment, attracts students, and District investment. Theater parcels benefit from District programs that work to provide an enhanced sense of safety and cleanliness that provide a better pedestrian experience which provides an opportunity to increase attendance. Transit parcels benefit from District programs that work to provide greater pedestrian traffic, an enhanced sense of safety and cleanliness, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an enhanced business climate, new business attraction, business retention, District investment, and increased sales, all of which work to draw more users and cars to the District. Office parcels benefit from the District programs which increase pedestrian foot traffic and provide an enhanced sense of safety, cleanliness, and a creative environment within the District. This all works to increase occupancy and enhance the business climate, new business attraction, business retention and business investment. Hotel parcels benefit from District programs which increase pedestrian foot traffic, a positive user experience and provide an enhanced sense of safety and cleanliness. This all works to increase occupancy and attract customers. Religious parcels benefit from District programs that work to provide a better pedestrian experience and an enhanced sense of cleanliness which provides an opportunity to increase attendance within 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.

COMMUNICATIONS

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 39% of the communications budget is allocated to management staff expenses.

In order to communicate the changes that are taking place in the North Hollywood Transit Business Improvement District and to enhance the positive perception of the North Hollywood Transit Business Improvement District parcels, a professionally developed communications 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. 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. Mixed use and high-density 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. Office 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. Education parcels benefit from District programs which increase exposure and awareness of District amenities which in turn work to provide greater pedestrian traffic and awareness of public schools. Theater parcels benefit from increased exposure and awareness of District programs that work to provide greater pedestrian traffic and increased sales which provides an opportunity to increase attendance and participation. Transit parcels benefit from greater awareness of businesses and offerings that work to provide greater pedestrian traffic, and a positive user experience which increases ridership. Parking parcels benefit from District programs which work to provide an increased exposure and awareness which in turn work to provide an enhanced business. Hotel 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, and business retention.

The following are some of the communication programs currently in place or being considered:

- Destination Marketing
- Business Card Program
- Banner Program
- Media Relations
- Placemaking/Activations

MANAGEMENT/OFFICE/CITY FEES

Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. 35% of the Management/Office/City Fees budget is allocated to management staff expenses.

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

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. Management staff expenses are allocated according to generally accepted accounting job costing procedures and are allocated to the specific areas in which staff works. The special benefit to assessed parcels from these services is increased commercial activity which directly relates to increases in lease rates and enhanced commerce.

SECTION C: BENEFITTING PARCELS

PBID Boundary Description

The North Hollywood Transit Business Improvement District includes all property within a boundary formed by:

Beginning on the southeast corner of Cumpston Street and Tujunga Avenue go east on Cumpston Street to Case Avenue. At Case Avenue turn north along Case Avenue to the north parcel line of parcel 2350-003-902. Turn east along the north parcel line of parcels 2350-003-902 and 2350-003-906 to Vineland Avenue go south along the west side of Vineland Avenue to the south parcel line of parcels facing on the south side of Magnolia Boulevard. Go west on the southern parcel line of parcels facing the south side of Magnolia Boulevard. At the intersection of the east parcel line of parcels facing on the east side of Lankershim Boulevard go south along the eastern parcel line of all parcels facing on the east side of Lankershim Boulevard to the intersection of Camarillo Street. Go west on Camarillo Street to an intersection with the west parcel line of parcels facing on the west side of Lankershim Boulevard. Go north along the western parcel line of all parcels facing on the west side of Lankershim Boulevard. At Magnolia Boulevard go west along the south parcel line of parcels facing on the south side of Magnolia Boulevard. At Tujunga Avenue go north along the western parcel line of parcels facing the west side of Tujunga to Cumpston Street.

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, the levels of appropriate service delivery were determined by analyzing historical data on the amount of clean and safe services delivered to parcels, current service delivery needs and projecting future needs over the term of the District in order to produce a common level of safety and cleanliness for each parcel throughout the District. It was determined that all three benefit zones were required for the District.

Zone One

Zone One contains a mix of the commercial, mixed-use, high-density residential, office, theater, education, hotel, and religious uses within the District. Zone One has the second highest demand for clean and safe services based on historical data from the last fifteen years of District operation and is not located within the high demand transit zone. See the map on page 12 for the Zone One boundaries. Zone One will receive a differing level of special benefit in the form of lower frequency of safety and cleaning services than Zone Two. 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 Two

Zone Two is the unique transit zone. Zone Two contains the B Line (former Red Line) Metro Station and the G Line (former Orange Line) Metro Station as well as park and ride lots for both stations. Both Metro stations are the terminus for each respective transit line, and because of this have a high volume of riders passing through Zone Two and the highest level of pedestrian traffic in the District. Because of this high level of usage Zone Two has the highest demand for clean and safe services within the District based on historical data from the last fifteen years and has the highest assessment rates in order to provide the special benefit of increasing ridership, commerce and transit revenue. Zone Two See the map on page 12 for the Zone Two

boundaries. Zone Two will receive a differing level of special benefit in the form of a higher frequency of safety and cleaning services than Zone One and Zone Three. Therefore, property owners in Zone Two will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

Zone Three

Zone Three contains a mix of religious and religious education uses. Zone Three has the lowest pedestrian traffic and lowest demand for clean and safe services based on data from the last fifteen years of District operation and is not located within the high demand transit zone. See the map on page 12 for the Zone Three boundaries. Zone Three does not receive benefit from District Communications which are designed to attract users to businesses. Therefore, property owners in Zone Three will pay a different assessment rate that is in line with the level of service and represents 100% of the special benefit received.

District Boundary Rationale

The property uses within the general boundaries of the North Hollywood Transit Business Improvement District are a mix of commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious parcels. Services and improvements provided by the District are designed to provide special benefits to parcels that contain commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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 residential serving businesses and services, attracting office and retail tenants, attracting retail and transit customers, attracting new residents and students, increasing attendance and encouraging commerce that provide a special benefit to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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 North Hollywood Transit Business Improvement District is Cumpston Street and the northern boundary of the high school north of Cumpston. The majority of parcels north of Cumpston Street are solely residential in use and will not benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious uses for which the special benefits to assessed parcels is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, and increase in customers. Other parcels north of the District boundary are commercial and manufacturing uses that have no relationship to the District and its unique mix of arts, transit and high-density transit oriented mixed-use development. The parcels outside of the northern boundary will not specially benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious uses which depend on customers physically visiting 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 to individual parcels within

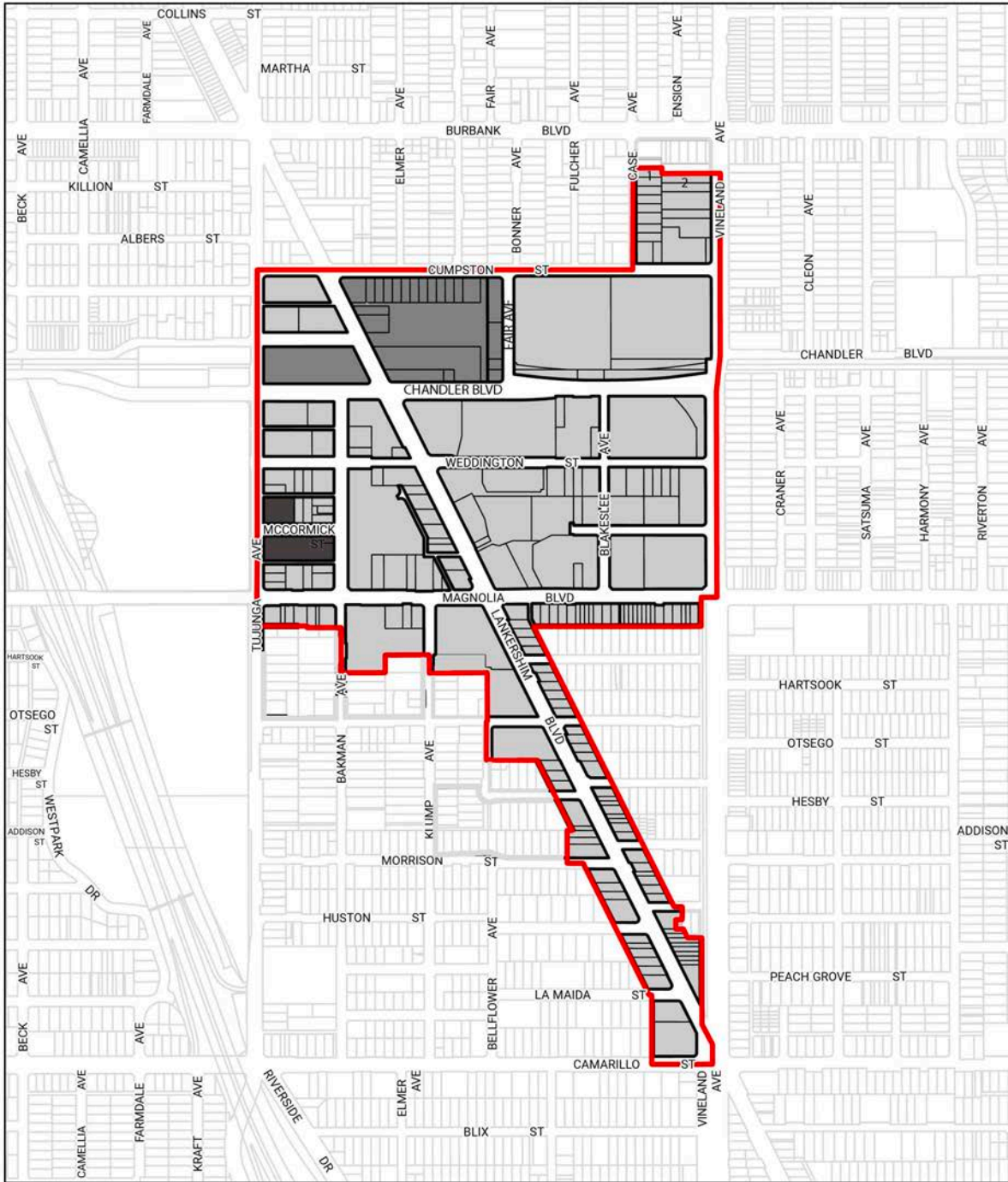
the boundaries of the District.

Eastern Boundary: The eastern boundary of the North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels east of the District boundaries. The parcels east of the District boundaries are residential uses or light manufacturing. These uses have no relationship to the District and its mix of arts, transit and high-density transit oriented mixed-use development uses. Both the residential parcels and the light manufacturing parcels will not specially benefit from the District programs. The parcels east of the District boundary, for the most part, do not rely on attracting customers to physically visit their businesses in order to engage in commerce. The District clean, safe and communication programs are designed to physically attract customers to visit the District and engage in commerce that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, parking, transit, hotel and religious uses which depend on customers physically visiting 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.

Southern Boundary: The southern boundary of the North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels south of the District boundaries. Parcels south of the District boundaries are zoned primarily solely residential. Residential zoned parcels, which are excluded by law from participating in the District, will not specially benefit from the District programs that are designed to provide special benefits to commercial, mixed-use, high-density residential, office, theater, parking, transit, hotel and religious uses. Other parcels south of the District boundary are commercial uses that have no relationship to the District and its unique mix of arts, transit and high-density transit oriented mixed-use development. The six-way intersection formed by the intersection of Lankershim Boulevard, Vineland Avenue and Camarillo Drive acts as a barrier to pedestrian flow. This barrier greatly restricts the number of pedestrians that exit or enter the southern border of the District. Because of this restriction District programs that are designed to benefit District parcels by increasing pedestrian activity and commerce do not cross this barrier and do not benefit parcels south of the District boundary. Parcel uses south of the District are not arts related uses and are not high-density transit mixed-use parcels and have no relationship to parcels within the District. Parcels south of the District will not benefit from the District's clean, safe and communication programs which are designed to benefit the District's unique mix of arts, transit and high-density transit oriented mixed-use development. 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 North Hollywood Transit Business Improvement District was determined by the zoning and use of the parcels west of the District boundaries. The parcels west of the District boundaries are zoned a mix of solely residential and open space (park land). The purpose of the district is to improve commerce through District programs that are designed to provide special benefits to commercial, mixed-use, high-density

residential, office, theater, parking, transit, hotel and religious uses which depend on customers physically visiting the District. The special benefits to assessed parcels from these services is an increased likelihood of improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers. The residential zoned parcels are excluded by law from participating in the District. The open spaced zoned parcels do not engage in commerce and will not benefit from the District programs that are designed to attract users to the District to specifically engage in commerce. 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.



- BID Boundary
 - Zone 1
 - Zone 2
 - Zone 3
- APN List
 1= 2350-003-902
 2= 2350-003-906

North Hollywood Transit
Business Improvement District
 2025 - 2030

▲
 N
 NOT TO SCALE

SECTION D: PROPORTIONAL BENEFITS

Methodology

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

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

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

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

Special Benefit Factor

The methodology to levy assessments upon real property that receives special benefits from the improvements and activities of the North Hollywood Transit Business Improvement District is Parcel Square Footage and Building Square Footage. 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 commercial, mixed-use, high-density residential, office, theater, education, parking, transit, hotel, and religious 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, residents, patrons, tenants, students, 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 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. Seventy six percent (76%) of the budget is 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 four percent (24%) of the budget is allocated to building square footage.

SECTION E: SPECIAL and GENERAL BENEFITS

Special Benefit Defined

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that “only special benefits are assessable”.

The State Law defines special benefit as “...for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.”⁷

As of July 19, 2022, the State Law, Section 36615.5 (b), was amended to further define special benefit as it relates to the improvements and activities these districts provide. Specifically, the amendment states: “‘Special benefit’ also includes, for purposes of a property-based district, a particular and distinct benefit provided directly to each assessed parcel within the district. Merely because parcels throughout an assessment district share the same special benefit does not make the benefits general.”

Furthermore, the amendment (Section 36622(k)(3)) states: “In a property-based district, properties throughout the district may share the same special benefits. In a district with boundaries that define which parcels are to receive improvements, maintenance, or activities over and above those services provided by the city, the improvements, maintenance or activities themselves may constitute a special benefit. The city may impose assessments that are less than the proportional special benefit conferred, but shall not impose assessments that exceed the reasonable costs of the proportional special benefit conferred. Because one or more parcels pay less than the special benefit conferred does not necessarily mean that other parcels are assessed more than the reasonable cost of their special benefit.”

Special Benefit Analysis

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

⁷ California Streets and Highways Code, Section 36615.5(a)

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

The North Hollywood Transit PBID's goal is to fund activities and improvements to provide a cleaner and safer environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety and cleanliness of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

Each parcel will specially benefit from:

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

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

Clean and Safe

The cleaning activities specially benefit each assessed parcel within the PBID by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, trash removal, and tree trimming. These activities create the environment needed to achieve the PBID's goals. Sidewalks that are dirty and unclean, particularly from homeless activities, deter pedestrians and commercial activity.

The enhanced safety activities make the area safer which attracts more businesses, customers, and residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment." Uncertainty affects the investment environment in general, but in particular it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable."⁸ Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity and an increase in customers that follow from having a safer environment.

⁸ "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

The Clean and Safe activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the PBID. Sidewalks that are dirty and unkempt deter pedestrians and commercial activity. “Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists.”⁹
- Removing graffiti from buildings to keep the aesthetic appeal uniform throughout the PBID.

Communication

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

Management

The PBID requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City departments, and provide leadership. Each parcel will specially benefit from the PBID executive staff that will ensure that the PBID activities are provided and deployed to assessed parcels and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

The fact that each PBID improvement and activity defined above will be provided to each assessed parcel is above and beyond what the city currently provides constitutes a special benefit. In addition, the PBID activities are targeted to improve the safety, cleanliness and economic vitality of only those parcels that are within the district boundary. Therefore, we conclude that each of the proposed activities provides special benefits to the assessed parcels within the district and that each parcel's assessment is in direct relationship to and no greater than its proportional special benefits received.

⁹ “Benefits of Sidewalks”, Iowa Healthiest State Initiative, November 1, 2017

General Benefit Defined

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not particular and distinct and are not over and above the benefits that other parcels receive.

General Benefit Analysis

The PBID improvements and activities are designed to provide service only to those parcels that are within the district boundary. As discussed above, these activities are determined to provide special benefits only to the assessed parcels. If there is any general benefit to property located in the district or to the public at large, it is incidental to providing special benefits to the assessed parcels. However, it is conceivable that there may be some general benefit that is not quantifiable, and it is judicious to allocate a portion of the budget to acknowledge this.

For the purposes of the North Hollywood Transit PBID, we assigned 3%, or \$26,430 of the budget to general benefit. This portion of the budget will need to be funded from sources other than the special assessments.

SECTION F: COST ESTIMATE

2025 Operating Budget

The North Hollywood Transit PBID's operating budget takes into consideration:

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

EXPENDITURES	ZONE 1	ZONE 2	ZONE 3	TOTAL BUDGET
Clean and Safe	\$601,214.20	\$115,120.00	\$3,165.80	\$719,500.00
Communication	\$21,420.00	\$4,080.00	\$0.00	\$25,500.00
Management/Office/City Fees	\$113,789.80	\$21,635.58	\$574.61	\$136,000.00
Total Expenditures	\$736,424.00	\$140,835.58	\$3,740.41	\$881,000.00
REVENUES				
Assessment Revenues	\$714,331.28	\$136,610.51	\$3,628.20	\$854,570.00
Other Revenues (1)	\$22,092.72	\$4,225.07	\$112.21	\$26,430.00
Total Revenues	\$736,424.00	\$140,835.58	\$3,740.41	\$881,000.00

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

Budget Notations

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. The estimate for assessment funds carried over from the current North Hollywood Transit Business Improvement District to the first year 2025

budget is \$25,000. The amount of actual prior year carryover funds, if any, from the 2024 budget will be applied to the 2025 District budget. The funds will be applied to the same budget line item in 2025 as the line item in 2024 that was the source of the carryover funds. Carryover funds from 2024, if any exist, are projected to be from the clean and safe line item. Therefore, the Clean and Safe budget line item of \$719,500 could increase to as much as \$744,500 if the total \$25,000 carryover becomes a reality and is totally from the Clean and Safe line item.

Bond Issuance

The District will not issue bonds.

SECTION G: APPORTIONMENT METHOD

Assessment Methodology

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.

As previously discussed above in Section D, the methodology for allocating the cost of the special benefits is allocated to Parcel Square Footage and Building Square Footage. The table below indicates the assessable footage for each within each Benefit Zone.

Assessable Footage	Zone 1	Zone 2	Zone 3
Parcel Square Feet	4,094,357	596,513	82,122
Building Square Feet	5,660,618	23,896	35,079

Calculation of Assessments

Based on the special benefit factors, benefit zones, assessable square footage and the proposed budget, all of which are discussed above, the following table illustrates the first year's maximum annual assessment per parcel assessable foot.

Benefit Zone and Benefit Factor	Assmt Rate
Zone One Parcel Sq Ft Rate	\$0.1326
Zone One Bldg Sq Ft Rate	\$0.0303
Zone Two Parcel Sq Ft Rate	\$0.1741
Zone Two Bldg Sq Ft Rate	\$1.3721
Zone Three Parcel Sq Ft Rate	\$0.0336
Zone Three Bldg Sq Ft Rate	\$0.0248

Assessment Rate Calculation

The assessment rates are determined by the following calculation:

Zone 1 Assessment Budget = \$714,331.28

Assessment Budget allocated to Parcel Square Footage @ 76% = \$542,891.78

Assessment Budget allocated to Building Square Footage @ 24% = \$171,439.51

Parcel Square Footage Assessment Rate-

Assessment Budget \$542,891.78 / 4,094,357 Parcel Sq Ft = \$0.1326

Building Square Footage Assessment Rate-

Assessment Budget \$171,439.51 / 5,660,618 Building Sq Ft = \$0.0303

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000

square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.1326) = (\$663) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.0303) = (\$151.50) = Initial Annual Parcel Assessment (\$814.50).

Zone 2 Assessment Budget = \$136,610.51

Assessment Budget allocated to Parcel Square Footage @ 76% = \$103,823.99

Assessment Budget allocated to Building Square Footage @ 24% = \$32,786.52

Parcel Square Footage Assessment Rate-

Assessment Budget \$103,823.99 / 596,513 Parcel Sq Ft = \$0.1741

Building Square Footage Assessment Rate-

Assessment Budget \$32,786.52 / 23,896 Building Sq Ft = \$1.3721

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000 square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.1741) = (\$870.50) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$1.3721) = (\$6,860.50) = Initial Annual Parcel Assessment (\$7,731).

Zone 3 Assessment Budget = \$3,628.20

Assessment Budget allocated to Parcel Square Footage @ 76% = \$2,757.43

Assessment Budget allocated to Building Square Footage @ 24% = \$870.77

Parcel Square Footage Assessment Rate-

Assessment Budget \$2,757.43 / 82,122 Parcel Sq Ft = \$0.0336

Building Square Footage Assessment Rate-

Assessment Budget \$870.77 / 35,079 Building Sq Ft = \$0.0248

Sample Parcel Assessment

To calculate the assessment for a parcel with 5,000 square feet of parcel footage and 5,000 square feet of building, multiply the Parcel Square Footage (5,000) by the Assessment Rate (\$0.0336) = (\$168) + multiple the Building Square Footage (5,000) by the Assessment Rate (\$0.0248) = (\$124) = Initial Annual Parcel Assessment (\$292).

Public Property Assessments

There are 56 publicly owned parcels in the District, all of which are identified as assessable and for which special benefit services will be provided. Of the 56 identified assessed parcels, 3 are owned by the City of Los Angeles, 30 by the Los Angeles County Metro Transit Agency (LACMTA), 1 by Los Angeles County, 22 by the 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. There is a U.S. Federal Government parcel within the North Hollywood Transit BID. The U.S. Federal Government has declared that parcels owned by the U.S. Federal Government are exempt from local property assessments pursuant to the Supremacy Clause of the U.S. Constitution. Because of the exemption, District services and programs that would specially benefit this parcel, will not be provided and the assessment amount will be \$0. Article XIII D of the California Constitution was added in November 1996 and provides

Attachment C - BID Renewal Documentation

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.

APN	Zone	owner	site address	2025 Asmt	%
2350017901	1	L A City	NO SITUS ADDRESS	\$2,657.21	0.31%
2353007900	1	L A City	5108 LANKERSHIM BLVD	\$1,055.25	0.12%
2350016901	1	L A City	*NO SITE ADDRESS*	\$5,116.66	0.60%
				\$8,829.11	1.03%
2350016902	1	L A County	5300 TujungA Ave	\$5,733.98	0.67%
2350012902	1	LACMTA	*NO SITE ADDRESS*	\$3,977.85	0.47%
2350013915	1	LACMTA	*NO SITE ADDRESS*	\$2,175.89	0.25%
2350013917	1	LACMTA	*NO SITE ADDRESS*	\$1,190.70	0.14%
2350013922	1	LACMTA	*NO SITE ADDRESS*	\$3,416.98	0.40%
2350016905	1	LACMTA	5300 Bakman Ave	\$884.28	0.10%
2350016906	1	LACMTA	5311 LANKERSHIM BLVD	\$7,624.09	0.89%
2350016907	1	LACMTA	5308 Bakman Ave	\$2,120.86	0.25%
2350012920	2	LACMTA	*NO SITE ADDRESS*	\$56,866.00	6.65%
2350012921	2	LACMTA	5356 LANKERSHIM BLVD	\$3,910.94	0.46%
2350012922	2	LACMTA	11223 CHANDLER BLVD	\$731.02	0.09%
2350012923	2	LACMTA	5430 LANKERSHIM BLVD	\$1,672.64	0.20%
2350012924	2	LACMTA	5420 LANKERSHIM BLVD	\$2,725.65	0.32%
2350012925	2	LACMTA	11204 CUMPSTON ST	\$2,521.83	0.30%
2350012926	2	LACMTA	*NO SITE ADDRESS*	\$1,304.52	0.15%
2350012927	2	LACMTA	11216 CUMPSTON ST	\$1,304.52	0.15%
2350012928	2	LACMTA	11220 CUMPSTON ST	\$1,304.52	0.15%
2350012929	2	LACMTA	11228 CUMPSTON ST	\$1,304.52	0.15%
2350012930	2	LACMTA	11234 CUMPSTON ST	\$1,304.52	0.15%
2350012931	2	LACMTA	11238 CUMPSTON ST	\$1,304.52	0.15%
2350012932	2	LACMTA	11244 CUMPSTON ST	\$1,304.52	0.15%
2350012933	2	LACMTA	11250 CUMPSTON ST	\$1,304.52	0.15%
2350012934	2	LACMTA	11254 CUMPSTON ST	\$1,304.52	0.15%
2350012935	2	LACMTA	11260 CUMPSTON ST	\$1,304.52	0.15%
2350012936	2	LACMTA	11264 CUMPSTON ST	\$1,304.52	0.15%
2350012937	2	LACMTA	5430 LANKERSHIM BLVD	\$3,119.00	0.36%
2350012938	2	LACMTA	11211 CHANDLER BLVD	\$40,213.24	4.71%
2350013906	2	LACMTA	11163 Chandler Blvd	\$1,032.13	0.12%
2350013907	2	LACMTA	*NO SITE ADDRESS*	\$3,091.15	0.36%
2350013908	2	LACMTA	*NO SITE ADDRESS*	\$3,789.10	0.44%
2350013920	2	LACMTA	*NO SITE ADDRESS*	\$2,588.15	0.30%
				\$158,001.16	18.49%

2350003900	1	LAUSD	5536 CASE AVE,	\$960.25	0.11%
2350003901	1	LAUSD	11039 CUMPSTON ST,	\$1,571.92	0.18%
2350003902	1	LAUSD	5550 CASE AVE,	\$961.58	0.11%
2350003903	1	LAUSD	5518 CASE AVE,	\$961.71	0.11%
2350003904	1	LAUSD	5520 CASE AVE,	\$1,230.88	0.14%
2350003905	1	LAUSD	5540 CASE AVE,	\$961.58	0.11%
2350003906	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003907	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003908	1	LAUSD	5514 CASE AVE,	\$961.71	0.11%
2350003909	1	LAUSD	5546 CASE AVE,	\$961.58	0.11%
2350003910	1	LAUSD	5530 CASE AVE,	\$961.58	0.11%
2350003911	1	LAUSD	5535 VINELAND AVE,	\$3,713.99	0.43%
2350003912	1	LAUSD	5531 VINELAND AVE,	\$1,857.13	0.22%
2350003913	1	LAUSD	5525 VINELAND AVE,	\$3,289.15	0.38%
2350003914	1	LAUSD	11035 CUMPSTON ST,	\$826.73	0.10%
2350003915	1	LAUSD	*NO SITE ADDRESS*	\$570.16	0.07%
2350003916	1	LAUSD	11015 CUMPSTON ST,	\$11,219.42	1.31%
2350013900	1	LAUSD	11030 Cumpston St,	\$35,521.44	4.16%
2350013921	1	LAUSD	*NO SITE ADDRESS*	\$3,326.81	0.39%
2350017903	1	LAUSD	5250 Bakman Ave	\$25,465.22	2.98%
2350017905	1	LAUSD	11261 MAGNOLIA BLVD	\$1,809.92	0.21%
2350017906	1	LAUSD	11241 MAGNOLIA BLVD	\$3,447.47	0.40%
				\$104,293.97	12.20%

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 maybe subject to annual increases not to exceed the assessment rates in the table below for any given year. Increases will be determined by the District Owner's Association and will vary between 0% and 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

Benefit Zone and Factor	2025	2026	2027	2028	2029	2030
Zone One Parcel Sq Ft Rate	\$0.1326	\$0.1419	\$0.1518	\$0.1624	\$0.1738	\$0.1860
Zone One Bldg Sq Ft Rate	\$0.0303	\$0.0324	\$0.0347	\$0.0371	\$0.0397	\$0.0425
Zone Two Parcel Sq Ft Rate	\$0.1741	\$0.1862	\$0.1993	\$0.2132	\$0.2281	\$0.2441
Zone Two Bldg Sq Ft Rate	\$1.3721	\$1.4681	\$1.5709	\$1.6808	\$1.7985	\$1.9244
Zone Three Parcel Sq Ft Rate	\$0.0336	\$0.0359	\$0.0384	\$0.0411	\$0.0440	\$0.0471
Zone Three Bldg Sq Ft Rate	\$0.0248	\$0.0266	\$0.0284	\$0.0304	\$0.0325	\$0.0348

Budget Adjustment

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the Management District Plan to adjust for surpluses that are carried forward. District funds may be used to fund the cost of renewing the District. 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 the Streets and Highways Code section 36671.

If an error is discovered on a parcel's assessed 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.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Owners' Association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Any change will be approved by the Owners' Association Board of Directors and submitted to the City of Los Angeles within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

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.

SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2024/2025 is \$854,570, apportioned to each individual assessed parcel, as follows.

APN	Zone	owner	site address	2025 Asmt	%
2350017901	1	L A City	NO SITUS ADDRESS	\$2,657.21	0.31%
2353007900	1	L A City	5108 LANKERSHIM BLVD	\$1,055.25	0.12%
2350016901	1	L A City	*NO SITE ADDRESS*	\$5,116.66	0.60%
				\$8,829.11	1.03%
2350016902	1	L A County	5300 TujungA Ave	\$5,733.98	0.67%
2350012902	1	LACMTA	*NO SITE ADDRESS*	\$3,977.85	0.47%
2350013915	1	LACMTA	*NO SITE ADDRESS*	\$2,175.89	0.25%
2350013917	1	LACMTA	*NO SITE ADDRESS*	\$1,190.70	0.14%
2350013922	1	LACMTA	*NO SITE ADDRESS*	\$3,416.98	0.40%
2350016905	1	LACMTA	5300 Bakman Ave	\$884.28	0.10%
2350016906	1	LACMTA	5311 LANKERSHIM BLVD	\$7,624.09	0.89%
2350016907	1	LACMTA	5308 Bakman Ave	\$2,120.86	0.25%
2350012920	2	LACMTA	*NO SITE ADDRESS*	\$56,866.00	6.65%
2350012921	2	LACMTA	5356 LANKERSHIM BLVD	\$3,910.94	0.46%
2350012922	2	LACMTA	11223 CHANDLER BLVD	\$731.02	0.09%
2350012923	2	LACMTA	5430 LANKERSHIM BLVD	\$1,672.64	0.20%
2350012924	2	LACMTA	5420 LANKERSHIM BLVD	\$2,725.65	0.32%
2350012925	2	LACMTA	11204 CUMPSTON ST	\$2,521.83	0.30%
2350012926	2	LACMTA	*NO SITE ADDRESS*	\$1,304.52	0.15%
2350012927	2	LACMTA	11216 CUMPSTON ST	\$1,304.52	0.15%
2350012928	2	LACMTA	11220 CUMPSTON ST	\$1,304.52	0.15%
2350012929	2	LACMTA	11228 CUMPSTON ST	\$1,304.52	0.15%
2350012930	2	LACMTA	11234 CUMPSTON ST	\$1,304.52	0.15%
2350012931	2	LACMTA	11238 CUMPSTON ST	\$1,304.52	0.15%
2350012932	2	LACMTA	11244 CUMPSTON ST	\$1,304.52	0.15%
2350012933	2	LACMTA	11250 CUMPSTON ST	\$1,304.52	0.15%
2350012934	2	LACMTA	11254 CUMPSTON ST	\$1,304.52	0.15%
2350012935	2	LACMTA	11260 CUMPSTON ST	\$1,304.52	0.15%
2350012936	2	LACMTA	11264 CUMPSTON ST	\$1,304.52	0.15%
2350012937	2	LACMTA	5430 LANKERSHIM BLVD	\$3,119.00	0.36%
2350012938	2	LACMTA	11211 CHANDLER BLVD	\$40,213.24	4.71%
2350013906	2	LACMTA	11163 Chandler Blvd	\$1,032.13	0.12%
2350013907	2	LACMTA	*NO SITE ADDRESS*	\$3,091.15	0.36%
2350013908	2	LACMTA	*NO SITE ADDRESS*	\$3,789.10	0.44%

Attachment C - BID Renewal Documentation

2350013920	2	LACMTA	*NO SITE ADDRESS*	\$2,588.15	0.30%
				\$158,001.16	18.49%
2350003900	1	LAUSD	5536 CASE AVE,	\$960.25	0.11%
2350003901	1	LAUSD	11039 CUMPSTON ST,	\$1,571.92	0.18%
2350003902	1	LAUSD	5550 CASE AVE,	\$961.58	0.11%
2350003903	1	LAUSD	5518 CASE AVE,	\$961.71	0.11%
2350003904	1	LAUSD	5520 CASE AVE,	\$1,230.88	0.14%
2350003905	1	LAUSD	5540 CASE AVE,	\$961.58	0.11%
2350003906	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003907	1	LAUSD	5545 VINELAND AVE,	\$1,856.86	0.22%
2350003908	1	LAUSD	5514 CASE AVE,	\$961.71	0.11%
2350003909	1	LAUSD	5546 CASE AVE,	\$961.58	0.11%
2350003910	1	LAUSD	5530 CASE AVE,	\$961.58	0.11%
2350003911	1	LAUSD	5535 VINELAND AVE,	\$3,713.99	0.43%
2350003912	1	LAUSD	5531 VINELAND AVE,	\$1,857.13	0.22%
2350003913	1	LAUSD	5525 VINELAND AVE,	\$3,289.15	0.38%
2350003914	1	LAUSD	11035 CUMPSTON ST,	\$826.73	0.10%
2350003915	1	LAUSD	*NO SITE ADDRESS*	\$570.16	0.07%
2350003916	1	LAUSD	11015 CUMPSTON ST,	\$11,219.42	1.31%
2350013900	1	LAUSD	11030 Cumpston St,	\$35,521.44	4.16%
2350013921	1	LAUSD	*NO SITE ADDRESS*	\$3,326.81	0.39%
2350017903	1	LAUSD	5250 Bakman Ave	\$25,465.22	2.98%
2350017905	1	LAUSD	11261 MAGNOLIA BLVD	\$1,809.92	0.21%
2350017906	1	LAUSD	11241 MAGNOLIA BLVD	\$3,447.47	0.40%
				\$104,293.97	12.20%

APN	Zone	2025 Asmt	%
2350012040	1	\$406.49	0.05%
2350012041	1	\$69.40	0.01%
2350012042	1	\$74.55	0.01%
2350012043	1	\$71.82	0.01%
2350012044	1	\$71.52	0.01%
2350012045	1	\$72.43	0.01%
2350012046	1	\$59.41	0.01%
2350012047	1	\$74.55	0.01%
2350012048	1	\$64.25	0.01%
2350012049	1	\$77.58	0.01%
2350012050	1	\$62.13	0.01%
2350012051	1	\$77.88	0.01%
2350012052	1	\$60.01	0.01%
2350012053	1	\$70.61	0.01%

Attachment C - BID Renewal Documentation

2350012054	1	\$72.13	0.01%
2350012055	1	\$72.73	0.01%
2350012056	1	\$69.40	0.01%
2350012057	1	\$74.55	0.01%
2350012058	1	\$71.82	0.01%
2350012059	1	\$71.52	0.01%
2350012060	1	\$71.52	0.01%
2350012061	1	\$72.43	0.01%
2350012062	1	\$61.22	0.01%
2350012063	1	\$59.41	0.01%
2350012064	1	\$60.92	0.01%
2350012065	1	\$74.55	0.01%
2350012066	1	\$61.53	0.01%
2350012067	1	\$64.25	0.01%
2350012068	1	\$77.58	0.01%
2350012069	1	\$62.13	0.01%
2350012070	1	\$77.88	0.01%
2350012071	1	\$60.01	0.01%
2350012072	1	\$70.61	0.01%
2350012073	1	\$72.13	0.01%
2350012074	1	\$72.73	0.01%
2350012075	1	\$69.40	0.01%
2350012076	1	\$74.55	0.01%
2350012077	1	\$71.82	0.01%
2350012078	1	\$71.52	0.01%
2350012079	1	\$71.52	0.01%
2350012080	1	\$72.43	0.01%
2350012081	1	\$61.22	0.01%
2350012082	1	\$59.41	0.01%
2350012083	1	\$60.92	0.01%
2350012084	1	\$74.55	0.01%
2350012085	1	\$61.53	0.01%
2350012086	1	\$64.25	0.01%
2350012087	1	\$77.58	0.01%
2350012088	1	\$62.13	0.01%
2350012089	1	\$77.88	0.01%
2350012090	1	\$60.01	0.01%
2350012091	1	\$70.61	0.01%
2350012092	1	\$72.13	0.01%
2350012093	1	\$72.73	0.01%
2350012094	1	\$69.40	0.01%
2350012095	1	\$74.55	0.01%
2350012096	1	\$71.82	0.01%

Attachment C - BID Renewal Documentation

2350012097	1	\$71.52	0.01%
2350012098	1	\$71.52	0.01%
2350012099	1	\$72.43	0.01%
2350012100	1	\$61.22	0.01%
2350012101	1	\$59.41	0.01%
2350012102	1	\$60.92	0.01%
2350012103	1	\$74.55	0.01%
2350012104	1	\$61.53	0.01%
2350012105	1	\$64.25	0.01%
2350012106	1	\$77.58	0.01%
2350012107	1	\$62.13	0.01%
2350012108	1	\$77.88	0.01%
2350012109	1	\$60.01	0.01%
2350012110	1	\$70.61	0.01%
2350012111	1	\$72.13	0.01%
2350012112	1	\$72.73	0.01%
2350012113	1	\$69.40	0.01%
2350012114	1	\$74.55	0.01%
2350012115	1	\$71.82	0.01%
2350012116	1	\$71.52	0.01%
2350012117	1	\$71.52	0.01%
2350012118	1	\$72.43	0.01%
2350012119	1	\$61.22	0.01%
2350012120	1	\$59.41	0.01%
2350012121	1	\$60.92	0.01%
2350012122	1	\$74.55	0.01%
2350012123	1	\$61.53	0.01%
2350012124	1	\$64.25	0.01%
2350012125	1	\$77.58	0.01%
2350012126	1	\$62.13	0.01%
2350012127	1	\$77.88	0.01%
2350012128	1	\$60.01	0.01%
2350012129	1	\$70.61	0.01%
2350012130	1	\$72.13	0.01%
2350012131	1	\$72.73	0.01%
2350012132	1	\$69.40	0.01%
2350012133	1	\$74.55	0.01%
2350012134	1	\$71.82	0.01%
2350012135	1	\$71.52	0.01%
2350012136	1	\$71.52	0.01%
2350012137	1	\$72.43	0.01%
2350012138	1	\$61.22	0.01%
2350012139	1	\$59.41	0.01%

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2350012140	1	\$60.92	0.01%
2350012141	1	\$74.55	0.01%
2350012142	1	\$61.53	0.01%
2350012143	1	\$64.25	0.01%
2350012144	1	\$77.58	0.01%
2350012145	1	\$62.13	0.01%
2350012146	1	\$77.88	0.01%
2350012147	1	\$60.01	0.01%
2350012148	1	\$70.61	0.01%
2350012149	1	\$72.13	0.01%
2350012150	1	\$72.73	0.01%
2350012151	1	\$69.40	0.01%
2350012152	1	\$74.55	0.01%
2350012153	1	\$71.82	0.01%
2350012154	1	\$71.52	0.01%
2350012155	1	\$71.52	0.01%
2350012156	1	\$72.43	0.01%
2350012157	1	\$61.22	0.01%
2350012158	1	\$59.41	0.01%
2350012159	1	\$60.92	0.01%
2350012160	1	\$74.55	0.01%
2350012161	1	\$61.53	0.01%
2350012162	1	\$64.25	0.01%
2350012163	1	\$77.58	0.01%
2350012164	1	\$62.13	0.01%
2350012165	1	\$77.88	0.01%
2350012166	1	\$60.01	0.01%
2350012167	1	\$70.61	0.01%
2350012168	1	\$72.13	0.01%
2350012169	1	\$72.73	0.01%
2350012170	1	\$69.40	0.01%
2350012171	1	\$74.55	0.01%
2350012172	1	\$71.82	0.01%
2350012173	1	\$71.52	0.01%
2350012174	1	\$71.52	0.01%
2350012175	1	\$72.43	0.01%
2350012176	1	\$61.22	0.01%
2350012177	1	\$59.41	0.01%
2350012178	1	\$60.92	0.01%
2350012179	1	\$74.55	0.01%
2350012180	1	\$61.53	0.01%
2350012181	1	\$64.25	0.01%
2350012182	1	\$77.58	0.01%

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2350012183	1	\$62.13	0.01%
2350012184	1	\$77.88	0.01%
2350012185	1	\$60.01	0.01%
2350012186	1	\$70.61	0.01%
2350012187	1	\$72.13	0.01%
2350012188	1	\$72.73	0.01%
2350012189	1	\$69.40	0.01%
2350012190	1	\$74.55	0.01%
2350012191	1	\$71.82	0.01%
2350012192	1	\$71.52	0.01%
2350012193	1	\$71.52	0.01%
2350012194	1	\$72.43	0.01%
2350012195	1	\$61.22	0.01%
2350012196	1	\$59.41	0.01%
2350012197	1	\$60.92	0.01%
2350012198	1	\$74.55	0.01%
2350012199	1	\$61.53	0.01%
2350012200	1	\$64.25	0.01%
2350012201	1	\$77.58	0.01%
2350012202	1	\$62.13	0.01%
2350012203	1	\$77.88	0.01%
2350012204	1	\$60.01	0.01%
2350012205	1	\$70.61	0.01%
2350012206	1	\$72.13	0.01%
2350012207	1	\$72.73	0.01%
2350012208	1	\$69.40	0.01%
2350012209	1	\$74.55	0.01%
2350012210	1	\$71.82	0.01%
2350012211	1	\$71.52	0.01%
2350012212	1	\$71.52	0.01%
2350012213	1	\$72.43	0.01%
2350012214	1	\$61.22	0.01%
2350012215	1	\$59.41	0.01%
2350012216	1	\$74.55	0.01%
2350012217	1	\$86.36	0.01%
2350012218	1	\$64.25	0.01%
2350012219	1	\$77.58	0.01%
2350012220	1	\$62.13	0.01%
2350012222	1	\$8,435.62	0.99%
2350013020	1	\$58,920.84	6.89%
2350014016	1	\$11,802.84	1.38%
2350014017	1	\$2,495.71	0.29%
2350014018	1	\$2,494.32	0.29%

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2350014019	1	\$1,093.91	0.13%
2350014020	1	\$1,093.91	0.13%
2350014021	1	\$1,093.91	0.13%
2350014022	1	\$1,093.91	0.13%
2350014031	1	\$4,260.48	0.50%
2350014033	1	\$7,485.53	0.88%
2350014034	1	\$7,640.90	0.89%
2350014035	1	\$34,297.13	4.01%
2350015037	1	\$1,324.24	0.15%
2350015043	1	\$1,318.27	0.15%
2350015114	1	\$12,718.52	1.49%
2350015115	1	\$30,116.46	3.52%
2350015116	1	\$15,262.01	1.79%
2350016006	1	\$1,024.37	0.12%
2350016008	1	\$2,784.66	0.33%
2350017004	1	\$1,099.60	0.13%
2350017005	1	\$927.50	0.11%
2350017006	1	\$927.50	0.11%
2350017010	1	\$944.63	0.11%
2350017013	3	\$1,285.17	0.15%
2350017014	1	\$1,070.91	0.13%
2350017015	1	\$1,210.71	0.14%
2350017016	1	\$297.94	0.03%
2350017017	1	\$571.97	0.07%
2350017018	1	\$828.72	0.10%
2350017019	1	\$2,646.51	0.31%
2350017020	3	\$237.66	0.03%
2350017021	3	\$2,105.37	0.25%
2350017022	1	\$1,151.54	0.13%
2350017023	1	\$828.72	0.10%
2350017027	1	\$910.34	0.11%
2350017029	1	\$969.34	0.11%
2350017030	1	\$3,603.50	0.42%
2350017031	1	\$851.26	0.10%
2350017032	1	\$2,069.96	0.24%
2350017033	1	\$1,828.15	0.21%
2350017034	1	\$1,537.47	0.18%
2350017035	1	\$695.32	0.08%
2350017036	1	\$1,182.14	0.14%
2350017043	1	\$1,503.64	0.18%
2350017047	1	\$724.37	0.08%
2350017048	1	\$2,010.02	0.24%
2350017051	1	\$1,033.61	0.12%

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2350017052	1	\$361.76	0.04%
2350017053	1	\$1,426.43	0.17%
2350017054	1	\$954.15	0.11%
2350017055	1	\$1,693.00	0.20%
2350017057	1	\$3,166.96	0.37%
2350017059	1	\$1,973.78	0.23%
2350018028	1	\$2,483.17	0.29%
2350018029	1	\$1,413.73	0.17%
2350018030	1	\$1,093.91	0.13%
2350018031	1	\$2,607.62	0.31%
2350018032	1	\$2,599.05	0.30%
2350018059	1	\$19,550.00	2.29%
2350018077	1	\$1,133.48	0.13%
2350018079	1	\$10,655.39	1.25%
2350018082	1	\$4,139.53	0.48%
2350018083	1	\$11,765.51	1.38%
2350018084	1	\$19,892.64	2.33%
2350018085	1	\$14,556.84	1.70%
2350018089	1	\$13,066.99	1.53%
2350018090	1	\$12,758.37	1.49%
2350018091	1	\$4,922.06	0.58%
2350018092	1	\$441.45	0.05%
2350018093	1	\$11,602.25	1.36%
2350018094	1	\$1,093.91	0.13%
2353002031	1	\$1,436.03	0.17%
2353002033	1	\$314.12	0.04%
2353002034	1	\$1,849.26	0.22%
2353002039	1	\$386.56	0.05%
2353002041	1	\$837.29	0.10%
2353002042	1	\$1,016.61	0.12%
2353002136	1	\$1,283.88	0.15%
2353003022	1	\$983.04	0.12%
2353003023	1	\$1,891.87	0.22%
2353003024	1	\$1,462.50	0.17%
2353003803	1	\$17,100.21	2.00%
2353004040	1	\$25,907.10	3.03%
2353004041	1	\$22,248.92	2.60%
2353005001	1	\$909.24	0.11%
2353005002	1	\$884.92	0.10%
2353005005	1	\$435.64	0.05%
2353005006	1	\$450.48	0.05%
2353005007	1	\$443.21	0.05%
2353005008	1	\$468.99	0.05%

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2353005010	1	\$893.21	0.10%
2353005011	1	\$977.29	0.11%
2353005012	1	\$946.22	0.11%
2353005013	1	\$1,326.41	0.16%
2353005014	1	\$1,897.50	0.22%
2353005015	1	\$922.77	0.11%
2353005016	1	\$909.74	0.11%
2353005017	1	\$934.14	0.11%
2353005025	1	\$901.57	0.11%
2353005028	1	\$866.91	0.10%
2353005029	1	\$952.30	0.11%
2353006001	1	\$876.31	0.10%
2353006002	1	\$469.72	0.05%
2353006003	1	\$443.21	0.05%
2353006004	1	\$886.43	0.10%
2353006005	1	\$947.00	0.11%
2353006007	1	\$431.43	0.05%
2353006008	1	\$402.87	0.05%
2353006009	1	\$458.36	0.05%
2353006010	1	\$397.79	0.05%
2353006011	1	\$397.79	0.05%
2353006012	1	\$455.03	0.05%
2353006013	1	\$464.78	0.05%
2353006014	1	\$443.21	0.05%
2353006025	1	\$803.64	0.09%
2353007015	1	\$960.42	0.11%
2353007018	1	\$897.03	0.10%
2353007019	1	\$915.96	0.11%
2353007020	1	\$938.49	0.11%
2353007037	1	\$850.42	0.10%
2353008014	1	\$689.07	0.08%
2353008015	1	\$946.88	0.11%
2353008016	1	\$884.16	0.10%
2353008017	1	\$895.06	0.10%
2353008034	1	\$1,502.78	0.18%
2353009008	1	\$1,049.52	0.12%
2353009009	1	\$458.93	0.05%
2353009010	1	\$451.18	0.05%
2353009011	1	\$937.16	0.11%
2353009012	1	\$445.85	0.05%
2353009013	1	\$438.67	0.05%
2353009014	1	\$894.06	0.10%

Attachment C - BID Renewal Documentation

2353009015	1	\$958.94	0.11%
2353010007	1	\$1,072.18	0.13%
2353010008	1	\$933.47	0.11%
2353010009	1	\$1,047.65	0.12%
2353010033	1	\$13,586.58	1.59%
2353011001	1	\$938.04	0.11%
2353011002	1	\$1,041.47	0.12%
2353011003	1	\$2,539.45	0.30%
2353011011	1	\$489.77	0.06%
2353011026	1	\$3,073.46	0.36%
2353017002	1	\$1,076.09	0.13%
2353017003	1	\$973.37	0.11%
2353017004	1	\$2,847.64	0.33%
2353017025	1	\$1,662.93	0.19%
2353018006	1	\$1,434.28	0.17%
2353018009	1	\$451.10	0.05%
2353018010	1	\$926.71	0.11%
2353018011	1	\$900.82	0.11%
2353018012	1	\$986.07	0.12%
2353018014	1	\$849.21	0.10%
2353019007	1	\$479.12	0.06%
2353019008	1	\$440.19	0.05%
2353019009	1	\$678.05	0.08%
2353019010	1	\$653.71	0.08%
2353019011	1	\$574.86	0.07%
2353019012	1	\$552.54	0.06%
2353019013	1	\$472.81	0.06%
2353019014	1	\$456.99	0.05%
2353019015	1	\$3,656.34	0.43%
2353019020	1	\$1,607.05	0.19%
2353020001	1	\$1,175.75	0.14%
2353020002	1	\$651.65	0.08%
2353020003	1	\$1,132.45	0.13%
2353020004	1	\$1,102.31	0.13%
2353020005	1	\$1,023.54	0.12%
2353020086	1	\$1,547.46	0.18%
2353025001	1	\$3,164.44	0.37%
2353025048	1	\$6,695.29	0.78%
Private parcels		\$577,711.79	67.60%
Publicly-owned parcels		\$276,858.21	32.40%
Total all parcels		\$854,570.00	100.00%



We're supporting thriving communities.
Finance, Budget & Audit Committee - April 17, 2024
Legistar File #2024-0183

Recommendation

AUTHORIZE the Chief Executive Officer, or their designee, to execute a Petition to Renew Los Angeles County Metropolitan Transportation Authority's ("LACMTA") participation in the North Hollywood Transit Property-Based Business Improvement District (BID) for a period of six (6) years commencing January 1, 2025, for a total estimated amount not to exceed \$1,130,228.16 over the term of the BID renewal.

North Hollywood Transit BID Map



- BID Boundary
 - Zone 1
 - Zone 2
 - Zone 3
- APN List
 1= 2350-003-902
 2= 2350-003-906

North Hollywood Transit
Business Improvement District
 2025 - 2030



Metro-owned Property within BID



BID Services Provided to Metro Properties

The fees paid by Metro to the BID will finance, in part, the annual budget for the BID which includes:

- **Clean & Safe Programs:**
 - Bicycle and foot patrol
 - Sidewalk sweeping and pressure washing
 - Graffiti and handbill removal
 - Trash removal and landscaping.
- **Communication & Marketing Programs:**
 - NoHo Card/App business attraction program
 - District banner branding program
 - Destination Marketing
 - Placemaking Activities
 - Website

Financial Impact & Next Steps

Financial Impact

PERIOD	YEAR	AMOUNT	ANNUAL INCREASE
1	2025	\$158,001.15	Base
2	2026	\$169,061.23	7%
3	2027	\$180,895.52	7%
4	2028	\$193,558.20	7%
5	2029	\$207,107.28	7%
6	2030	\$221,604.79	7%
TOTAL		\$1,130,228.16	

Upon Board approval:

Upon guidance and approval by the Board of Directors, the BID Petition to Renew will be finalized and executed by the CEO or their designee.



Board Report

File #: 2024-0028, File Type: Resolution

Agenda Number: 7.

**FINANCE, BUDGET, AND AUDIT COMMITTEE
PLANNING AND PROGRAMMING COMMITTEE
APRIL 17, 2024**

SUBJECT: CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVE the Resolution in Attachment A that:

- A. AUTHORIZES the Chief Executive Officer (CEO) or their designee to claim a total of \$54,230,499 in California Cap-and-Trade proceeds accumulated in State Fiscal Year (FY) 2023-24 disbursed through LCTOP and to use \$50,941,838 for one year of E Line operations, as enhanced by the opening of Regional Connector, and \$3,288,661 for the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley (NSFV) Transit Corridor;
- B. CERTIFIES that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. AUTHORIZES the CEO or their designee to execute all required documents and any amendments with the California Department of Transportation (Caltrans).

ISSUE

The Low Carbon Transit Operations Program (LCTOP), a California Cap-and-Trade program established in 2014, provides operating and capital assistance funds to public transportation agencies to reduce greenhouse gas emissions and improve mobility, prioritizing projects serving disadvantaged communities, which are similar to Metro’s Equity Focus Communities (EFC). The State issued the FY 2023-24 LCTOP Guidelines in February 2024 and requires agencies to claim these formula grant funds by April 26, 2024. A complete grant package includes an adopted Board resolution that provides recipient project information and certifies that Metro will comply with all LCTOP conditions and requirements. Therefore, staff seeks Board approval of the Resolution contained in Attachment A.

BACKGROUND

The LCTOP, created by California Senate Bill 862 (2014), provides proceeds from California’s Cap-

and-Trade Program to support transit agency investment in various projects intended to reduce greenhouse gas emissions further. Each year, the State makes LCTOP formula grant funds available through a process administered by the California Department of Transportation in coordination with the California Air Resources Board (CARB) and the State Controller's Office (SCO).

On March 1, 2024, the State notified eligible agencies of their FY 2023-24 fund allocation amounts, including \$49,978,425 apportioned to Metro. In addition, 15 Los Angeles County municipal operators requested to transfer to Metro \$4,252,074 of their FY 2023-24 LCTOP fund allocations in exchange for more flexible local funds.

DISCUSSION

To claim the total \$54,230,499 grant award, Metro must submit a request describing the proposed transit expenditures to be funded using the LCTOP funds. The complete allocation request package must include a Board resolution that: 1) authorizes the CEO or their designee to claim \$54.2 million in FY 2023-24 LCTOP funds; 2) identifies the project(s) to be funded with the LCTOP funds; 3) accepts the transfer of FY 2023-24 LCTOP funds to Metro by the 15 municipal operators; and 4) authorizes the CEO or their designee to execute and amend all required LCTOP documents with Caltrans including the certifications and assurances and authorized agent forms. Staff proposes to align a portion of the FY 2023-24 LCTOP funds with the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley Transit Corridor, consistent with the Metro Board and State approvals for use of FY 2022-23 LCTOP allocations, and the remainder to the operation of the E Line.

LCTOP Program Funding

In FY 2023-24, \$206.2 million was allocated to LCTOP statewide.

Transit agencies receiving funds from the LCTOP must submit proposals listing projects that meet any of the following criteria:

- Expenditures that directly enhance or expand transit service by supporting new or expanded bus or rail services, new or expanded waterborne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities;
- Operational expenditures that increase transit mode share; and
- Expenditures related to the purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure to operate and support these zero-emission buses.

Additional Project Eligibility Criteria

For project leads in a Metropolitan Planning Organization area, projects must also be consistent with the Sustainable Communities Strategy. Additionally, capital projects must have a useful life not less than that typically required for capital assets pursuant to State General Obligation Law, with buses or rail rolling stock considered to have a useful life of two or more years. The LCTOP specifically

requires documentation that each proposed project will achieve a reduction in greenhouse gas emissions and improve mobility.

Metro-Specific Considerations in Selecting LCTOP Projects

Staff considered various factors in the analysis that resulted in the recommendation to align FY 2023-24 LCTOP funding with Metro's E Line operations and the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley. Staff analyzed potentially viable grant uses collected during prior years' LCTOP efforts and current year information requests from Metro's Senior Leadership Team. Staff analysis included evaluating potential LCTOP recipient projects against alignment with Metro's Strategic Vision, project and program costs, funding availability, feedback collected via community engagement, and the extent to which allocating to a project improves the balance between Metro's financial commitments and funding availability. Staff recommends the Metro E Line operations and the Division 8 Charging Infrastructure and NSFV En Route Charging because they align with Metro priorities and LCTOP eligibility requirements.

Metro's Regional Connector Transit Project, which opened to the public on June 16, 2023, created 1.9 miles of new track and three new underground stations, enabling light rail travel between Union Station and the busy 7th Street/Metro Center Station in Downtown's Financial District. The project's completion also allowed Metro to merge the L (Gold) line with the A (Blue) and E (Expo) lines, creating two train lines where there were once three. This new/expanded and enhanced rail service, which provides smoother, faster, transfer-free rides between Azusa and Long Beach, and East LA and Santa Monica, has helped increase rail ridership. Like other Metro construction projects, the Regional Connector line was designed and built with significant community input. This project also benefited from Metro's Board-approved small business mitigation programs, the Business Interruption Fund and Eat Shop Play, which helped support small businesses during construction in the areas along with this project. The Business Interruption Fund supported businesses around the Little Tokyo/Arts District and History Broadway stations- \$3.3 million was awarded to 56 small "mom and pop" shops and the Eat Shop Play program provided free marketing assistance to 102 businesses along the Regional Connector line. The opening of the Regional Connector Transit Project, creating the new E Line connecting Santa Monica to East LA, aligns well with LCTOP eligibility requirements.

The Division 8 charging infrastructure and en-route charging supports Metro's NSFV Bus Rapid Transit (BRT) Improvements Project, which includes new zero-emission buses and will enable the charging of electric buses that aim to reduce noise and greenhouse gas emissions, provide better performance, and a quieter ride. Numerous community meetings and outreach were completed for the North San Fernando Valley BRT Improvements Project, where Metro staff collected feedback to incorporate into the project design. Outreach included engagement with transit-dependent riders in low-income communities along the project corridor. Additionally, staff received positive comments during the extensive NextGen Bus Plan process in support of frequent, reliable service and zero-emission buses for a smoother ride. Staff recommends a portion of the FY 2023-24 LCTOP allocation be directed to the Division 8 Charging Infrastructure and En Route Charging for NSFV Transit Corridor to continue the strategy of aligning LCTOP funding with zero-emission bus and charging infrastructure approved by Metro Board in prior years (Board Reports 2023-0029 and 2020-0112). The project was funded by FY 2022-23 LCTOP funds for \$52,157,339, with a planned additional

allocation amount of \$3,288,661.

DETERMINATION OF SAFETY IMPACT

The requested actions will not impact the safety of Metro customers or employees.

FINANCIAL IMPACT

Adopting LCTOP resolution and authorizing the CEO to execute the required documents to claim LCTOP funds would positively impact the agency's budget by making \$54.2 million available to Metro for rail operations and charging infrastructure.

During a February 28, 2024, meeting, Planning staff confirmed with the State that the proposed use of the new E Line's operations satisfies the LCTOP requirement regarding funds being used for new, expanded, or enhanced service. The State has supported and approved LCTOP use on new or expanded rail operations and charging infrastructure in past years.

Impact to Budget

LCTOP funds are eligible for bus and rail operations.

EQUITY PLATFORM

Senate Bill 535 (de Leon, 2012) and Assembly Bill 1550 (Gomez, 2016) established criteria for meeting the LCTOP requirement to prioritize serving disadvantaged and low-income communities. The California Environmental Protection Agency (CalEPA) provides tools, such as CalEnviroScreen, for identifying Disadvantaged Communities (DACs) based on geographic, socioeconomic, public health, and environmental hazard criteria. As the lead agency, Metro must select and document information to show that a proposed project meets all DAC and other priority population requirements.

The Metro E Line is located in or adjacent to neighborhoods designated as disadvantaged and/or low-income communities per SB 535 and AB 1550. Most of the E Line is also within Metro's Equity Focus Communities boundaries. Census tracts along the E Line's EFC boundaries have an average of 26 percent of zero-vehicle households and an average of 64 percent of low-income households. The proposed LCTOP grant funding will help Metro fund the operations of the E Line, which will benefit the impacted communities by providing direct, safe, and reliable transit service to major centers in East Los Angeles, Downtown Los Angeles, and West Los Angeles for work, schools, and other activities.

Through the opening of the Regional Connector, 1.9 miles of new track and three new stations in Downtown Los Angeles allowed Metro to merge the former L Line with the new and enhanced A and E Lines. Community engagement for the Regional Connector included in-person and virtual Community Leadership Council meetings. Outreach completed during the draft Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) provided the public with opportunities to comment during scoping meetings. These meetings were advertised in multi-lingual publications and

press releases, and multi-lingual notices were placed on Metro buses and trains. Part of the community outreach efforts during the EIS/EIR phase was the formation of the Little Tokyo Working Group (LTWG) in response to concerns by stakeholders on potential impacts on the community. Metro worked collaboratively with the LTWG to identify concerns and propose mitigation measures to address the potential effects of the Regional Connector. The E Line also connects to the K Line, providing more access and transit options to the Los Angeles International Airport (LAX).

The LCTOP would also fund equipment and charging infrastructure at Division 8 that will enable a reduction in greenhouse gas emissions for bus lines that serve DACs, low-income communities, and EFCs in the North San Fernando Valley. The NSFV BRT Improvements Project is a proposed new 18-mile BRT line that would enhance existing bus service and increase transit system connectivity. The project will allow for transit service improvements to benefit Black, Indigenous, and People of Color (BIPOC), low-income, and communities that rely on transit across the project area in the North Valley. The project will also improve service for California State University, Northridge students, where 75 percent identify as BIPOC. Overall, benefits include more frequent and reliable bus service, improved connections to the regional transit network, better access to destinations across the region, more transit options to meet growing demand, enhanced bus stops, and other service improvements.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #1 to provide high-quality mobility options that enable people to spend less time traveling, and goal #3, enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk the loss of \$54,230,499 in State FY 2023-24 LCTOP funding - \$49.9 million allocated directly and \$4.2 million in funds transferred by 15 municipal operators to Metro.

NEXT STEPS

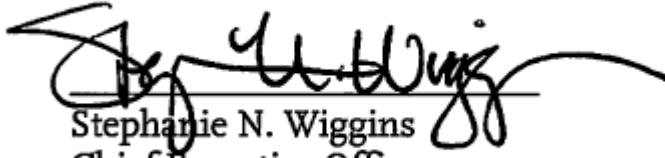
- April 26, 2024: Metro submits LCTOP allocation request to Caltrans.
- June 2024: Caltrans and CARB approve the List of Projects and submit it to SCO.
- July 2024: SCO releases approved project list.

ATTACHMENTS

Attachment A - Board Resolution to Execute LCTOP Project

Prepared by: Wendy San, Senior Transportation Planner, (213) 547-4321
Nathan Maddox, Senior Manager, (213) 547-3327
Jeremy Borrego, Deputy Executive Officer, (213) 922-2240
Shawn Atlow, Executive Officer, (213) 418-3327

Reviewed by: Laurie Lombardi, Senior Executive Officer, (213) 418-3251
Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority

Board Resolution

Authorization for the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program (LCTOP) for the Following Projects:

Metro E Line Operations - \$50,941,838

Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley Transit Corridor - \$3,288,661

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, 15 Los Angeles County LCTOP recipients (Contributing Sponsors) have submitted "Letters of Intent" to transfer \$4,252,074 in PUC 99314 FY2023-24 LCTOP funds to Metro for Metro's FY 2023-24 LCTOP E-Line Operations Project; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, Metro wishes to delegate authorization to execute these documents and any amendments thereto to the Chief Executive Officer (CEO), or their designee; and

WHEREAS, Metro wishes to implement the following LCTOP projects also listed above;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.



NOW THEREFORE, BE IT FURTHER RESOLVED that the CEO or their designee is authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Los Angeles County Metropolitan Transportation Authority that it hereby authorizes the submittal of the following project nominations and allocation request to the Department in FY 2023-24 LCTOP funds:

Project Name: Metro E Line Operations

LCTOP Funds Requested: \$50,941,838 comprised of Metro's allocation of \$46,689,764 and PUC 99314 allocations transferred to Metro from 15 Los Angeles County LCTOP Contributing Sponsors totaling \$4,252,074 for Metro's FY 2023-24 LCTOP Project.

Description: One-year operations of Metro's E Line light rail service.

Benefit to Priority Populations: The project improves connectivity and provides transfer-free rides within neighborhoods designated as DACs and/or low-income communities per AB 1550 criteria.

Contributing Sponsors: Antelope Valley Transit Authority, City of Arcadia, City of Burbank, City of Claremont, City of Commerce, City of Culver City, City of Gardena, City of Glendale, City of La Mirada, City of Montebello, City of Norwalk, City of Redondo Beach, City of Santa Clarita, City of Santa Monica, and Long Beach Public Transportation Company.

Project Name: Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley Transit Corridor

LCTOP Funds Requested: \$3,288,661.

Description: Procurement and installation of charging infrastructure for Division 8 and en-route charging for North San Fernando Valley Transit Corridor.

Benefit to Priority Populations: The project is located in a low-income community within a ½ mile of a disadvantaged community (DAC) with bus lines that serve within areas that meet the State's definition for disadvantaged and low-income communities as defined by SB 535 (2012). Therefore, the project will enable reduction of air pollutants and toxic air contaminant emissions as defined by the State by providing greater access to the regional transit system.



CERTIFICATION

The undersigned, duly qualified and acting as the Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, April 25, 2024.

By: _____
Collette Langston, Board Clerk, Los
Angeles County Metropolitan
Transportation Authority

Dated:

(SEAL)



Los Angeles County
Metropolitan Transportation Authority

Metro



CAP-AND-TRADE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

FINANCE, BUDGET AND AUDIT COMMITTEE
PLANNING AND PROGRAMMING COMMITTEE
APRIL 17, 2024

APPROVE RECOMMENDATIONS

LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

- A. Authorizes the Chief Executive Officer (CEO) or their designee to claim a total of \$54,230,499 in Fiscal Year (FY) 2023-24 LCTOP grant funds and distribute \$50,941,838 for one year of E Line operations and \$3,288,661 for the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley (NSFV) Transit Corridor ;
- B. Certifies that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. Authorizes the CEO or their designee to execute all required documents and any amendments with the California Department of Transportation (Caltrans).



LCTOP ELIGIBILITY REQUIREMENTS

- > LCTOP was created in 2014 to fund operating and capital projects for transit agencies to reduce greenhouse gas emissions and improve mobility with a priority on serving disadvantaged communities.
- > Eligible projects:
 - New or expanded bus, rail, water-borne transit, or expanded intermodal transit facilities, and may include equipment acquisition, fueling, and maintenance, and other costs to operate those services or facilities;
 - Operational expenditures that increase transit mode share; and
 - Purchase of zero-emission buses, including electric buses, and the installation of the necessary equipment and infrastructure.



PRIOR LCTOP-FUNDED PROJECTS

- > Gold Line Foothill Extension Phase 2A Operations
 - Awarded in 2015, 2016, 2017, 2018, and 2019
- > Expo Phase 2 Operations
 - Awarded in 2016, 2017, 2018, and 2019
- > Division 9 Electric Bus Charging Infrastructure
 - Awarded in 2020
- > Crenshaw/LAX Transit Corridor Operations and/or Fareless Initiative Pilot
 - Awarded in 2021 and 2022
- > Division 8 Charging Infrastructure and En-Route Charging for North San Fernando Valley Transit Corridor
 - Awarded in 2023



SELECTION CRITERIA

> **Equity Platform**

- The E Line is located within Metro's Equity Focus Communities boundaries and would provide transfer-free rides between East Los Angeles and Santa Monica.
- Charging infrastructure at Division 8 will enable a reduction in greenhouse gas emissions for bus lines that service Disadvantaged Communities (DACs), low-income communities, and Equity Focus Communities in the North San Fernando Valley (NSFV).

> **Community Outreach**

- Extensive outreach conducted for Regional Connector and North San Fernando Valley Transit Corridor, including:
 - Community Leadership Council Meetings
 - Business Interruption Fund
 - Eat Shop Play
 - NextGen Bus Plan



APPROVE RECOMMENDATIONS

LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

- A. Authorizes the Chief Executive Officer (CEO) or their designee to claim a total of \$54,230,499 in Fiscal Year (FY) 2023-24 LCTOP grant funds and distribute \$50,941,838 for one year of E Line operations and \$3,288,661 for the Division 8 Charging Infrastructure and En Route Charging for North San Fernando Valley (NSFV) Transit Corridor ;
- B. Certifies that Metro will comply with LCTOP certification and assurances and the authorized agent requirements; and
- C. Authorizes the CEO or their designee to execute all required documents and any amendments with the California Department of Transportation (Caltrans).





Board Report

File #: 2024-0159, File Type: Informational Report

Agenda Number: 8.

FINANCE, BUDGET, AND AUDIT COMMITTEE APRIL 17, 2024

SUBJECT: FISCAL YEAR 2025 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE on Fiscal Year 2025 Budget Development Status Update.

ISSUE

This report continues a series of monthly updates on the FY25 Budget development process, culminating in a planned May 2024 Board Adoption. The report focuses on the key areas of Metro's Transit Operations and Maintenance (O&M) Program and Transit Capital Improvement Projects (CIP) to maintain transit infrastructure in a state of good repair. These two programs combined make up 36% of Metro's total budget.

Additionally, an overview of Congestion Management, General Planning and Programs, and Oversight and Administration, which make up about 5% of Metro's total budget are included to complete the program budget discussions for the FY25 Budget development process. A recap of the Special Board Budget Workshop and the latest update regarding Metro's comprehensive budget outreach efforts are also included in this report.

BACKGROUND

This preliminary budget serves as the annual cash flow of expenditures and revenues required to advance Transit Operations plans, fulfill Operations and Maintenance needs, repair and upgrade Transit Infrastructure, and enhance the customer experience. While the Operations and Maintenance and Capital Improvement Project budgets reflect this annual cash flow, Capital Improvement Projects (CIP) are controlled at a Life of Project (LOP) budget level.

DISCUSSION

Metro Transit Operation and Maintenance Program Overview

To attract and retain riders, Metro’s Transit O&M program aims to provide best in class transit service by continuing NextGen service improvements, enhancing customer experience, reimagining public safety, and making transit accessible and affordable. To achieve these goals, the FY25 Preliminary O&M Budget is \$2.65 billion, an increase of 11.4% or \$272.4 million over the FY24 Budget, as shown in Figure 1 below. It includes funding to support the delivery of 8.8 million Revenue Service Hours (RSH) to operate Bus and Rail services, as well as the Metro Micro pilot program.

Figure 1:

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

Service Plan Assumptions

The Board-approved service plan is the foundation for estimating all costs required to operate the system for the coming fiscal year. The bus service plan has undergone a transformation through NextGen to create an all day, fast, frequent, and reliable bus network. In FY25, Metro plans to operate 7.16 million RSH, reflecting a 3.6% increase over the FY24 estimated actuals. Efforts will continue the expansion of more than 50 miles of new bus lanes and implementing speed and reliability improvements that reduce travel time for riders.

The FY25 rail service plan encompasses 1.40 million rail RSH for four light rail lines (A, C, E, K), and two heavy rail lines (B, D). The plan improves service frequency, particularly during off-peak hours, to adapt to current ridership patterns. The proposed rail service plan will see an increase of 198 thousand RSH or 16.4% compared to FY24 estimated actuals.

The rail service plan includes the highly anticipated addition of the LAX/Metro Transit Center (AMC) and the Aviation/Century stations along the K-Line in FY25. This will allow the K-Line extension to connect with the C Line. In addition, Around 81 thousand pre-revenue service hours for testing are also planned for the Purple Line Extension Phase 1 (PLE1) and A-Line (Foothill) Pomona extension. Specific resource requirements to operate both the new K-Line AMC station and Emergency Operations Center, as well as pre-revenue for both the PLE1 and Foothill Pomona Extension, will be brought to the Board for separate approval and a budget amendment.

Metro Micro

Metro Micro’s preliminary budget increases by 4.4% or \$41.9 million and includes staffing and contracted expenses to operate 271.4 thousand RSH. See Attachment A for additional Bus, Rail, and Metro Micro budget details.

Increased Budget Resource Allocation for Enhanced Customer Experience

Station Experience

The pilot station intervention strategies at Westlake/MacArthur Park Station were extremely effective, resulting in a reduction in crime and loitering at the station. The CEO established a “Station Experience” unit to expand these strategies and elevate public safety, cleanliness, operations, and customer experience throughout all Metro stations and transit centers. Stations are being evaluated to determine the types of strategies to be implemented.

The FY25 Preliminary Budget expands the station experience activities to include more stations for a total budget of \$9.9 million. 10 new FTE’s will be added and \$7.5 million is allocated in the CIP program to address these efforts, as shown in Figure 2 below.

Cleaning

The FY25 Preliminary Budget includes \$255.4 million for comprehensive cleaning activities, reflecting a 14.4% increase or \$32.2 million over FY24. This includes the addition of 165 new staff to be deployed directly to clean and upkeep bus and rail vehicles, stations, stops and facilities. The Room-to-Work program, established to provide career opportunities to unhoused riders, will continue to provide part-time custodial cleaning positions at rail stations. Figure 2 summarizes the increases in FTE and budget request from FY24 to FY25.

Figure 2:

(\$ in Millions) Area	FY24	FY25	% Change		FY24	FY25	% Change	
	FTE	FTE	Change	Change	Budget	Preliminary	Change	Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%
Facilities	108	108	0	0.0%	30.5	29.9	(0.5)	-1.7%
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%
Stops	23	23	0	0.0%	4.3	4.3	0.03	0.8%
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%
Cleaning & Station Experience Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%

Note: Totals may not add up due to rounding

See Attachment B for more details on cleaning and station experience efforts.

Public Safety

One of the top priorities for Metro and our riders is safety. Metro’s Reimagining Public Safety Framework outlines a multi-layered approach to enhance public safety on the system. This multi-layered approach includes private and Metro transit security officers (TSO). Fifty-three additional Metro TSOs are included in FY25 Preliminary Budget to ensure weekend and late-night coverage on

Metro systems. The other requests allow more dedicated bus-riding teams, transit ambassadors, and Community Intervention Specialists (CIS). As a cornerstone of the interconnected multi-layered public safety strategies, the Homeless and Mental Health Outreach budget request ensures that appropriate personnel are deployed to address specific safety and law enforcement issues. The FY25 Preliminary Budget for Public Safety includes \$354.1 million, a 9.9% increase from the FY24 Budget, shown in Figure 3 below.

Figure 3:

	Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1	Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2	Homeless/Mental Health Outreach	25.2	25.2	(0.1)	-0.2%
3	Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4	Private Security	43.5	43.6	0.1	0.3%
5	Law Enforcement	175.8	194.1	18.3	9.4%
6	Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

Metro Transit Capital Improvement Program (CIP) Budget

The CIP program goal is to methodically renew and improve Metro Transit Systems while maximizing scarce bus and rail capital resources. The CIP budget focuses on maintaining, upgrading, and modernizing assets and infrastructure to provide high quality and reliable transit services. Capital asset improvements within this budget include the implementation of new technologies, rolling stock purchases, rolling stock modernization, station improvements, and other components.

The FY25 CIP program preliminary budget requests \$530.6 million to maintain Metro's bus, rail, regional, and critical information systems needed to manage and monitor system-wide performance. The budget reflects the necessary cash flow to complete FY25 milestones and deliverables. A profile of the CIP program is shown in figure 4 below.

Figure 4:

Capital Category (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 70.1	\$ 48.3	\$ (21.8)	-31.1%	9.1%
2 Fleet Maintenance	44.1	48.6	4.5	10.1%	9.2%
3 Facilities Improvements	21.0	44.8	23.8	113.0%	8.4%
4 Bus Subtotal	\$ 135.2	\$ 141.7	\$ 6.4	4.8%	26.7%
5 Fleet Procurement	\$ 32.8	\$ 59.8	\$ 27.1	82.5%	11.3%
6 Fleet Maintenance	136.2	94.0	(42.2)	-31.0%	17.7%
7 Facilities Improvements	8.7	8.8	0.0	0.5%	1.7%
8 Wayside Systems	52.3	63.2	10.9	20.8%	11.9%
9 Rail Subtotal	\$ 230.0	\$ 225.7	\$ (4.2)	-1.8%	42.5%
10 Regional and Hubs	\$ 34.0	\$ 42.3	\$ 8.3	24.3%	8.0%
11 Technology	66.0	72.1	6.1	9.2%	13.6%
12 Non MR/MM Major Construction	61.5	39.9	(21.6)	-35.1%	7.5%
13 Non-Revenue Vehicles	12.7	9.0	(3.7)	-29.3%	1.7%
14 Other Asset Improvements Subtotal	\$ 174.2	\$ 163.2	\$ (10.9)	-6.3%	30.8%
15 Total Proposed CIP Budget	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%

Note: Totals may not add up due to rounding.

Metro will continue working toward achieving a zero-emission bus (ZEB) fleet in the coming years. This effort will require a \$3.5 billion to \$4.0 billion investment in buses and charging infrastructure. Although there is a decrease in bus acquisition expenditures this year, new zero emission bus acquisitions are in the pipeline and will increase as available technology and manufacturing capacity permit. A majority of the Bus Fleet Procurement, line 1 in figure 4, and Facilities Improvements, line 3 in figure 4, are dedicated to ZEB. See Attachment C for additional CIP budget details.

Total Bus Investment

Metro prioritizes bus investment beyond Transit O&M program and service level. A comprehensive Total Bus Investment includes not only the cost of the operations, maintenance, but also NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY25 Preliminary Budget requests \$2.2 billion in total bus investments as shown in Figure 5.

Figure 5:

Bus Investments (\$ in Millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus Operations & Maintenance	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	78.6%
2 Bus NextGen	49.6	44.6	(5.0)	-10.1%	2.0%
3 Bus Capital Improvements	140.4	159.6	19.2	13.7%	7.1%
4 Bus Transit Construction & Planning	151.6	246.8	95.2	62.8%	11.1%
5 LIFE Program/Bus	25.4	27.1	1.7	6.7%	1.2%
6 Total of Bus Investments	\$ 1,900.0	\$ 2,232.8	\$ 332.9	17.5%	100.0%

Note: Totals may not add up because of rounding.

See Attachment D for additional Bus Investment details.

General Planning & Programming, Congestion Management, and Oversight and Administration

Figure 6:

Expenditures by Program Type (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	General Planning & Programs	237.4	228.8	(8.6)	-3.6%	2.7%
2	Congestion Management	130.7	124.4	(6.3)	-4.8%	1.5%
3	Oversight & Administration	84.3	90.2	5.9	7.0%	1.1%
4	Total	\$ 452.4	\$ 443.5	\$ (9.0)	-2.0%	5.2%

General Planning & Programming

The FY25 Preliminary Budget for General Planning & Programming (GPP) totals \$228.8 million, a decrease of 3.6% or \$8.6 million from FY24. This program encompasses a wide range of activities supporting the agency’s goal of delivering improved mobility and sustainability. Changes in the GPP budget reflect right-sizing resource requests based on the current burn rate and project status. These activities include long-range and systemwide financial planning, grants management, new and enhanced transit infrastructure planning, Metro’s bike program, unsolicited proposals/public private partnerships (P3), sustainability, joint development efforts and Union Station upgrades.

Congestion Management

The FY25 Preliminary Budget for Congestion Management totals \$124.4 million, a decrease of 4.8% or \$6.3 million from FY24. The program consists of four major groups: ExpressLanes, Freeway Service Patrol (FSP), Motorist Services, and Rideshare Services. The expenditure decrease in FY25 is mainly due to the completion of the Transponder Replacement Project in FY24.

Oversight and Administration

The FY25 Preliminary Budget for Oversight and Administration totals \$90.2 million, a 7.0% increase or \$5.9 million increase from FY24. This program enhances customer experience through public safety, such as the mystery rider program to support fair and equitable fare compliance, ADA accessibility, and riders with limited English proficiency. Metro is also creating a digital roadmap to enhance the customer experience with new technology platforms.

Special Board Budget Workshop

On Friday, March 29, 2024, a Special Board Budget Workshop was held at Los Angeles County Arboretum in the Ayres Hall. The workshop provided the Board with in-depth information leading to the forecasted financial outlook. The workshop afforded the Board an opportunity to take a holistic and comprehensive approach to review the economic context in Los Angeles County and its impact on Metro’s operating program delivery resulting in a projected near-term operational deficit.

Setting the tone with the recent Los Angeles County travel trends, economic challenges, and Metro’s path to restore, expand, and enhance transit services, the workshop linked specific causes of cost increases and revenue-generating opportunities to four policy focus areas that impact the operating financial outlook:

1. Environmental Sustainability
2. Universal Basic Mobility
3. Putting People First
4. Revenue Stream and Strategies

Each focus area provided the Board with nationwide statistics and actual financial data for a broader spectrum of Board member discussions facilitated by McKinsey Consulting. The Board was able to identify other areas for Metro staff to explore and request additional information to help prioritize policy decisions.

Early & Expanded Public Engagement Update

Metro is committed to reflecting the perspectives of its diverse community in the annual budget. Public engagement began proactively in the Fall of 2023 and consistently throughout the process. Metro believes that the most powerful tool is the voice of its riders, stakeholders, and the public. The FY25 My Metro Budget activity has received over 4,250 responses, tripling last year's input.

Two CEO Telephone Town Hall (TTH) events are scheduled this budget season. The first TTH was held in October 2023, and attendees had the opportunity to share their concerns and suggestions, which were documented and considered during the FY25 Budget development. The next TTH is scheduled for April 16, 2024. Senior Metro Leadership will share updates on FY25 initiatives and address key public concerns.

In April and May, Metro staff will continue engaging stakeholders through extended outreach meetings to gather additional feedback and insight. See further details on the Outreach and Engagement efforts in Attachment E.

DETERMINATION OF SAFETY IMPACT

This recommendation will not have an impact on safety standards at Metro.

EQUITY PLATFORM

Metro's Transit Program focuses on Bus and Rail service, customer experience initiatives, and public safety enhancements. Customer engagement efforts to develop the budget were inclusive, with marketing to reach residents in Equity Focus Communities (EFCs) and other diverse riders. This portion of the budget considers the comments received from riders about safety, cleanliness, frequency, and reliability. The proposed FY25 service plan and budget emphasizes putting people first- riders, stakeholders, and employees while providing equitable, sustainable, economically productive, safe, and accessible service.

This budget works to expand and enhance the system by implementing service that meets customer demand. It also funds ADA accessible and expansive services, like Metro Micro to better serve all communities' unique transit needs. Additionally, the budget considers Metro's Reimagining Public Safety campaign for homeless and mental health outreach, as well as safety and security with the expansion of Transit Ambassadors and Metro Transit Security.

Metro engaged riders, stakeholders, and the broader public early in the budget process, starting with public meetings, Telephone Town Halls, and the My Metro Budget engagement tool. The Telephone Town Hall meetings dialed out to 100% of EFCs. The My Metro Budget tool is available in Spanish and English to engage and educate the public. These tools are available at all times. An additional

Telephone Town Hall meeting will be held on April 16th, and the results will be analyzed by staff to develop strategies for continued improvement of Metro Transit programs and initiatives.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:

Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

NEXT STEPS

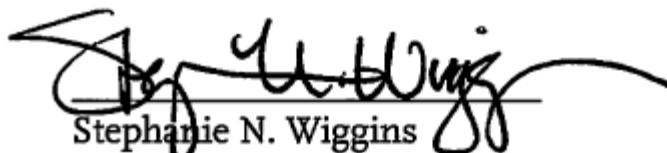
Staff continues to review and refine the FY25 Preliminary Budget as it advances through the process, being mindful of the promise embodied in the Service Plan and Capital Improvement Plan, as well as planned Agency-wide initiatives. The FY25 Proposed Budget will be published on April 30, 2024. A public hearing will be held on May 15, 2024, for the Board's consideration to adopt the Proposed FY25 Budget on May 23, 2024.

ATTACHMENTS

- Attachment A - Metro Transit O&M - (Budget and Service Plan)
- Attachment B - Station Experience and Cleaning Initiatives
- Attachment C - Metro Transit Capital Improvement Projects Details
- Attachment D - Total Bus Investments
- Attachment E - Early, Improved & Expanded Public Engagement Update

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Attachment A: Metro Transit O&M - (Budget and Service Plan)

Metro Transit: Operations & Maintenance Program Budget

The FY25 Preliminary Budget for Metro Transit program for bus, rail and Metro Micro is \$2.65 billion, an increase of 11.4% or \$272.4 million over FY24 Budget. The budget includes funds to support delivery of 8.8 million RSH to operate these services.

Operations & Maintenance (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2	Rail	806.2	855.0	48.8	6.1%	32.2%
3	Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4	Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5	Cost per RSH					
6	Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7	Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8	Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up because of rounding.

Wage increases for AFSCME, ATU, TCU and Teamsters are not included in the FY25 Preliminary Budget numbers pending the conclusion of Collective Bargaining Agreement negotiations.

Metro Transit Bus Budget

Bus Operations & Maintenance (\$ in Millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1	Labor	\$ 973.0	\$ 1,062.1	\$ 89.0	9.1%	60.5%
2	Workers Compensation	76.9	85.2	8.4	10.9%	4.9%
3	Parts & Supplies	78.5	95.9	17.4	22.1%	5.5%
4	Fuel/CNG	44.4	49.6	5.2	11.8%	2.8%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	66.0	78.0	12.0	18.2%	4.4%
7	Homeless Outreach	7.8	7.8	(0.0)	-0.2%	0.4%
8	Transit Ambassadors	4.0	4.0	-	0.0%	0.2%
9	Other Contract/Pro Svcs	113.3	137.3	24.0	21.2%	7.8%
10	Contract / Professional Services Total	191.1	227.2	36.0	18.8%	12.9%
11	Purchased Transportation	72.0	74.2	2.3	3.2%	4.2%
12	Insurance	23.5	25.2	1.8	7.5%	1.4%
13	Taxes	6.2	7.4	1.2	20.0%	0.4%
14	Other Operating Expenses	38.7	44.3	5.7	14.7%	2.5%
15	Bus Total	\$ 1,504.2	\$ 1,671.2	\$ 166.9	11.1%	95.2%
16	FTA Cost Allocations	28.8	83.6	54.8	190.4%	4.8%
17	Grand Total	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	100.0%
18	Bus Cost per RSH	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes increased Operator staffing to run the service and additional staffing to support cleaning and other initiatives. This results in a total labor expenditure increase of 9.1%, or \$89.0 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Fuel Expenditures

The preliminary budget includes an additional \$8.4 million for Workers Compensation insurance, a 10.9% increase over FY24 Budget. There is a 22.1% increase in Parts and Supplies and an 11.8% surge in CNG fuel expenditures, attributed primarily to increases in preventive maintenance schedules and rising costs in the CNG fuel market due to inventory availability, transportation costs, and heightened service demands.

Contracts/Professional Service Expenditures

The preliminary budget designates \$227.2 million for Service Contracts to facilitate the delivery of 7.16 million RSH, alongside increased funding for security contracts amounting to \$78 million, the Transit Ambassador program, and Homeless Outreach efforts. This represents a notable increase of \$36 million or 18.8% over the FY24 Budget. Expenditures also include maintenance increases for bus divisions and facilities \$15.2 million, and cleaning \$112 million.

Other Operating Expenses includes utilities, \$18.7 million, Building & Grounds, \$6.6 million and Subsidies, \$5.8 million.

Metro Transit Rail Budget

In FY25, the Metro Rail program will undergo notable improvements in service frequency:

Light Rail:

- A Line (Long Beach – Azusa) & E Line (Santa Monica – East LA):
 - Full year of the improved frequencies (8-min peak /10-minute off peak / weekends) implemented in December 2023
- C Line (Norwalk – Redondo Beach) and K Line (Expo/Crenshaw – Westchester/Veterans):
 - Continue 10-minute daytime all week frequency implemented in December 2023 until end of 2024.
 - At the end of 2024, launch new operating plan C Line (Norwalk – LAX), K Line (Expo/Crenshaw – Redondo Beach) with improved weekday peak frequency of 8 minute.

Heavy Rail:

- B, D Lines (Union Station – North Hollywood & Wilshire/Western):
 - Implement 10-minute daytime all week frequency (increased from current 12- minute service implemented September 2023) as soon as new rail car fleet becomes available, expected end of 2024.

Additionally, there will be an increase in non-labor Expenditures for the two new stations along the K-Line: the new LAX/Metro Transit Center (AMC) and Aviation/Century Stations. Extra staff will be allocated to enhance cleanliness and safety measures as part of our Customer Experience initiatives. To fund these improvements, the estimated budget is \$855 million, representing a 6.1%, or \$48.8 million, increase over the FY24 Budget.

Rail Operations & Maintenance		FY24	FY25	\$	%	% of
(\$ in Millions)		Budget	Preliminary	Change	Change	Total
1	Labor	\$ 388.1	\$ 416.0	\$ 27.9	7.2%	48.7%
2	Workers Compensation	17.8	18.7	0.8	4.6%	2.2%
3	Parts & Supplies	30.7	22.6	(8.2)	-26.6%	2.6%
4	Propulsion Power	47.2	45.9	(1.3)	-2.9%	5.4%
5	Contract / Professional Services					
6	Security and Law Enforcement Contract	156.9	162.4	5.5	3.5%	19.0%
7	Homeless Outreach	17.4	17.4	(0.0)	-0.2%	2.0%
8	Transit Ambassadors	16.0	16.0	-	0.0%	1.9%
9	Other Contract/Pro Svcs	49.1	56.3	7.2	14.7%	6.6%
10	Contract / Professional Services Total	239.4	252.1	12.6	5.3%	29.5%
11	Insurance	10.8	12.8	2.0	18.8%	1.5%
12	Taxes	1.8	1.9	0.1	5.2%	0.2%
13	Other Operating Expenses	38.5	33.8	(4.7)	-12.2%	3.9%
14	Rail Total	\$ 774.4	\$ 803.7	\$ 29.3	3.8%	94.0%
15	FTA Cost Allocations	31.9	51.4	19.5	61.2%	6.0%
16	Grand Total	\$ 806.2	\$ 855.0	\$ 48.8	6.1%	100.0%
17	Rail Cost per RSH	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	

Note: Totals may not add up because of rounding.

Labor Expenditures

The budget includes additional custodial staffing deployment to extend the current car cleaning regiment. The Room-to-Work program will continue into FY25, providing part-time custodial cleaning positions to unhoused individuals to clean facilities and vehicles. Additional TSOs are included to enhance customer safety and security. Funds are also allocated to support additional staffing for preventive maintenance work efforts. The labor cost increase to support these services amounts to 7.2%, or \$27.9 million, over the FY24 Budget.

Workers Compensation, Parts & Supplies and Propulsion Power Expenditures

To maintain the new and existing fleets in optimal working condition, funds are allocated in Parts and Supplies for cleaning, corrective, and preventive maintenance. This budget amounts to \$22.6 million, reflecting a decrease of 26.6%, or \$8.2 million, from the FY24 Budget. This is attributed to cost-saving measures. Propulsion power expenditures are also decreasing by \$1.3 million based on current burn rates. The preliminary budget

also includes an additional \$0.8 million for Workers Compensation insurance, a 4.6% increase over FY24 Budget.

Contracts/Professional Service Expenditures

The preliminary budget for Service Contracts is set at \$252.1 million, encompassing enhanced cleaning and safety improvements for heightened security measures, the Transit Ambassador program, and homeless outreach initiatives.

Other operating costs, totaling \$33.8 million, represent a \$4.7 million, or 12.2% decrease from the FY24 Budget. These costs include utilities \$13.6 million, as well as lease and rental expenditures \$7.8 million.

Metro Micro

Metro Micro is a multi-year pilot program crafted to boost ridership by providing a ride-hail option for customers when navigating lower density areas of the region, as envisioned by NextGen. Although the pilot program is extended until September 2024, the preliminary budget allocates \$41.9 million to facilitate a full-year extension of the pilot, supporting the delivery of 271.4 thousand RSH.

Metro Micro (\$ in Millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Labor	\$ 20.2	\$ 21.3	\$ 1.2	5.7%	51.0%
2 Contract / Professional Services	15.1	15.2	0.1	0.9%	36.3%
3 Other Operating Expenses	4.8	5.3	0.5	10.1%	12.7%
4 Metro Micro Total	\$ 40.1	\$ 41.9	\$ 1.8	4.4%	100.0%
5 Metro Micro \$/RSH	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	

Note: Totals may not add up due to rounding.

Service Levels (Service Hours)

Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
1	Bus			
2	Local & Rapid	6,220,331	6,450,805	230,474
3	J Line (Silver)	122,429	126,200	3,771
4	G Line (Orange)	93,299	99,631	6,332
5	Purchased Transportation	471,431	481,076	9,645
6	Subtotal Bus	6,907,489	7,157,711	250,222
7	Rail			
8	A Line (Blue)	475,104	498,386	23,282
9	K Line (Crenshaw/LAX) / C Line (Green)	166,029	233,502	67,473
10	E Line (Expo)	289,788	294,848	5,060
11	B Line (Red) / D Line (Purple)	274,090	376,288	102,198
12	Subtotal Rail	1,205,011	1,403,023	198,012
13	Metro Micro	272,239	271,440	(799)
14	Total Revenue Service Hours	8,384,739	8,832,174	447,435

Pre - Revenue Service Hours

		FY24	FY25	
Mode		Actual	Preliminary	Change
		(Year End Estimate)		
15	K Line (Crenshaw/LAX)	1,925	8,629	6,704
16	Purple Line Extension (Phase 1)	7,665	32,019	24,354
17	A Line to Pomona Extension	-	49,252	49,252
18	Total Pre-Revenue Service Hours	9,590	89,900	80,310
19	Total Service Hours	8,394,329	8,922,074	527,745

Attachment B: Station Experience and Cleaning Initiatives

The FY25 Preliminary Budget includes \$255.4 million for comprehensive cleaning and Station Experience initiatives, reflecting a 14.4% increase or \$32.2 million over FY24.

(\$ in Millions) Area	FY24 FTE	FY25 FTE	Change	% Change	FY24 Budget	FY25 Preliminary	Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%
Facilities	108	108	0	0.0%	30.5	29.9	(0.5)	-1.7%
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%
Stops	23	23	0	0.0%	4.3	4.3	0.03	0.8%
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%
Cleaning & Station Experience Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%

Note: Totals may not add up due to rounding.

Bus Cleaning

The FY25 Proposed Budget outlines a comprehensive plan for daily bus cleaning across four terminals, operating seven days a week. The terminals slated for cleaning include Terminal 17 (Maple Lot), Terminal 19 (El Monte), Terminal 26 (Washington/Fairfax), and Terminal 28 (18th St).

End of Line Rail Car Cleaning

The current coverage, a single shift over 5 days, will be expanded to include 7-day coverage at 9 terminuses. This expansion ensures thorough cleaning of rail cars during revenue service and at rail yards. Advanced deep-cleaning protocols will be used to elevate cleaning standards.

Transit Centers and Rail Station Cleaning

This expansion is aimed at optimizing maintenance campaigns and promptly addressing issues. An initiative seeking to enrich the overall customer experience by fostering a pleasant and secure environment for passengers while ensuring streamlined operations, Metro will also proceed with Phase 3 of the Hot Spot cleaning initiative, which involves deploying extra custodial staff alongside supervisors to 17 stations. The stations slated for this enhancement include Compton, Downtown Long Beach, Firestone, Slauson, Norwalk, Harbor Freeway, Sierra Madre Villa, Lake, Soto, Allen, Mariachi, Downtown Santa Monica, Harbor Gateway Transit Center (J/Silver Line), PCH (J/Silver Line), 37th St/USC (J/Silver Line), Terminal 19 (El Monte Transit Center), and Terminal 27 (LAX Transit Center).

Facilities Cleaning

One of the customers' first perceptions of the Metro system is the condition of its facilities. They must be kept clean and well maintained. Metro's facilities maintenance team and contractors perform a varied range of essential tasks, including graffiti control and abatement, pest, and bird control, weed control, power sweeping, and trash and vegetation removal. To ensure alignment with Agency goals and objectives, these

efforts are continually assessed to determine the benefits of performing them in-house (insource) or outsource to outside contractors. This decision is based on various qualitative and quantitative factors using decision support tools that ascertain the most efficient and optimal use of resources. It contributes adherence to expenditure affordability thresholds. A majority of these factors are listed in more detail below.

Qualitative Factors:	Quantitative Factors:
<ul style="list-style-type: none">• Alignment with Agency goals and objectives• Capacity and skill sets required to perform the service in-house• Frequency of service performed• Benefits of being able to control quality of work• Labor, supply chain, and other market/economic conditions• Equipment resource constraints• Contract termination considerations• Ability to create outsource to insource transition plans	<ul style="list-style-type: none">• Direct labor fixed and variable hourly rate and overhead rate impact• Management and supervisory expenditure assessment• Recruitment, and training costs for Metro staff• Capital outlays (e.g. equipment) necessary to support the activity• Contract termination/cancellation fees• Procurement expenditures for outsourced contract• DEOD compliance

Attachment C: Metro Transit Capital Improvement Projects Details

Metro Transit : Capital Improvement Program (CIP)

To provide world class bus and rail service is to keep assets and infrastructure in a state of good repair through CIP program. Projects within the CIP focus on keeping the system assets safe and reliable to ensure Board approved service levels are delivered. CIP program is designed to replace assets that have met or exceeded their useful life, or to propose additions for service expansion and enhancement.

Capital Category (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Fleet Procurement	\$ 70.1	\$ 48.3	\$ (21.8)	-31.1%	9.1%
2 Fleet Maintenance	44.1	48.6	4.5	10.1%	9.2%
3 Facilities Improvements	21.0	44.8	23.8	113.0%	8.4%
4 Bus Subtotal	\$ 135.2	\$ 141.7	\$ 6.4	4.8%	26.7%
5 Fleet Procurement	\$ 32.8	\$ 59.8	\$ 27.1	82.5%	11.3%
6 Fleet Maintenance	136.2	94.0	(42.2)	-31.0%	17.7%
7 Facilities Improvements	8.7	8.8	0.0	0.5%	1.7%
8 Wayside Systems	52.3	63.2	10.9	20.8%	11.9%
9 Rail Subtotal	\$ 230.0	\$ 225.7	\$ (4.2)	-1.8%	42.5%
10 Regional and Hubs	\$ 34.0	\$ 42.3	\$ 8.3	24.3%	8.0%
11 Technology	66.0	72.1	6.1	9.2%	13.6%
12 Non MR/MM Major Construction	61.5	39.9	(21.6)	-35.1%	7.5%
13 Non-Revenue Vehicles	12.7	9.0	(3.7)	-29.3%	1.7%
14 Other Asset Improvements Subtotal	\$ 174.2	\$ 163.2	\$ (10.9)	-6.3%	30.8%
15 Total Proposed CIP Budget	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%

Bus Program

Fleet Procurement, Fleet Maintenance, and Facilities Improvements make up \$141.7 million, 26.7% of the total CIP budget.

Bus – Fleet Procurement

Metro is continuing its pursuit of a truly sustainable bus fleet. The Board has adopted a goal of converting Metro's entire fleet of buses from Compressed Natural Gas (CNG) to Zero Emission electric Buses (ZEB). This is an ambitious goal considering Metro has the second largest bus fleet in the United States, and places high mileage and vehicle performance demand on its 2,300 buses.

Electric and ZEB technology is still in the development stage. Metro will partner with electric bus manufacturers to test, develop, and improve electric bus technology to the point of full technological maturity. The FY25 Budget represents a step towards realizing this goal. Approximately \$48.3 million, 9.1% of the CIP budget is allocated for these efforts. Although this is a decrease from the FY24 Budget, it reflects the availability of vehicles and the early stage of charging infrastructure development.

Metro anticipates completed deliveries of 100 forty-foot BEB buses and finalizing payment for prior procurements of 40' and 60' ZEB and CNG buses. Metro is investing approximately \$27.0 million into BEB charging infrastructure from the Fleet Procurement category and the Facilities Improvements category. Placement of new electric charging equipment and infrastructure will occur at stations on the J Line (Silver) alignment, as well as operating divisions.

Bus - Fleet Maintenance

Bus fleet maintenance projects represent \$48.6 million, 9.2% of the CIP budget. Bus maintenance projects include bus midlife refurbishment and integrated engine replacement. Midlife refurbishment ensures that our buses are operational for their designated useful life, which includes structural integrity checks and change-out of critical system components. The refurbishment program also consists of installation of live view security monitors, fare box upgrades, and upgraded ADA wheelchair securement equipment. All buses scheduled for midlife refurbishment are based on bus age, revenue service miles, and reliability measurements of each bus series.

Bus - Facilities Improvements

Bus facilities improvements make up \$44.8 million, 8.4% of the CIP budget. These projects include electric charging infrastructure, development of master plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade and maintain facilities. Upgrades include regulatory compliance mandates, such as replacement of underground fuel storage tanks, roofs, building ventilation, upgrade of fire alarm systems, and bus division pavement replacement. This is an increase of \$23.8 million from last year, almost entirely related to electric charging infrastructure placement.

Rail Program

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$225.7 million, 42.6% of the CIP budget.

Rail - Fleet Procurement

Light and heavy rail vehicle procurement is allocated \$59.8 million, 11.3% of the CIP budget. It is dedicated to vehicle deliveries for both rail expansion and existing vehicle replacement. Light Rail Vehicle (LRV) deliveries are in the final stage of production and delivery. Staff will focus on closing out production. A new Heavy Rail Vehicle (HRV) procurement was initiated this year that includes the purchase of 64 vehicles with delivery by mid-2025, 30 for replacement of A650 vehicles and 34 for the Purple Line Extension (PLE), Section 1. Of the 64 vehicles, 6 are anticipated to be delivered in FY24. This is a major milestone in the process of replacing the original B (Red) Line cars that began service in 1992. These new vehicles will replace the existing vehicles and will have many amenities that will enhance the transit customer experience. The intent is to procure an additional 182 vehicles for PLE Sections 2 & 3, system service expansion, and replacement of the existing 74 A650 vehicles.

Rail - Fleet Maintenance

Rail Vehicle Maintenance projects are allocated \$94.0 million, 17.7% of the CIP budget. This is a decrease of 31.0% from \$136.2 million last year predominantly due to the P2550 mid-life project nearing its completion. Vehicle subsystem overhaul will include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems,

The heavy rail vehicle midlife modernization consists of the change out of critical system components to extend the vehicle useful life on B Line (Red) vehicles. Vehicles scheduled for midlife will be sent offsite and be brought back for testing, inspection, and final acceptance to improve operational reliability.

Rail - Facilities Improvements

Rail facilities improvements projects make up \$8.8 million, 1.7% of the CIP budget. Projects are slated to maintain existing rail facilities with mandated regulatory upgrades such as station/facility fire control panel installation, platform gate replacement, various lighting retrofits, roof replacements, ventilation, HVAC system repairs, pavement replacement, elevator modernization, and art projects.

Rail - Wayside Systems

Wayside system improvements make up \$63.2 million, 11.9% of the CIP budget. Projects include the on-going replacement of the Supervisory Control and Data Acquisition (SCADA) system, as well as track system replacement, Overhead Catenary System (OCS) inspection/refurbishment, train control track circuits, tunnel corrosion mitigation, replacement of old wood track ties with composite ties, and replacement of mainline fasteners and many other maintenance projects.

Other Asset Improvements

Other Asset Improvements total \$163.2 million, 30.7% of the CIP budget. These projects are slated for regional construction improvements, replacement of maintenance vehicles/equipment, and technology upgrades. Metro will be making significant investments in track and tunnel intrusion technology, enhanced CCTV systems, and improvements to signage and wayside throughout the system, along with projects to enhance the station experience. It will also include Traction Power Substation (TPSS) improvements for operational support, and technology upgrades for agency IT infrastructure and customer support systems. A significant technology project is continuing efforts with development and integration of the Enterprise Asset Management System (EAMS). Significant investments will also be made in Transit Signal Priority (TSP) and Bus Mobile Validators (BMV) for all door boarding, as a part of NextGen. There will also be the TAP Salesforce User Interface improvements. Rail to Rail project work is nearing completion. Its FY25 Budget has led to the overall decrease in Non-MR/MM Major Construction Expenditures.

Attachment D: Total Bus Investments

Total Bus Investment in FY25 Preliminary Budget

Metro prioritizes its investments in bus services, which includes the cost of the operations, maintenance, NextGen initiatives, capital improvements, planning and construction efforts, as well as other customer experience initiatives and studies. The FY25 Budget includes \$2.2 billion in bus investments as shown in the table below.

	Bus Investments (\$ in thousands)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	Life Of Project
1	Operations & Maintenance					
2	Directly Operated Service Delivery - Labor	\$ 598,941.1	\$ 663,983.8	\$ 65,042.7	10.9%	
3	Directly Operated Service Delivery - Parts, Supplies, CNG, & Fuel	426,720.9	528,803.6	102,082.7	23.9%	
4	Cleanliness	107,918.4	112,048.5	4,130.2	3.8%	
5	Public Safety					
6	Security (LE/Private/Metro)	\$ 95,269.5	\$ 112,812.8	\$ 17,543.3	18.4%	
7	Transit Ambassador Program	4,000.0	4,000.0	-	0.0%	
8	Homeless Outreach	7,827.7	7,808.2	(19.6)	-0.2%	
9	Public Safety Subtotal	\$ 107,097.2	\$ 124,621.0	\$ 17,523.7	16.4%	
10	Other Operating and Support					
11	Workers Compensation	\$ 76,870.9	\$ 85,232.3	\$ 8,361.4	10.9%	
12	PLPD	33,145.5	44,661.3	11,515.9	34.7%	
13	Customer Care Call Center	52,096.1	62,520.8	10,424.7	20.0%	
14	Supply Chain, Warehouse & Inventory Management	58,265.9	58,678.0	412.1	0.7%	
16	Purchased Transportation	71,966.7	74,245.3	2,278.6	3.2%	
15	Other Operating and Support Subtotal	\$ 292,345.0	\$ 325,337.7	\$ 32,992.6	11.3%	
17	Operations & Maintenance Subtotal	\$ 1,533,022.7	\$ 1,754,794.6	\$ 221,772.0	14.5%	
18	NextGen					
19	Bus Mobile Validators (BMV) (All Door Boarding)	\$ 9,280.9	\$ 1,660.4	\$ (7,620.5)	-82.1%	\$ 18,100.0
21	Camera Bus Lane Enforcement	\$ 2,085.0	\$ 2,500.0	\$ 415.0	19.9%	\$ 11,000.0
20	Transit Signal Priority	\$ 10,242.4	\$ 3,538.5	\$ (6,703.9)	-65.5%	\$ 25,620.0
22	NextGen Bus Priority Lanes	\$ 5,590.0	\$ 4,758.6	\$ (831.4)	-14.9%	\$ -
23	NextGen Curb Improvements	\$ 2,000.0	\$ 8,100.4	\$ 6,100.4	305.0%	\$ -
24	NextGen Bus Stops and Shelters	10,400.0	16,372.1	5,972.1	57.4%	-
25	Bus Termini and Layover Improvement	-	3,000.0	3,000.0	100.0%	-
26	NextGen Bus Speed and Reliability	9,994.5	4,666.7	(5,327.8)	-53.3%	-
27	NextGen Subtotal	\$ 49,592.7	\$ 44,596.8	\$ (4,996.0)	-10.1%	\$ 54,720.0

Table Continues on next page.

Bus Investments (Continued) (\$ in thousands)		FY24	FY25	\$	%	Life Of Project
		Budget	Preliminary	Change	Change	
28	Bus Fleet Procurement					
29	40' Battery Electric Zero Emission Buses	\$ 56,487.8	\$ 41,758.9	\$ (14,728.9)	-26.1%	\$ 163,534.0
30	40' Compressed Natural Gas Buses	4,752.3	691.6	(4,060.7)	-85.4%	420,913.3
31	60' Battery Electric Zero Emission Buses	4,625.1	2,067.3	(2,557.8)	-55.3%	80,003.3
32	60' Battery Electric Zero Emission Buses - Grant Funded	2,683.3	679.3	(2,004.0)	-74.7%	5,109.5
33	60' Compressed Natural Gas Buses	1,519.5	435.4	(1,084.1)	-71.3%	149,311.4
34	40' Battery Electric Zero Emission Buses & En-Route Charging Infrastructure	-	1,500.0	1,500.0	100.0%	-
35	Battery Electric Buses & Chargers	-	1,142.0	1,142.0	100.0%	-
36	Bus Fleet Procurement Subtotal	\$ 70,068.0	\$ 48,274.4	\$ (21,793.6)	-31.1%	\$ 818,871.6
37	Bus Facilities Improvements					
38	Bus Division Improvements IV	\$ 4,109.9	\$ 4,590.3	\$ 480.4	11.7%	\$ 28,000.0
39	Division 1 Street Closure	4,623.4	1,892.2	(2,731.2)	-59.1%	9,500.0
40	Metro G Line (Orange) Reclaimed Water Project	-	92.2	92.2	100.0%	655.4
41	Electric Bus Charging Infrastructure J (Silver) Line	8,569.8	17,135.8	8,566.0	100.0%	50,000.0
42	Division 8 Charging Infrastructure	-	8,000.0	8,000.0	100.0%	65,131.1
43	Resilience Charging System	-	5,000.4	5,000.4	100.0%	22,447.9
44	Division Zero Emission Bus Infrastructure Transition	-	2,000.0	2,000.0	100.0%	-
45	Environmental Compliance Capital Project (FY23-FY27)	2,996.6	4,907.7	1,911.1	63.8%	35,000.0
46	Fire Alarm Panel Replacement Throughout Metro Facilities	734.7	1,174.4	439.7	59.8%	3,474.0
47	Bus Facilities Improvements Subtotal	\$ 21,034.4	\$ 44,792.9	\$ 23,758.5	113.0%	\$ 175,734.3
48	Bus Fleet Maintenance					
49	Bus Engine Replacements	\$ 2,660.8	\$ 3,206.0	\$ 545.3	20.5%	\$ 13,518.0
50	New Flyer/EI Dorado Bus Midlife	40,482.5	43,388.5	2,906.0	7.2%	205,000.0
51	Bus Maintenance Equipment Acquisition	1,000.0	1,000.0	-	0.0%	3,900.0
52	Collision Avoidance Demo	-	1,028.0	1,028.0	100.0%	-
53	Bus Fleet Maintenance Subtotal	\$ 44,143.2	\$ 48,622.6	\$ 4,479.3	10.1%	\$ 218,518.0
54	Regional & Hubs					
55	Passenger Screen-Facility Hardening	\$ 1,400.0	\$ 78.5	\$ (1,321.5)	-94.4%	\$ 3,448.8
56	Validators For Muni Buses	500.0	2,922.1	2,422.1	484.4%	4,912.0
57	Patsaouras Bus Plaza Station Improvements	38.6	15.0	(23.6)	-61.2%	50,913.0
58	Bus Division Improvements V	-	2,818.0	2,818.0	100.0%	-
59	Adopt - a - Stop	150.0	150.0	-	0.0%	-
60	Bus Stop Lighting	1,000.0	340.0	(660.0)	-66.0%	-
61	Regional & Hubs Subtotal	\$ 3,088.6	\$ 6,323.7	\$ 3,235.0	104.7%	\$ 59,273.8
62	Technology					
63	Advanced Transportation Management System II (ATMS) Replacement	797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
64	Technology Subtotal	\$ 797.3	\$ 10,807.3	\$ 10,009.9	1255.4%	\$ 117,000.0
65	Non MR/MM Major Construction					
66	Rosa Parks/Willowbrook Station	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
67	Non MR/MM Major Construction Subtotal	\$ 1,261.7	\$ 738.7	\$ (523.0)	-41.5%	\$ 128,348.4
68	Bus Capital Improvements Subtotal	\$ 140,393.3	\$ 159,559.6	\$ 19,166.3	13.7%	\$1,517,746.1
69	Transit Construction					
70	G Line (Orange) Bus Rapid Transit (BRT) Improvements	\$ 74,569.2	\$ 106,818.5	\$ 32,249.3	43.2%	\$ 149,683.0
71	North Hollywood to Pasadena BRT Connector	60,708.0	114,411.5	53,703.5	88.5%	-
72	Transit Construction Subtotal	\$ 135,277.2	\$ 221,230.0	\$ 85,952.8	63.5%	\$ 149,683.0
73	Transit Planning					
74	Countywide BRT Planning	\$ 2,999.8	\$ 2,401.7	\$ (598.1)	-19.9%	\$ -
75	North San Fernando Valley BRT	3,364.3	2,047.0	(1,317.2)	-39.2%	-
76	San Gabriel Valley (SGV) Feasibility Study	1,933.9	955.7	(978.2)	-50.6%	-
77	Vermont Transit Corridor	6,416.6	20,100.1	13,683.5	213.3%	-
78	Other Bus Planning & Studies	1,572.7	37.0	(1,535.7)	-97.6%	-
79	Transit Planning Subtotal	\$ 16,287.3	\$ 25,541.6	\$ 9,254.3	56.8%	
80	Bus Transit Construction & Planning Subtotal	\$ 151,564.5	\$ 246,771.6	\$ 95,207.1	62.8%	\$ 149,683.0
81	LIFE Program/Bus	\$ 25,398.5	\$ 27,101.2	\$ 1,702.7	6.7%	
82	Bus Investments Total	\$1,899,971.7	\$ 2,232,823.8	\$332,852.1	17.5%	\$1,722,149.1

Note: Totals may not add up because of rounding.

Attachment E: Early, Improved & Expanded Public Engagement Update

Telephone Town Hall

Metro will be holding its second and final Telephone Town Hall for the FY25 Budget development process on April 16, 2024. A unique virtual forum, Telephone Town Hall meetings are particularly beneficial for residents who would not typically have time to attend a regular public meeting or who cannot participate online.

During the previous Telephone Town Hall on October 23, 2023, a crucial platform for dialogue between Metro and the community, valuable input concerning various aspects of Metro's services was solicited. Key areas of concern included frequency and dependability, station and vehicle cleanliness, as well as safety and security matters across our system.

Metro board members and senior leaders diligently listened to these concerns, providing immediate responses during the event. In dedicating additional time for public participation, there was a more comprehensive exchange of ideas between community members and organizational representatives. This open dialogue not only fosters transparency but also helps identify areas for improvement in services, ensuring that the needs and expectations of riders continue to be met.

My Metro Budget Activity – Update

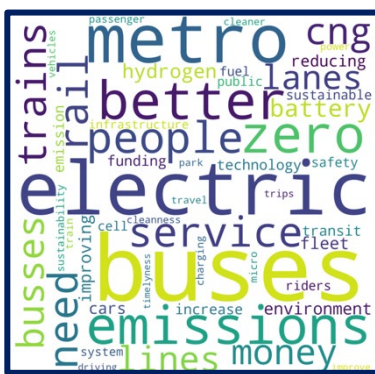
The My Metro Budget activity continues to remain open for public budget feedback. This year base participation has over tripled with over 4,200 responses and over 3,400 comments. Partnerships between Metro departments and groups were instrumental in achieving these results. An innovative interactive dashboard developed by the Office of Management and Budget (OMB) team now enables users to filter comments from the community by EFC, Metro Micro, and other regions along with demographic information. This powerful tool generates word clouds, allowing staff to effortlessly identify top concerns raised by Metro's constituents from the comments received.

The distribution of this dashboard to various departments has proven invaluable as it informs decision-making processes for the upcoming FY25 Budget. By harnessing the collective insights of community feedback, we can prioritize resources and allocate funds effectively to address the most pressing needs and concerns throughout the organization.

To the right is a word cloud that gives an overview of **Metro Transit Operations** comments. Many of the comments called for improvements in the cleanliness of buses, trains, and stations. The FY25 Budget requests 165 new positions and a \$32.2 million increase for comprehensive cleaning initiatives. The Station Experience team is also expanding with 10 of the 165 positions mentioned being dedicated to this initiative for improving maintenance of rail stations.



Comments about service discuss bus and rail frequency with most comments requesting 10 to 15-minute frequencies on both systems. An additional \$44.6 million has been allocated to NextGen programs including bus speed and reliability and bus priority lanes. The B and D Lines will continue to operate with 12-minute service frequencies. Metro will also implement 10-minute weekend service on the K Line, with plans to increase service on the C and K lines to the C2 operating plan once Airport Metro Connector is opened.



This is a word cloud for the **CIP** program. The top concerns for CIP are rail station improvements, rail car procurement, technology improvements on both the bus and rail system as well as to continue evaluating the acquisition and implementation of Zero Emission Buses (ZEB). To address these comments, Metro is allocating \$18.7 million for station enhancements including lighting, elevator/escalator modernization, safety, station music, security fences, gates art, and other enhancements. Additionally, Metro is acquiring 246 new rail cars for PLE 1/2/3, service expansion, and replacement. There are over 26 technology improvement projects planned to increase the customer ticketing experience. For ZEB, Metro continues to explore new technological alternatives and other logistical options.

The word cloud on the right gives an overview of the **public safety** comments received. The comments called for a reallocation of funds from law enforcement to Metro transit security officers (TSO), and mentioned a need to address the unhoused/mental health outreach crisis on the system. To address these comments, Metro is increasing the Transit Ambassador budget (including CIS and Street Teams) by 29.5%. The Transit Security Officer budget is being increased by 12.2%. There will be continued budget allocation to address unhoused/mental health outreach on the system. These initiatives fall under the umbrella of the multi-layered safety approach.



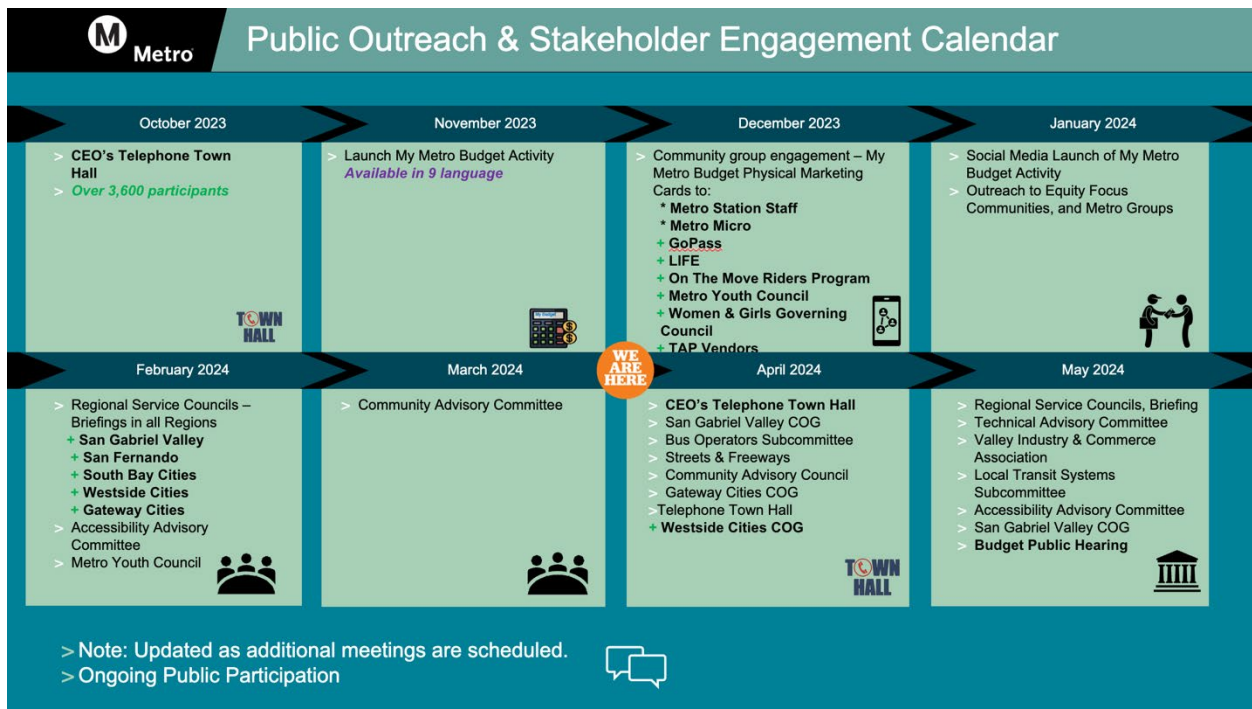


This word cloud reflects **General Planning and Programming** comments. Comments called for an increase in bike infrastructure including bike lanes, reducing car-based transportation by increasing service, and to continue to increase connectivity around LA County with more transit service. Metro is increasing its Active Transportation (including bikes) budget by 21.8%, increasing the First Last Mile budget by 31.3%, and is increasing the connectivity studies budget by 6.7%.

Stakeholder Meetings and Outreach Efforts

Metro's annual budget is meticulously crafted through a thorough, multi-step process that prioritizes community input and alignment with our Equity Platform's second (Listen and Learn) and third (Focus and Deliver) pillars.

Throughout the months of April and May, we will maintain open lines of communication with essential stakeholders and community organizations to ensure their voices continue to be heard. In preparation for these engagement opportunities, details about public meetings and the most up-to-date budget information can be found on our Finance and Budget portal at <https://budget.metro.net>.



Fiscal Year 2025 Budget Development Status Update

Finance, Budget & Audit Committee

April 17th, 2024



FY25 Budget Development Monthly Update:

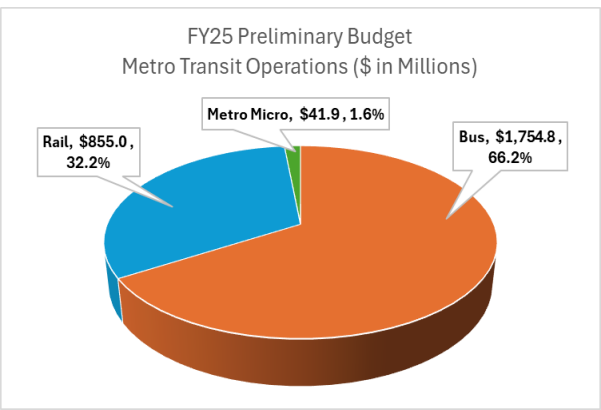
- **Metro Transit Program**
 - **Operations & Maintenance & Capital Improvement Program**
 - **Customer Experience: Station Initiative, Cleaning, Room to Work and Public Safety**
- **General Planning & Programs**
- **Congestion Management**
- **Oversight & Administration**

Represent Approx. 40% of the annual budget

- **Early, Improved and Expanded Public Outreach**
- **Board Budget Workshop & Next Step**

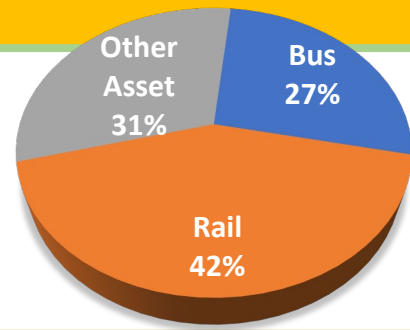
Agenda

Operations & Maintenance (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
1 Bus	\$ 1,533.0	\$ 1,754.8	\$ 221.8	14.5%	66.2%
2 Rail	806.2	855.0	48.8	6.1%	32.2%
3 Metro Micro	40.1	41.9	1.8	4.4%	1.6%
4 Operations & Maintenance Total	\$ 2,379.3	\$ 2,651.7	\$ 272.4	11.4%	100.0%
5 Cost per RSH					
6 Bus	\$ 215.3	\$ 245.2	\$ 29.8	13.9%	
7 Rail	\$ 535.4	\$ 609.4	\$ 74.0	13.8%	
8 Metro Micro	\$ 147.2	\$ 154.2	\$ 7.0	4.8%	



- O&M budget estimate is based on service level as measured in Revenue Service Hours (RSH):
 - Bus: 7.16 million RSH, 3.6% increase over FY24 est. actual
 - Rail: 1.4 million RSH, 16.4% increase over FY24 est. actual, plus 90k Pre-Rev testing hours for AMC, PLE 1 and Foothill ext.
 - Metro Micro: 271.7 thousand RSH
- Additionally, FY25 preliminary budget plans for further advancement of customer experience in Station Initiatives, Cleanliness, and Public Safety

Capital Improvement Program (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change	% of Total
Bus	\$ 135.2	141.7	\$ 6.4	4.8%	26.7%
Rail	230.0	225.7	(4.2)	-1.8%	42.5%
Other Asset Improvements	174.2	163.2	(10.9)	-6.3%	30.8%
CIP Subtotal	\$ 539.4	\$ 530.6	\$ (8.7)	-1.6%	100.0%



- Capital Improvement Program: Reflect annual cashflow requirement to maintain, upgrade, & modernize infrastructure and peripheral systems to perform at optimal levels. Main priority is to continue procurement of 100 Zero Emissions Buses (ZEB) (\$34.6M) & assemble charging infrastructure (\$26.9M). Also focus on new rail vehicle procurement & refurbishment of existing vehicles



METRO TRANSIT OPERATIONS & MAINTENANCE (O&M) CAPITAL IMPROVEMENT PROGRAM (CIP) FY25 PRELIMINARY BUDGET

Station Experience

Expand Station Experience initiatives at Westlake/MacArthur Park to additional stations

- Includes improvements to lighting, ventilation, fare gates, cameras, elevators, & restrooms
- Next stations: Pershing Square, Compton, Firestone, Harbor Freeway, Norwalk, & Pico

Cleaning

- Daily Bus cleaning – 4 terminals, 7 days a week
- Daily Rail cleaning & end-of-line cleaning 7 days a week
- Custodial staff at 17 Rail station “hot spots”
- Facilities cleaning

Public Safety

Multi-layered approach

- Private and Metro Security Officers (53 additional TSO’s for weekend & late night coverage)
- Dedicated bus riding teams
- Transit Ambassadors
- Community Intervention Specialists (CIS)
- Homeless & mental health outreach

Room to Work Program

- Supports unhoused riders & other individuals with career opportunities in transportation
- Capacity for up to 50 part-time Custodians

Public Safety Deployment Dollars:

Public Safety Resource Deployment (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Transit Ambassadors ⁽¹⁾	\$ 23.5	\$ 33.3	\$ 9.8	29.5%
2 Homeless/Mental Health Outreach	25.2	25.2		
3 Metro Transit Security ⁽²⁾	50.9	57.9	7.1	12.2%
4 Private Security	43.5	43.6	0.1	0.3%
5 Law Enforcement	175.8	194.1	18.3	9.4%
6 Public Safety Resource Deployment Total	\$ 318.9	\$ 354.1	\$ 35.2	9.9%

Note: Totals may not add up due to rounding.

⁽¹⁾ Includes Street Teams, Community Intervention Specialists (CIS), and expansion of the Ambassador breakrooms and deployment sites in FY25.

⁽²⁾ Includes salary, fringe benefits, workers' compensation, and other indirect costs.

Cleaning Resources:

Area	FY24				FY25				(\$ in millions)			
	FTE	FTE	Change	% Change	Budget	Preliminary	\$ Change	% Change	Budget	Preliminary	\$ Change	% Change
Buses	388	400	12	3.1%	\$ 75.2	\$ 79.8	\$ 4.6	6.1%				
Trains	164	210	46	28.0%	32.2	39.7	7.5	23.4%				
Facilities	108	108	-	0.0%	30.5	29.9	(0.5)	-1.7%				
Stations	237	334	97	40.9%	80.7	91.7	11.1	13.7%				
Stops	23	23	-	0.0%	4.3	4.3	0.0	0.8%				
Station Experience	2	12	10	500.0%	0.4	9.9	9.6	2695.0%				
Cleaning Total	922	1,087	165	17.9%	\$ 223.2	\$ 255.4	\$ 32.2	14.4%				

CUSTOMER EXPERIENCE: STATION EXPERIENCE, CLEANING, & PUBLIC SAFETY

General Planning & Programs: \$228.8M

- Active Transportation, Bike & Other Studies (42%) \$95.8
- Property Mgmt (34%) \$76.8
- Financial, Grants Mgmt and Admin (21%) \$48.3
- Unsolicited Proposals, P3 (3%) \$7.9

- Program is to advance countywide mobility initiatives
- Budget is based on:
 - Federal or State regulatory requirement
 - Funding stipulations for grant or developer agreement
 - Sales tax ordinances

Congestion Management: \$124.4M

- Express Lanes (45%) \$55.5
- Freeway Service Patrol (33%) \$40.8
- Motorist Services (11%) \$14.1
- Rideshare Services (11%) \$14.0

- ExpressLane: operations, subsidies and I-10 expansion studies
- Freeway Service Patrol: new tow service contracts
- Motorist Services: LA SAFE, the Kenneth Hahn Call Box Program and SoCal 511 Traveler info sys
- Rideshare Services: Vanpool subsidy and services

Oversight & Adm: \$90.2M

- Ongoing Activities (66%) \$59.9
- Valuing Workforce (26%) \$23.3
- Customer Experience (5%) \$4.8
- Diversity, Equity, & Inclusion (3%) \$2.3

- About 1% of the FY25 preliminary budget
- EZBB cost controls for ongoing activities include legal services, ethics compliance, OIG services, regulatory environmental assessments, legally mandated financial and compliance audits

GENERAL PLANNING & PROGRAMS, CONGESTION MANAGEMENT, & OVERSIGHT & ADMINISTRATION FY25 PRELIMINARY BUDGET



Statistics



4,300+ Respondents, statistically significant sample size (over 2,200)



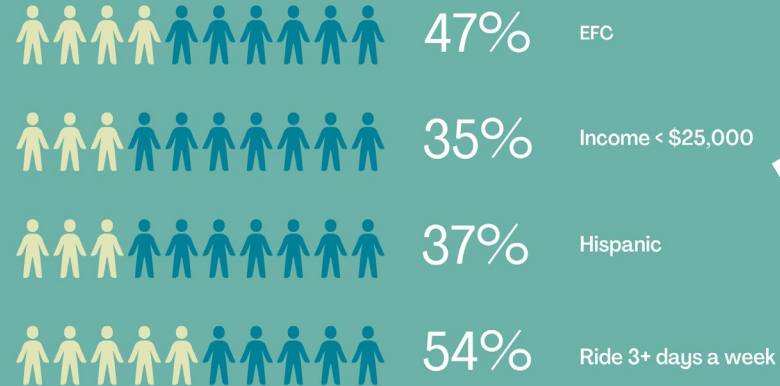
Average response of Metro Ridership captured in sample, unlikely to change with more responses



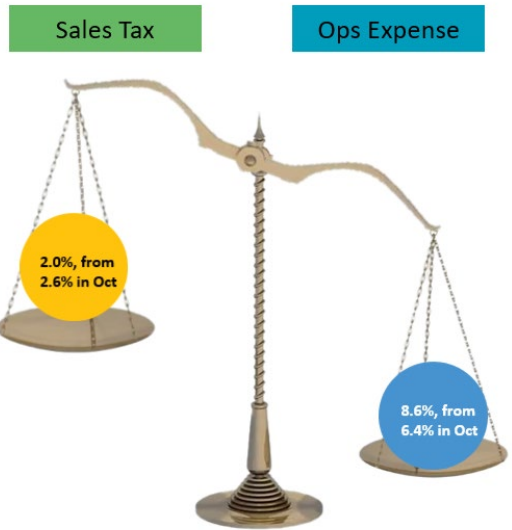
76% of budget item responses left unchanged when aggregated

*Responses to Date (April 12, 2024)

Demographics Mirror Ridership



Board Budget Workshop (3/29/2024)

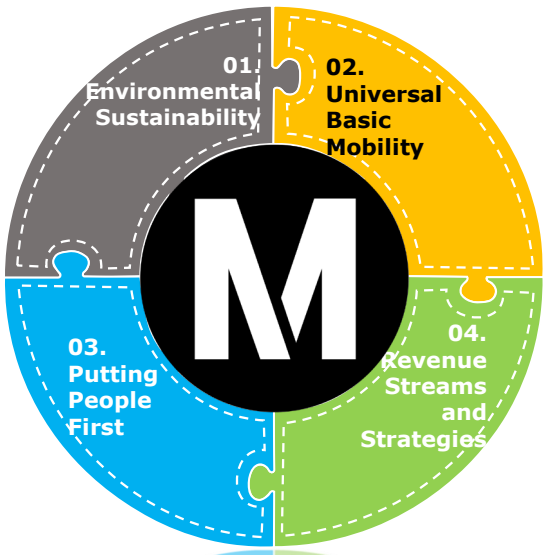


Updated Ops Financial Outlook, Causes, Cost Incr, Revenue Opportunities

Four Areas of Metro Program Focus



- National Transit Trend
- Economic context
- Add'l info for policy



Next Step

- JAN**
 - Near-Term Update
 - FY24 EZBB
 - Prelim. Sales Tax & CPI Forecast
 - Public Outreach & Engagement
- FEB**
 - Sales Tax Forecast, Resources Assumptions
 - Cost Inflation Estimates
 - Other Expense Assumptions
- MAR**
 - Transit Infrastructure
 - Multimodal Hwy Investments
 - Regional Rail
 - Regional Allocations & Pass-Throughs
- APR**
 - Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
 - Congestions Management
 - Planning & Administration
- MAY**
 - Consolidated Agency-wide Expenses & FTEs
 - Proposed Budget Document
 - Public Hearing
 - Planned Board Adoption

WE ARE HERE