

# **Downtown Inglewood Marketplace Management District Feasibility**

## **Education**

The focus of the feasibility analysis is to determine if downtown property and/or business owners would like to engage in establishing a property-based or business-based Business Improvement District to enhance the downtown area. The City hired Sherri Franklin & Associates on September 30, 2002 to work with downtown property/business owners to determine their interest in establishing a management district. The consultant held its first general meeting with property and business owners in April 03. During this process the essential elements for forming a district were determined including the potential boundaries for the proposed District, proposed district name and the database of the included business and property owners. These findings are as follows:

**District Name:** Downtown Marketplace Management District, City of Inglewood

**Boundaries (Map Area):** West Side of La Brea to the West Side of Locust Street, South Side of Florence to the South Side of Hillcrest (Please note that only the property owners in the office buildings at 110 N. La Brea, 111 N. La Brea and Hillcrest will be included in the Assessment District).

**Number of Properties:** 48 existing plus approximately 147 additional properties; total of 195 properties; estimated total district building square footage – 1.5 million square feet

The lists of property and business owners were gathered from several sources including, Fidelity Title, the City of Inglewood Business License database, door-to-door observations and the Inglewood Airport Area Chamber of Commerce. The education process included the facilitation of monthly meetings and the distribution of information flyers. Information newsletters were distributed in September and in October to over 500 businesses and property owners. The newsletters were an effective tool to explain the feasibility analysis and garner the support of business and property owners. An additional meeting was facilitated in October for the property owners in order to assess their level of support.

Based on the feed back from the general meetings and the property owners meeting, it was determined that there would be sufficient support to establish a property-based business improvement district. Many of the businesses expressed that they would like to make sure that a business district is also formed in order to make sure that they continue to have a voice.

## **Formation Committee**

The formation committee for the district was established in November 2003. Six stakeholders agreed to serve on the committee. One additional business owner, Amelia Hernandez of Selwyn Jewelers joined the team in December. The initial formation committee is provided below:

<p><b><u>PRESIDENT</u></b></p> <p>Junius brings energy and focus to the committee. His motto “We are here to help businesses help their business grow.” Junius is determined to help bring quality retailers and new development to Downtown and to help businesses capture their share of the market</p>	<p><b>Junius Johnson, Owner, <i>LA City Properties</i></b></p> <p>520 S. LaBrea, Inglewood, CA 90301  (310) 674-7480 (310) 466-2436 (cell)(310) 680-9977 Fax  <a href="mailto:lacityprop@msn.com">lacityprop@msn.com</a></p>
<p><b><u>CO-CHAIR ECONOMIC DEVELOPMENT</u></b></p> <p>Roderick will serve as our liaison to the City and other interested parties for planned development projects and parking facilities.</p>	<p><b>Roderick McDaniel, CEO, <i>Huntington Browne Real Estate</i></b></p> <p>455 N. Prairie Avenue, Inglewood, CA 90301  (310) 674-7446 (310) 793-1518 (310) 330-0710 Fax  <a href="mailto:rmcdaniel@huntingtonbrowns.net">rmcdaniel@huntingtonbrowns.net</a></p>
<p><b><u>CO-CHAIR MERCHANDISING &amp; MARKETING</u></b></p> <p>Tony will lend his years of expertise in retail business development to the Committee to help create merchandising and marketing strategies for Downtown businesses.</p>	<p><b>Tony Kim, Owner, <i>Inglewood Sports Center</i></b></p> <p>112 N. Market Street, Inglewood, CA 90301  (310) 672-5837</p>
<p><b><u>CO-CHAIR COMMUNITY MANAGEMENT</u></b></p> <p>Eva’s focus is to oversee management formation business and to work with the consultant to ensure that merchants and property owners are kept abreast of the plans and process</p>	<p><b>Eva Brown, Developer, <i>LA City Properties</i></b></p> <p>124 N. Market Street, Inglewood, CA 90301  (310) 680-6840 (323) 353-1485 (cell) (310) 680-9977 Fax</p>
<p><b><u>CO-CHAIR MARKETING</u></b></p> <p>Adolf and Corine have organized area restaurants to focus on business management and marketing.</p>	<p><b>Adolf Dulan represented by Corine Fuller  <i>Soul Food Kitchen</i></b></p> <p>220 E. Manchester Avenue, Inglewood, CA 90301  (310) 671-3345 (310) 671-3353 Fax  <a href="mailto:soulk@sbcglobal.net">soulk@sbcglobal.net</a></p>
<p><b><u>CO-CHAIR EVENT PLANNING</u></b></p> <p>Aminah will also serve as the merchant liaison to the City for organizing Downtown events, special parking and safety services.</p>	<p><b>Aminah Muhammad, Owner, <i>Queen Aminah Clothing</i></b></p> <p>101 N. Market Street, Inglewood, CA 90301  (310) 412-9110  <a href="mailto:aminah.muhammad@yahoo.com">aminah.muhammad@yahoo.com</a></p>
<p><b><u>CO - CHAIR BUSINESS DEVELOPMENT</u></b></p> <p>With 39 years as a business owner and 10 years as a Main Street Board Member, Amelia brings a wealth of marketing and business development expertise to the Committee.</p>	<p><b>Amelia Hernandez, Owner, <i>Selwyn Jewelers</i></b></p> <p>107 N. Market Street, Inglewood, CA 90301  (310) 673-2290, (310) 673-1390  <a href="mailto:selwynjewelers@hotmail.com">selwynjewelers@hotmail.com</a></p>

It should be noted that due to workload demands, Junius Johnson resigned as Chairperson and Roderic McDaniel agreed to serve as Chairperson.

**Analysis**

**Property Based Assessment** - It was determined that the most equitable method to establish the assessment structure would be based on the square footage of the building. Data for building square footage is taken from the LA County Assessor’s Office, title reports and City records.

## Proposed Budget:

<b>Description of Expenditures</b>		<b>Annual Budget</b>
1	<b>Security</b> – 3 Foot Patrol Officers from 12-7pm-7 days per week	\$90,000
2	<b>Marketing</b> – 40,000 flyers ea. mo., Cable Ads, Business Directory, Bags and Signs	\$80,000
3	<b>Events</b> – Black History, Cinco de Mayo, Back to School, Cultural Arts, Christmas, Kwanzaa	\$60,000
4	<b>Parking</b> – Valet and Shuttle Service for Special Events	\$10,000
5	<b>Maintenance</b> – Fee for entire area (including area under current assessment)	\$155,000
6	<b>Administration</b> —Business Development, Marketing and Program Coordination	\$35,000
<b>TOTAL</b> (Does not include existing assessment or OEBD expenditures for Downtown Inglewood)		<b>\$415,000</b>
<b>Special Note:</b> The budget provided includes only estimates; the final budget will be based on bids received and the final assessment rate determined by the formation committee.		

## SOURCE(S) OF REVENUE

The only source of revenue being considered to support the BID is the proposed assessment of the property within proposed PBID area at based on .22 cents per square per foot per annum of property assessed. Projecting a total square footage of property available to be assessed at 1,500,000 square feet, the approximate revenue from this strategy would yield approximately \$330,000 per annum.

An analysis of the above would indicate that there would need to be an adjustment to all areas of the budget, including security. The other alternative would be to raise the assessment to .25 cents per square foot, in which case the revenue yielded would be approximately, \$375,000.

**Programs** – As reflected in the above budget, the overwhelming majority of the businesses/property owners agree that security and marketing should be the primary focus of the business district. Marketing would include the provision of annual events, distribution of flyers and brochures, cable advertisement and a store merchandising strategy for holidays and special occasions. The programs planned by the committee also focuses on one of the primary concerns expressed by almost all of the merchants in Downtown, the initial lack of parking and how events that block off available parking has an additional negative impact on sales for many downtown retail businesses. Therefore, the Committee has developed guidelines for how events. The proposed guidelines are attached.

## Promotion Strategy

The committee has determined that it would be beneficial to demonstrate to the property and business owners how their collective work efforts and contributions can be effective in growing business in Downtown Inglewood. Because of the Downtown property and business owners' previous history with the City of Inglewood and the Main Street Project which resulted in disheartened feelings about the ability to autonomously create change in the Downtown area

without being controlled by the City, the Committee felt it was of utmost importance to log a success and demonstrate their leadership before taking their plan to form a district out to vote. The committee initially attempted to launch the Great Holiday Blowout Sale in December, however, it lacked the finances and time commitment to effectively initiate the sales strategy prior to the commencement of the holiday season. Fortunately another great opportunity prevailed with Brand Jordan, a division of Nike, which included the implementation of a community Block Party in Downtown Inglewood as part of the NBA All-Star games on the weekend of February 14, 2004. The committee had extensive meetings with Brand Jordan who agreed to honor the guidelines and utilize Downtown Businesses as best as possible to help facilitate the event. With this successful event under their cap and the positive working relationship with the Office of Economic and Business Development to bring this event to fruition, the committee feels it is now ready to take its plan to formalize its Management District Revitalization Strategy out to vote to all of the business and property owners within the proposed boundaries.

### **Election**

As indicated in the code sections attached to this report the elements required to initiate a vote are a Management Plan, which is approved by the committee and a petition form (please see California Highway and Streets Codes below). The petition of property or business owners shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

It would be recommended that the election be held over a two-week period and that the full management plan be made available at the City of Inglewood and at several business locations for review.

### **City Process**

After the Committee conducts its petition election, and assuming the required favorable vote, it will present the Management Plan and Petitions to the City Council and request that it initiate proceedings to form a district by adopting a resolution expressing its intent and scheduling a public hearing to review the matter (see section 36621 and the attached timeline).

It is suggested that, prior to adopting a resolution, the City of Inglewood review the baseline services that would be feasible for it to continue to provide to the district upon its formation and determine the assessment process that would be most feasible for the collection of fees of a property-based business improvement district. Creating a business improvement district assessment ordinance or policy would facilitate the formation and management of the proposed district. The City will also be required to prepare the engineer's report certifying the proposed district's list properties.

**ATTACHMENT A**  
***PROPOSED COMMITTEE GUIDELINES FOR FUTURE  
MARKET STREET FESTIVALS AND SPECIAL EVENTS***

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# Committee Guidelines for Future Market Street Festivals & Events

<b>1</b>	<b>Booth Set-Up</b>	<ul style="list-style-type: none"> <li>• Booths shall be aligned back-to-back down Market Street with the sidewalks used as the walk-way. This will prevent booths from blocking business owners from foot traffic and include the stores as part of the festival or event.</li> <li>• Tables are to be provided to merchants for sidewalk sale displays.</li> <li>• Booths selling like-kind products as merchants shall be set-up away from merchants with the same products. If this is not possible, competing booths will not be allowed.</li> </ul>
<b>2</b>	<b>Shuttle Service and Parking Attendants</b>	<ul style="list-style-type: none"> <li>• Shuttle service must be provided to and from the City Parking lot structures and parking attendants are to direct parking to Locust Street and City Lots.</li> <li>• Committee to develop parking agreement with Kaiser for special event parking.</li> </ul>
<b>3</b>	<b>Valet</b>	<ul style="list-style-type: none"> <li>• Valet parking to be provided at Corners of Market and Manchester, Regent and Nutwood.</li> </ul>
<b>4</b>	<b>Entertainment</b>	<ul style="list-style-type: none"> <li>• Entertainment to be disbursed along entire festival route in order to encourage patrons to walk up and down Market Street.</li> </ul>
<b>5</b>	<b>Advertisement</b>	<ul style="list-style-type: none"> <li>• All advertisement shall promote the Shop Inglewood concept specifically focused on Downtown Inglewood.</li> <li>• All advertisement shall provide an opportunity for Downtown Merchants to co-advertise.</li> </ul>
<b>6</b>	<b>Merchandising</b>	<ul style="list-style-type: none"> <li>• Festival print materials and art work shall be used as a merchandising strategy on gift bags, banners and store sale signs.</li> <li>• Merchandising strategy to include pre-printed store discount coupons and gift certificates.</li> <li>• Preprinted Discount Coupons shall be distributed to a minimum of 40,000 households within a 1 mile trade area surrounding Market St.</li> </ul>

**ATTACHMENT**

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***STREET & HIGHWAYS CODE SECTION 36000-36636  
PROPERTY AND BUSINESS IMPROVEMENT DISTRICTS***

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## **STREETS AND HIGHWAYS CODE SECTION**

### **Code Excerpts from Sections 36000-36636 for Property and Business Improvement Districts**

**36600.** This part shall be known and may be cited as the "Property and Business Improvement District Law of 1994."

**36601.** The Legislature finds and declares all of the following:

- (a) Businesses located and operating within the business districts of this state's communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest 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.
- (c) It is of particular local benefit to allow cities to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that benefits from those improvements.
- (d) Assessments levied for the purpose of providing improvements and promoting activities that benefit real property or businesses are not taxes for the general benefit of a city, but are assessments for the improvements and activities which confer special benefits upon the real property or businesses for which the improvements and activities are provided.

**36602.** The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within a business improvement area. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

**36603.** Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

**36603.5.** Any provision in this part that conflicts with any other provision of law shall prevail over the other provision of law.

**36604.** This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

**36606.** "Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a property and business improvement district.

**36607.** "Business" means all types of businesses and includes financial institutions and professions.

**36608.** "City" means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county.

**36609.** "City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

**36610.** "Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

**36611.** "Property and business improvement district," or "district," means a property and business improvement district established pursuant to this part.

**36612.** "Property" means real property situated within a district.

**36613.** "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 security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

**36614.** "Management district plan" or "plan" means a proposal as defined in Section 36622.

**36614.5.** "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners' association shall comply with the Ralph M. Brown Act (Chapter 9(commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all documents relating to activities of the district.

**36615.** "Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.

**36616.** "Tenant" means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

**36621.**

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
  - (1) A map showing the boundaries of the district.
  - (2) Information specifying where the complete management district plan can be obtained.
  - (4) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
  - (1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on

property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.

- (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

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

- (a) A map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of any benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected lands and businesses included. Under no circumstances shall the boundaries of a proposed district overlap with the boundaries of another existing district created pursuant to this part. Nothing in this part prohibits the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law including, but not limited to, the Parking and Business Improvement Area Law of 1989.
- (d) The improvements and activities proposed for each year of operation of the district and the maximum cost thereof.
- (e) The total annual amount proposed to be expended for improvements, maintenance and operations, and debt service in each year of operation of the district.
- (f) The proposed source or sources of financing including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan shall also state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
  - (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for any properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof, including operation and maintenance. The plan may provide that all or any class or category of real property which is exempt by law from real property taxation may

nevertheless be included within the boundaries of the district but shall not be subject to assessment on real property.

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

**36623.** If a city council proposes to levy an assessment that is consistent with the assessment proposed in the petition of property owners or businesses submitted pursuant to Section 36621 and with the management district plan submitted pursuant to Section 36622, the city shall provide notice of the public hearing set pursuant to paragraph (2) of subdivision (c) of Section 36621 to the property or business owners as required by Article XIID of the California Constitution. The petition shall serve as the equivalent of a protest ballot procedure for purposes of Article XIII D. If a city council proposes to levy a new or increased assessment, or an assessment that is materially different from the assessment proposed in the petition and management plan, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code. However, notwithstanding the provisions of Section 53753 of the Government Code, if the assessment will be levied on businesses, the required notice shall be provided to the businesses that would be assessed, and only assessment ballots submitted by owners of those businesses shall be tabulated in determining whether a majority protest exists.

**36624.** At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements or activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

**36625.** (a) If the city council, following the public hearing, decides to establish the proposed property and business improvement district, the city council shall adopt a resolution of formation that shall contain all of the following:

- (1) A brief description of the proposed activities and improvements, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement about whether bonds will be issued, and a description of the exterior boundaries of the proposed district. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements and activities and the location and extent of the proposed district.
- (2) The number, date of adoption, and title of the resolution of intention.
- (3) The time and place where the public hearing was held concerning the establishment of the district.
- (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.
- (5) A statement that the properties or businesses in the district established by the resolution shall be subject to any amendments to this part.
- (6) A statement that the improvements and activities to be provided in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements or activities outside the

district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

- (7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements and activities funded by the assessments proposed to be levied.

- (b) The adoption of the resolution of formation and recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

**36626.** If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in paragraphs (1) to (8), inclusive, of subdivision (b) of Section 36625, but need not contain information about the preliminary resolution if none has been adopted.

**36627.** Following adoption of the resolution establishing the district pursuant to Section 36625 or 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. If the assessment is levied on businesses, the text of the recorded notice shall be modified to reflect that the assessment will be levied on businesses, or specified categories of businesses, within the area of the district. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

**36628.** The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

**36628.5.** The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements and activities.

**36629.** All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a parking and business improvement area.

**36630.** If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and a new district established pursuant to this part.

**36631.** The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution establishing the management district plan described in Section 36622. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part shall be charged interest and penalties.

**36632.**

- (a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.
- (b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

**36633.** The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

**36634.** The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

**36635.** The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

**36636.**

- (a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. Notice of the public hearing and the proposed modifications shall be published as provided in Section 36623. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 53753 of the Government Code.
- (b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.