

## **ASSESSMENT STRUCTURE**

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The assessment formula is designed to generate income from the businesses within the boundaries of the District, and has not changed since the inception of the district in 1996.

Assessments are a combination of a base assessment (based on business category) and a sliding scale assessment (based on categories of annual gross sales using the prior year's gross sales). Businesses that receive the most benefit from the activities and improvements pay a higher assessment than those businesses that will receive less benefit from the activities. New businesses will not be assessed during the first fiscal year in which they are established. The City of West Hollywood invoices and collects the assessments from member businesses and provides the total of assessments due in annual payments. The City has also provided payment terms for members to pay their assessments in incremental payments when requested.

### **BUSINESS CATEGORIES**

Businesses within the boundaries of the proposed district have been classified into six categories.

**CATEGORY 1 BUSINESSES** represent those businesses that will serve as the "destination" points for visitors to WHDD. These businesses will receive the most benefit from the proposed activities and improvements, which are geared toward bringing people into the area to shop and dine. Businesses in this category include, but are not limited to:

Antique Shops, Bakeries, Bars, Bookstores, Carpet & Rug Stores, Clothing Stores, Coffee Houses, Delicatessens, Design Showrooms (retail), Electronic Stores, Florists, Gift Shops, Jewelry Stores, and Restaurants.

**CATEGORY 2 BUSINESSES** are not necessarily destination businesses, but will derive significant benefit from the proposed activities and improvements that are designed to bring people into the area to shop and dine and secondarily to conduct personal businesses. Businesses in this category include, but are not limited to:

- Art Galleries, Banks, Barber Shops, Beauty Salons, Designers/Decorators, Gymnasiums, Interior Designers, Laundry/Cleaners, Liquor Stores, Parking Management Companies, Pet Stores, Pharmacies, Photo Developing, Photography Studios, Print and Copy Stores, Professional Schools, Shoe Repair, Tailors, Travel Agents

**CATEGORY 3 BUSINESSES** will derive moderate benefit from the proposed activities and improvements because by making the area a vibrant and unique shopping and dining destination, more people will be in the general area doing business. In addition, many of these businesses cater to other businesses located in the area. Businesses in this category include, but are not limited to:

- Architects, Attorneys, Bookkeeper/Accountant/CPA, Car Service and Repair, Corporate Headquarters, Designer Showrooms (wholesale), Financial Consultants, General Office Uses, Grocery Stores, Hardware Stores, Insurance, Manufacturers, Public Relations, Real Estate Brokers, Talent Agencies

**CATEGORY 4 BUSINESSES** consist of owner/operators who will derive nominal benefit from the proposed activities and improvements because by making the area a vibrant and unique shopping and dining destination, more people will be in the general area doing business. Owner/operators will benefit from these activities and improvements on a smaller scale than larger establishments. Businesses in this category include, but are not limited to:

- Personal service owner/operator without employees

**CATEGORY 5 BUSINESSES** includes businesses that will not receive benefit from the proposed activities and improvements and therefore will be exempt from the assessment. Businesses in this category include, but are not limited to:

- Medical-related professionals who are mainly in the area because of its proximity to Cedars Sinai Hospital. They derive business because the hospital is a well-known health service institution and they do not identify with WHDD.
- Pacific Design Center - The businesses within Pacific Design Center benefit from their own marketing, promotion and identity campaign.
- Non-Profit Organizations, Governmental agencies and other businesses including property management firms, pet hospitals and veterinarians that will not receive benefit from the proposed activities and improvements.

**CATEGORY 6 BUSINESSES** include the management or owners of malls, marketplaces and other tenant-based businesses that are marketed and promoted collectively. Such malls and marketplaces as a whole receive benefit from programs promoting WHDD as a destination for both 'to-the-trade' and retail customers. Management/owners of such businesses are able to promote to tenants their participation in West Hollywood Design District as a value-added benefit. Businesses in this category include, but are not limited to:

No businesses in this category

## **ASSESSMENT FORMULA**

In addition to the base amount, businesses in Categories 1 and 2 will be assessed an additional amount based on their annual gross sales. Businesses that have larger annual gross sales will be assessed more than businesses that have smaller annual gross sales. Businesses in Categories 1 and 2 with \$100,000 or less in gross sales will not be assessed an additional amount.

### **CATEGORY 1 ASSESSMENT**

<b>Annual Gross Sales for Prior Year</b>	<b>Base Fee</b>	<b>Total Assessment</b>
\$0 - 100,000	\$0	\$180.00
\$100,001 - 250,000	\$100.00	\$280.00
\$250,001 - 500,000	\$200.00	\$380.00
\$500,001 - 750,000	\$300.00	\$480.00
\$750,001 - 1,000,000	\$400.00	\$580.00
\$1,000,001 - 1,500,000	\$600.00	\$780.00
\$1,500,001 - 2,000,000	\$800.00	\$980.00
\$2,000,001+	\$1,000.00	\$1,180.00

### **CATEGORY 2 ASSESSMENT**

<b>Annual Gross Sales for Prior Year</b>	<b>Base Fee</b>	<b>Total Assessment</b>
\$0 - 100,000	\$0	\$120.00
\$100,001 - 200,000	\$100.00	\$220.00
\$200,001 - 400,000	\$200.00	\$320.00
\$400,001 - 700,000	\$300.00	\$420.00
\$700,001 - 1,000,000	\$400.00	\$520.00
\$1,000,001 +	\$500.00	\$620.00

### **CATEGORY 3 ASSESSMENT**

Base Assessment: \$100.00  
Increment Increase: None

### **CATEGORY 4 ASSESSMENT**

Base Assessment: \$60.00  
Increment Increase: None

### **CATEGORY 5 ASSESSMENT**

Base Assessment: None  
Increment Increase: None

### **CATEGORY 6 ASSESSMENT**

Base Assessment: \$100 x the number of leases  
Increment Increase: None