

Agenda Report

DATE: JUNE 17, 2002

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: PUBLIC HEARING: PROPOSED BASIS AND METHOD OF LEVYING ASSESSMENTS AND THE LEVY OF THE ANNUAL ASSESSMENT FOR PROGRAM YEAR 2002 FOR THE SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION

It is recommended that the City Council ("City Council") take the following actions:

1. Approve the Annual Report of the South Lake Business Association ("Association") for the South Lake Business Improvement District (the "District") for Fiscal Year 2002, Attachment No. 2 to this Agenda Report in keeping with the Approval Conditions set from the 2001 Annual Procedures.
2. Hold a public hearing to consider the proposed basis and method of levying assessments and the levy of the annual assessments for Program Year 2002 for the South Lake Business Improvement District.
3. At the conclusion of the public hearing, adopt a resolution (Attachment No. 1) establishing the basis and method of levying assessments within the South Lake Business Improvement District for Program Year 2002, while keeping with the Approval Conditions detailed in this report.

BACKGROUND

At its meeting of June 3, 2002, the City Council adopted Resolution No. 8114 declaring its intention to (1) establish the basis and method of levying assessments, and (2) levy assessments for businesses within the District for Fiscal Year 2002. The resolution fixed June 17, 2002 at 8:00 p.m. for a public hearing to consider the proposed annual assessments for Program Year 2002. Notice of the public hearing was given by publishing the resolution of intention in The Pasadena Journal on June 10, 2002.

The Parking and Business Improvement Area Law allows the City Council, during the course or upon conclusion of the public hearing, to order changes in any of the matters provided in the Annual Report, including changes in the proposed assessments, the proposed improvements and activities to be funded with the revenues derived from the levy of the assessments, and the boundaries of the District and any benefit zones within the District. In addition, at the conclusion of the public hearing, the City Council may adopt a resolution confirming the Annual Report as originally filed or as changed by it. The adoption of the resolution, attached hereto as Attachment No. 1, shall constitute the basis and method of levying the assessments and the levy of an assessment for Program Year 2002.

It is recommended that the City Council hear and consider all protests (if any) against the proposed action. Thereafter, and provided that written protests are not received from the owners of businesses in the District which will pay more than 50% of the assessments proposed to be levied, it is recommended that the City Council adopt the resolution presented to it at this public hearing.

Attached hereto as Attachment No. 2 is a copy of the Annual Report, which was submitted by the South Lake Business Association. Among other things, the Annual Report includes: (1) a proposed list of the improvements, activities and programs proposed to be accomplished during 2002; (2) a budget therefore, and (3) the basis and method of levying assessments. The District boundaries are shown on "Exhibit A" to the Annual Report and the proposed assessment formula is set forth in "Exhibit A-1" to the Annual Report. This formula is identical to that in effect for the previous fiscal year. The proposed improvements and activities to be conducted by the Association during 2002 and the budget are attached as Exhibit "C" and "D" respectively to the Annual Report. Assessments from the District are estimated to be approximately \$156,500 in Program Year 2002.

The South Lake Business Association's audited financial statement for FY 2000 and 2001 are attached as Attachment No. 3.

2001 APPROVAL CONDITION:

Within the approval procedures for 2001 Program Year, Council required that the Association undergo a strategic planning session for the District for the 2002 Program Year. This effort was to involve stakeholders within the district including property owners, businesses, and adjacent residents. The intent was to cause the Association to

reexamine its direction and consider action in order to play a positive role in ensuring future success for South Lake Avenues. The requirement was to help the Association consider not only the economic health of the Avenue, but also that the organization was truly operating on behalf of, and in partnership with the surrounding community.

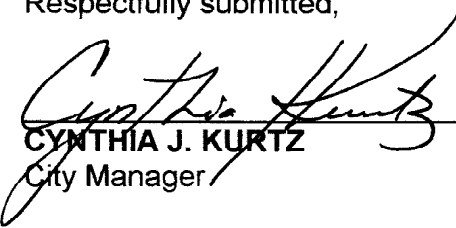
The Association undertook a Visioning Session with Fred Burkhart and Associates, which resulted in an assessment on the condition of the Association, the Avenue and public perceptions of the Association. The Association undertook a Strategic Planning session with Tom Eidom Associates in order to devise a program for the 2002 fiscal year thereby modifying the original submission. That supplemental information is attached as Exhibits "E", "F" and "G" to the Annual Report. The Association intends to operate from the program as detailed in "Exhibit F". Additionally, "Exhibit G" is the corresponding proposed budget for the 2002 program year. "Exhibit E" is a list of the current Board composition and respective Board Member Committee involvement.

The letter dated April 22, 2002 (within Exhibit A as cover to "E", "F" and "G") covers actions taken since January 2, 2002 to address the changes as presented in the Supplement.

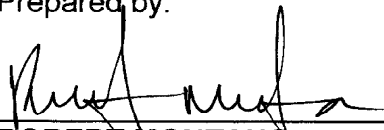
FISCAL IMPACT

Implementation of the proposed assessment formula for calendar year 2002 will have no fiscal impact upon the City, other than the administrative cost of administering the collection of the assessments, which is recovered through a percentage from the assessments. Administrative costs have been budgeted in Finance Budget Account 327200, Financial Services.

Respectfully submitted,


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City Manager


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