

OFFICE OF THE CITY MANAGER

April 28, 2003

TO: CITY COUNCIL  
FROM: CITY MANAGER  
SUBJECT: APPROVAL OF ANNUAL REPORT OF THE SOUTH LAKE  
BUSINESS ASSOCIATION FOR THE SOUTH LAKE BUSINESS  
IMPROVEMENT DISTRICT

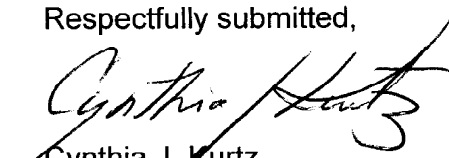
On April 16, 2003, the Economic Development and Technology Committee reviewed the attached agenda report. The Committee asked that the following collection of correspondence received from various stakeholders within the South Lake District be forwarded to Council along with the agenda report.

The first of the three letters dated January 31, 2003 was penned on behalf of a group of 15 businesses expressing concern over the programming by the South Lake Association. Subsequently, Council received a letter dated February 18, 2003 from one of the listed businesses retracting his signature, supporting the actions and programming taken by the current board. Finally, via a letter dated April 7, 2003, the Board formally responded to the concerns expressed in the initial letter.

Staff inquired as to whether or not the group submitted the letter as a formal protest against the annual approval of the South Lake Business Association. Staff never received any notice or return calls supporting or denying a formal protest.

The letters are attached.

Respectfully submitted,



Cynthia J. Kurtz  
City Manager

January 31, 2003

Pasadena City Council

OFFICE OF THE MAYOR  
RECEIVED

2003 FEB 10 PM 3:55

At the last approval of the South Lake Bid, The council noted that it would be watching the BID closely. Well as far as we are concerned, not close enough. There was a concern that the BID Board, as then constituted, was not serving the needs of its membership.

The new BID BOARD-----

1. Has not---- Had any activities to draw new customers to the street.
2. Has not ----Published any newsletters.
3. Has not---- Communicated to any of the businesses as to anything specific.(In fact there has been no communication. The old board hand delivered all the specific information to the membership if we were unable to attend meetings)
4. Has not----Been responsive to many telephone calls from the membership.(Lip service has been the order of the day)

Having no activities on the street is due to a survey from the Current BID Board. The answers were summarized in a manner to reflect that the majority of those responding wished to not have any activities. **THE CREATIVITY OF THIS SUMMARY WAS TO ADD THOSE WHO HAD NO OPINION TO THOSE RESPONDING IN THE NEGATIVE.** It is obvious that a neutral reply is just that, neutral, and should not be added to positive or the negative. The positives were always in the majority over the negative Responses.

These items, however, pale when compared to what the CURRENT BID BOARD did to the Holiday Open House, Which had been so successful in drawing crowds to the street. The CURRENT BID BOARD decided to have no decorations on the street, leaving the street without any inviting holiday spirit or warmth. The did decide to make the street look cold and have a non holiday feeling, by placing blue lights on the trees in the Center Island. They also placed a choral group on the steps of a closed, dark, office building across the street from the retail merchants.

We do not know what the city's plans are, but we hope that the city does not want to drive out the small businesses and destroy the ambiance of the South Lake District. In as much as the merchants and the service businesses account for 70% to 80% of the boards income, we respectfully request that the council investigate the South Lake BID BOARD, reviewing what has been done to help the merchants and what is specifically planned for the future.

If the Bid Board continues with what it is currently doing, they will definitely close the small businesses and destroy the ambiance of the street,

Sincerely  
Signature Pages Attached

Cc: City, Mayor Bogard, City Manager Cynthia Kurtz

Signature page to concil letter  
From South Lake Merchants

SIGNATURE

NAME OF BUSINESS

Joe Lopez  
Anna Ortega

PRIMO GOURMET  
Little Kuts



Crystal Chateau



DAVID SPARKS

INTERACT! CD-ROM STORE  
350 S. LAKE BLVD

Franklin  
by the plan  
Kokki Sweeney

Franc's SHOE REPAIR  
S. Lake nail  
Kokki's BITE

Nancy Boyd  
Mary Becker

It's Something Special  
Merle Norman

Frank Johnson  
Zoni M. Baccaro


Johnson Galleries  
Mulle Creek Shop

David Palm

RANOONI FIRENZE SHOES

Signature page to concil letter  
From South Lake Merchants

SIGNATURE

Carlye Robinson  


NAME OF BUSINESS

DRAPERS & DAMONS  
TUXEDO CENTER

Joe Fragomeno  
Primo Gourmet  
350 South Lake Avenue #103 (former address)  
Pasadena, CA 91101

February 18, 2003

Pasadena City Council  
100 North Garfield Avenue  
Pasadena, Ca 91109

Re: Merchant letter to City Council dated January 31, 2003

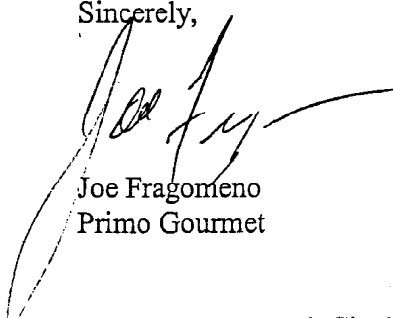
To whom it may concern,

I would like to address the letter I signed regarding South Lake. Mr. Joe Baiunco presented this letter to me as a movement to "improve South Lake." I was in the process of moving out of my former address (350 South Lake #103). I'm always for improvement, so I signed it without fully reading the letter. As I became aware of the details of the letter I was surprised to find many items listed as fact to not be true at all.

Therefore, I need to state that my experience with the current board has been very positive. My phone calls have always been answered personally and I have been given specific information on potential sites to relocate within South Lake. Overall, the program is much more balanced than in the past.

In summary, I personally like the direction South Lake is headed and would appreciate my name being struck from the above-cited letter.

Sincerely,



Joe Fragomeno  
Primo Gourmet

Cc: Mayor Bogaard, City Manager Cynthia Kurtz

# SOUTH LAKE AVENUE

April 7, 2003

VIA PERSONAL DELIVERY

William Bogaard, Mayor  
Pasadena City Council  
City of Pasadena  
100 North Garfield Avenue  
Pasadena, CA 91109

Re: Membership Letter to Council (Dated January 31, 2003)

Dear Council,

On behalf of the Board Members of The South Lake Business Association, I would like to take this opportunity to officially respond to the letter referenced above. As a board we were disappointed that we would have any member dissatisfied over our program, though most of the dissatisfaction in the letter seems to be quite misguided. Of our 600 plus membership, these (14) members are located in or around The Colonnade (350 South Lake Avenue) and had been a central location for most of the previous events, sometimes to the detriment of other locations. In addition to being the focal point of past events the SLBA offices were previously located in the Colonnade (350 South Lake Avenue) which were moved to save The Association the cost of rented offices, current office space is being donated.

As a Board we felt it was important to develop marketing programs to provide a more comprehensive package of benefits which better service the diversity of our membership. It is this diversity of professional, retail and service-oriented businesses, which provides the district with a multitude of different strengths and attractions for Pasadena.

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180 South Lake Avenue #350  
Pasadena, CA 91101  
626.792.1259  
[www.southlakeavenue.com](http://www.southlakeavenue.com)

In 2002, the new Board:

1. Organized two (2) major marketing "events" in 2002 (Spring Event & Holiday Open House) to draw new customers to the street. Other events had been cancelled to focus resources on our most effective event, Holiday Open House. We expanded it to include three (3) Fridays instead of one (1), and incorporated a strong marketing campaign to advertise the event and its expanded format.
2. Rather than publishing newsletters, the Board sought to create a more modern and efficient way to communicate with our members, which resulted in the upgrading of our website to provide better member interface, and dissemination of information. We currently have a website operating ([www.southlakeavenue.com](http://www.southlakeavenue.com)) and are working diligently to make it a more productive tool for the organization.
3. Sponsored and by written invitations mailed to all members, property owners and other stakeholders, invited attendance at four specific meetings, which were:
  - A. Membership meeting (Tournament House) to discuss issues of concern to our members.
  - B. Property owners breakfast (Macy's Terrace) to discuss issues of concern and the responsibilities of our property owners.
  - C. Holiday Open House planning meeting (Hamburger Hamlet) to discuss our plans for the upcoming event and to solicit support for the events planned.
  - D. Annual meeting (Cal Tech Athenaeum) where the annual election of Directors was held and a lively and informative program was presented with the assistance of Laura Dahl and other City representatives.
4. Personally answered and returned all phone calls to the Association. In many cases board members used this opportunity to seek more participation from our members.

The reference to the survey conducted in February of 2002 had three (3) categories for answering the survey: Positive, Negative and No Effect. In terms of marketing, if an event has "No Effect" it is clearly a poor allocation of financial resources and would be categorized as negative. This is quite different than "NO OPINION," which was not a possible answer in our survey.

The information attained from the survey, solidified our direction as a Board to focusing our efforts on the most successful event (Holiday Open House) and

implementation of a consistent street cleaning program throughout the South Lake District.

It is the goal of the South Lake Business Association to improve the ambiance of the South Lake neighborhood and to continue our partnership with the City in accomplishing this goal. We encourage constant interface and exploration to ensure that our program meets the expectations of our membership. We invite all the signatories on the letter to become active participants in helping us to meet these goals.

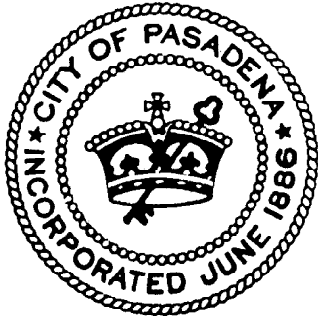
Sincerely,



John B. Howe  
President, South Lake Business Association

Cc: ✓ Richard Bruckner, Director of Planning and Development  
Cynthia Kurtz, City Manager  
Sid Tyler, Council member  
Robert Montano, BID Coordinator  
Board of Directors South Lake Business Association.





# Agenda Report

**DATE: APRIL 28, 2002**

**TO: CITY COUNCIL**

**THROUGH: ECONOMIC DEVELOPMENT & TECHNOLOGY COMMITTEE**

**FROM: CITY MANAGER**

**SUBJECT: APPROVAL OF ANNUAL REPORT OF THE SOUTH LAKE BUSINESS ASSOCIATION FOR THE SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF A RESOLUTION OF INTENTION TO HOLD A PUBLIC HEARING TO LEVY ASSESSMENTS WITHIN SAID DISTRICT FOR PROGRAM YEAR 2003.**

## **RECOMMENDATION:**

It is recommended that the City Council of the City of Pasadena ("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 Program Year 2003 in the form submitted by the Association (Attachment No. 1).
2. Adopt a resolution (Attachment No. 2) evidencing the intention of the City Council to hold a Public Hearing on May 12th, 2003 at 8:00 p.m. on the continuation of the City Council to levy and collect assessments within the District for Program Year 2003 commencing January 1, 2003.
3. Direct the City Clerk to give notice of the public hearing by causing the resolution to be published not less than seven days before the Public Hearing.

## **EXECUTIVE SUMMARY:**

This item is for the South Lake Business Association Annual Proceedings that are required by Business Improvement District Law. These procedures take place over two meetings, the first of which Council will adopt a Resolution of Intention to hold a public hearing to consider the method for levying funds and adopt the Annual Report. At the second meeting, a public hearing, Council will take comments from the public, consider

approval of the method for levying funds, and confirm the approval of the Annual Plan. The purpose for approving the Annual Plan twice is to allow the public the opportunity to review and make comment at the public hearing. It is at the public hearing, following comment, that Council can make changes to the Annual Plan.

## **BACKGROUND:**

### **A. General**

Twelve years ago, pursuant to the Parking and Business Improvement Area Law of 1979 (the "prior law") and in response to a request of the South Lake Business Association, a nonprofit corporation (the "Association"), the then City Board of Directors (the "Board") adopted Ordinance No. 6320 (effective February 5, 1988) establishing the South Lake Business Improvement District (the "District") for the primary purpose of the promoting public events and business activities in the District. The ordinance established three classifications of businesses (retail, professional and service) and two separate benefit zones and authorized the City to collect assessments on businesses within the District and the two benefit zones depicted in "Exhibit A" to the Annual Report attached hereto.

The City and the Association entered into a Collection and Remittance Agreement, dated March 14, 1988, whereby the Board designated the Association as its advisory body for the purpose of recommending expenditures for those activities and programs, and in accordance with budget, approved annually by the City.

The 1989 the Law was amended to declare that every business improvement district (BID)(based upon the 1979 law) be subject to an annual approval. Since May 4, 1990, the City Council has confirmed the annual reports and the levying of assessments for the District on an annual basis. By doing so, the City conformed the existing District to the new law and applicable procedures, regulations and requirements.

### **B. Proposed Annual Program, Assessment Levy and Budget**

On December 30, 2002, and pursuant to the law, the South Lake Association submitted its Annual Report for Program Year 2003, commencing January 1, 2003, which includes:

- a. A proposed list of the improvements, activities and programs for that year;
- b. A budget; and
- c. The basis and method for levying the assessments.

Thus far, inline with the Goals and Objectives, the Association has been in the process of refining operations so as to have a more direct affect on South Lake. The Association has opted to take on action items that are typically outside of the purview of similar organizations. As evidenced in "Exhibit B and C" of the annual report, the

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Association is taking an active role to address physical enhancements and the physical condition of South Lake Avenue. The Association has also taken steps to increase involvement amongst Association members as well as property owners and neighboring stakeholders. In doing so, the Association seeks to reposition South Lake Avenue as a destination for local resident and visitors alike by offering a unique experience within the City.

The City's Finance Department estimates that the aggregate amount of assessments to be levied will be approximately \$146,500 for Association's Program Year 2003, which commences January 1, 2003. The basis and method for levying the assessments are not proposed to be modified for the proposed Program Year 2003. Also, the Association has prepared its annual audit for its Program Year 2003, which is included as Attachment No. 3.

The law requires the City Council to approve the Association's Annual Report as filed or to modify the Report then approve the report as modified. Concurrently, City Council is required to adopt a resolution of intention fixing a time for a public hearing to be held by the City Council on the proposed levy of the assessment for Program Year 2003. Staff does not recommend that the City Council modify any of the provisions of the Annual Report and recommends that the City Council approve the report, as filed, and adopt a resolution evidencing its intent to hold a public hearing on May 12, 2003 at 8:00 p.m. on the levy of the proposed assessment for Program Year 2003.

**2001 APPROVAL CONDITION:**

During the 2001 Program Year approval procedures, 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 Avenue. The requirement was also to help the Association consider not only economic health of the Avenue, but also that the organization was truly operating on behalf of, and in partnership with the surrounding community.

In 2002, the Association undertook a Visioning Session and Strategic Planning session to develop Goals and Objectives for the Annual Plan.

In keeping with stated conditions, although not required by Council through the 2002 Annual Procedures, the Association once again held a Strategic Planning session facilitated by Tom Eidom Associates that has led to the development of the 2003 Annual Plan.

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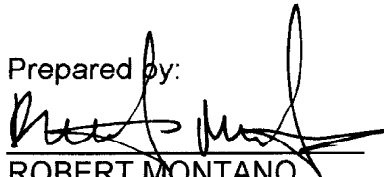
**FISCAL IMPACT:**

Implementation of the proposed assessment formula for the Association's Program Year 2003 will have no fiscal impact upon the City, other than the cost of administering the collection of the assessments. Administration costs have been budgeted in Finance - Municipal Services Budget Account 327200.

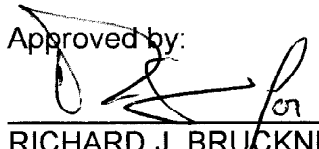
Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

Prepared by:

  
ROBERT MONTANO  
Business District Coordinator

Approved by:

  
RICHARD J. BRUCKNER  
Director of Planning and Development