

# Agenda Report

DATE:

JUNE 20, 2005

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: ESTABLISHMENT OF THE OLD PASADENA MANAGEMENT DISTRICT  
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Conduct a Public Hearing on the proposed establishment of the Old Pasadena Management District Property-based Business Improvement District (PBID).

It is further recommended that upon closing of Public Comment portion of the Public Hearing, that the City Council:

2. Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.

Upon receipt of the report on the tabulation of ballots, if the results of said tabulation show that a majority protest does not exist, it is recommended that the City Council:

3. Adopt the financial key terms and conditions of the \$545,000 for the proposed Old Pasadena Management District (OPMD) PBID as described in the "Old Pasadena Management District Key Terms" between the Old Pasadena Management District and the City of Pasadena, Attachment 1.
4. Adopt the Baseline Services Contract as described in this report in "Old Pasadena Baseline Services", Attachment 2.
5. Authorize the City Manager to enter into a financial agreement and baseline services contract with OPMD.
6. Appoint the Old Pasadena Management District acting by and through its Board of Directors as the owners association for the purpose of making recommendation to

the City Council on expenditures derived from assessment, property classifications, as applicable, and on the method and basis of levying assessments.

7. Adopt a final resolution "Establishing the Old Pasadena Management District, Property-based Business Improvement District" (Attachment 3).

**BACKGROUND:**

The Old Pasadena Management District Business Improvement District (OPMD) was initially established by Council on June 26, 2000 and will expire December 31, 2005, as California Property-based Business Improvement District (PBID) Law limits the initial term to five years maximum. The renewal term proposed is for five years and if successful, will commence the second term on January 1, 2006 and run until December 31, 2010.

**PBID Proposal**

The proposed renewal of the OPMD would have a five-year life span and assess an estimated \$1,212,046 in the first year. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Los Angeles-Long Beach Consumer Price Index (CPI), All Urban Consumers. The assessment would be derived from a 21-block area bound by Pasadena Avenue, Walnut Street, Arroyo Parkway and Del Mar Blvd. The proposed annual budget of \$1,212,046 is to be spent as follows:

Ambassador & Public Safety	37%	\$	443,608.84
Maintenance & Physical Enhancement	32%	\$	385,430.63
Marketing & Promotions	16%	\$	189,079.18
Administration & Project Management	15%	\$	181,806.90
Total		\$	<b>1,212,046.00</b>

**Process**

If the City Council approves the PBID, the assessments will be paid through the property tax collected by the County Assessor, and passed through to the City. The City will remit the assessments to the Old Pasadena Management District.

Per the requirements of the PBID law, OPMD has created the "OPMD PBID – A Management Plan" (Attachment 4) and submitted petitions surpassing the legal minimum as heard that the Council Meeting of April 25, 2005.

**Council Questions**

At the April 25, 2005 Council meeting, several questions were raised by Councilmembers regarding the services being provided to the Old Pasadena District. The following restates the questions and provides staff's response.

1. What was the baseline services provided by the City before the contract with OPMD and what is it as a result of the contract?

Baseline services are provided by City staff and enhanced services are provided by the Old Pasadena Management District. The following provides an analysis of baseline services prior to the PBID formation and as a result of the contract for all city departments affected.

There are two city departments which provide the primary baseline services to Old Pasadena – the Police Department and the Department of Public Works. In regards to Police Services, the baseline services provided to the Old Pasadena District has not changed per the Baseline Services Agreement. Although the level of service has not changed, deployment of police personnel has changed to keep up with the changing needs and demands in Old Pasadena. For major holidays, special events, the summer months and the December/January holiday season, additional officers are deployed to address the higher number of people in Old Pasadena.

The following identifies the baseline service level, which is the same for both prior and after the formation of the agreement with OPMD:

- A. Patrol: Two to three patrol cars, seven days a week, twenty-four hours per day, in the Midtown area, which includes Old Pasadena
- B. Foot Patrol: Foot patrols on Friday and Saturday nights utilizing force of six regular officers and two reserve officers.
- C. Bike Patrol: Bike patrols as currently offered by citywide unit.
- D. Substation: One substation located in Old Pasadena
- E. Motorcycle: One traffic sergeant overseeing Friday and Saturday night policing within the OPMD. Two motorcycle officers available on Friday and Saturday night. All motorcycle services to be provided by citywide unit.
- F. Special Problems Unit: Service of citywide unit as required.

One item that will be corrected in the new contract with OPMD is the number of reserve officers on Foot Patrol. The original contract stated that there were four reserve officers, but that number was incorrect and from the beginning there have only been two.

In regards to services provided by the Department of Public Works, the original baseline services prior to the formation of the OPMD were as follows:

- A. Street Lighting: Lights changed on an as-needed bases.
- B. Maintenance of alleys: Maintain alleys with scooters three times per week.
- C. General maintenance: Collect street refuse five times per week and pick up refuse bins on streets.
- D. Street Sweeping: Machine sweep streets three times per week.

- E. Trash collection: Collection of sidewalk-located container six times per week
- F. Landscape planters: Maintain street tree planters
- G. Tree trimming: Ficus trees trimmed one time per four years; all other species between 4-12 years. Trees to be maintained and groomed to maintain quality of life in Old Pasadena.
- H. Tree Planting: The City is responsible for removing and planting of trees

The baseline changed slightly when the OPMD contract was executed which resulted in the following services:

- A. Street Lighting: Light changed on as-needed basis. City provides necessary upkeep and maintenance of lighting. Preventive maintenance every nine months.
- B. Street Sweeping: Provided weekly on all arterials in the City. They are also swept as part of the normal biweekly route. City provides for maintenance including repairing potholes, laying asphalt patches, and maintaining storm drains.
- C. Trash dumping: City provides a place at the City Yards for OPMD to dump trash they collect with the City paying the dump fee.
- D. General Maintenance: Refuse from containers on street is collected by contractor for OPMD.
- E. Landscaping: Maintenance of street trees, tree wells and grates.
- F. Tree Trimming: Pruning of Ficus Nitida trees four-year pruning schedule. Pruning of other species at varying schedules from four to 15 years. Trees to be maintained and groomed.
- G. Tree Planting: Planting and removal of street trees as necessary.

One item regarding Public Works services that will be corrected in the new contract with OPMD is that the original contract incorrectly stated that Public Works would machine sweep three times per week. Since the beginning of the contract, OPDM has done the street sweeping daily through an outside contract.

There were several other baseline level services that are called out in the agreement which capture the full range of services that the City provides to OPMD. The service levels have not changed.

- A. Graffiti removal
- B. Vacant lot maintenance
- C. Parking off-street lots maintenance
- D. Parking on-street maintenance

2. Is there an equal level of baseline service provided throughout the Central District Area?

In general, the services provided in Old Pasadena are equal to the base services provided throughout the Central District. Some of the services provided are based on need, not frequency, but the City maintains equity in response.

3. What is the \$545,000 used for and specifically are any city services paid from this?

The City contribution to the PBID is \$545,000 annually and is not subject to CPI increases. None of the \$545,000 supplants City-provided services per the Baseline Services Agreement.

The OPMD will utilize City funding of \$545,000 for operations and programming.

The parking structures and parks will continue to receive the benefit of perimeter-enhanced maintenance and security beyond the levels provided by the City prior to 2000. OPMD agrees not to use any of the City's \$545,000 for the renewal of the District or for Marketing and Promotions.

The City's Annual Assessment for the proposed formula would be \$116,224. Redevelopment Tax Increment Funds cannot be for used maintenance.

4. What is the cost and funding source of extra police services?

A total of \$301,693 is allocated to the police department from the Parking Meter Fund. These funds are not a portion of the \$545,000 of City funding.

5. When the Old Pasadena BID was created in 2000, staff provided a financial chart on the total revenues that were being collected from Old Pasadena such as sales tax, property tax, business license tax.

The updated report is included as Attachment 5.

### **Baseline Services**

There are no recommended changes to the levels of services for Baseline Services Agreement with exception for those noted above. The Baseline Services Agreement executed in 2000 was written to terminate with the Initial Term. The baseline services are included in Attachment 2

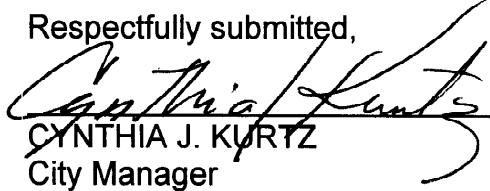
**FISCAL IMPACT:**

The fiscal impact is continued funding of \$545,000 per year. The funding sources are as follows:

A. Old Pasadena Parking Meter District Fund	\$ 335,0000
B. General Fund	\$ 90,796
C. Old Pasadena Parking Structure Fund	\$ 30,000
D. Old Pasadena Redevelopment Project Area Tax Increment	\$ 89,204
<b>Total City Contribution</b>	<b>\$ 545,000</b>

The financial support to OPMD is included in the FY 06 recommended operating budget.


Respectfully submitted,

  
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