

# **Ordinance Fact Sheet**

**TO:** CITY COUNCIL

**DATE:** April 30, 2007

**FROM:** CITY ATTORNEY

**SUBJECT:** ORDINANCE TO AMEND THE ENTERPRISE ZONE BOUNDARIES, EXEMPT CERTAIN ENTERPRISE ZONE BUSINESSES FROM FEES, AND AMEND PMC § 4.19 TO MAINTAIN CONSISTENCY THEREWITH

## TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA AMENDING ORDINANCE NO. 6883 TO EXTEND, EXPAND AND UPDATE THE BOUNDARIES OF THE ENTERPRISE ZONE, APPLY FINANCIAL INCENTIVES TO CERTAIN AREAS OF THE ENTERPRISE ZONE, AND AMEND THE TRANSPORTATION TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE (PMC § 4.19)

# **PURPOSE OF ORDINANCE**

This ordinance implements the direction given by Council on January 29, 2007, to expand the Pasadena Enterprise Zone, update the fee language therein, and extend the Enterprise Zone expiration date.

# **REASON WHY LEGISLATION IS NEEDED**

<u>Uncodified Enterprise Zone items</u>: This legislation is needed to fulfill a condition of the State Department of Housing and Community Development placed on the City's application for a new Enterprise Zone. HCD required that Council approve amendments to the local ordinance to match the proposed new boundaries and expiration date of the new zone.

<u>Codified amendment to PMC § 4.19.050.F</u>: When Council adopted the traffic reduction and transportation improvement fee, it exempted businesses in part of the Enterprise Zone from payment of that fee through reference to an Enterprise Zone map. This ordinance also amends PMC § 4.19.050.F to delete reference to the former Enterprise Zone map, made obsolete by the

MEETING OF \_\_\_\_\_04/30/2007

AGENDA ITEM NO. \_9.A.1.

expansion of the Enterprise Zone. While direction from Council to address this issue was not sought on January 29, 2007, staff included this amendment in the ordinance as a logical outflow from Council's direction, and to maintain consistency with Council's intent to exempt certain businesses within the Enterprise Zone from payment of that fee.

## PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The Planning and Development Department will implement the proposed ordinance.

## FISCAL IMPACT

The reduction to potential revenue to the General Fund as a result of the new zone boundaries will fluctuate from \$25,000 to \$75,000 per year. The reduction to potential revenue to the General Fund as a result of the financial incentives is estimated in the range of \$100,000 to \$200,000 per year.

## **ENVIRONMENTAL DETERMINATION**

A Negative Declaration was adopted by Council for this ordinance, in conformance with the requirements of the California Environmental Quality Act.

Respectfully submitted,

Michele Beal Bagneris

City Attorney

Prepared by:

Theresa E. Fuentes Deputy City Attorney

Concurred by:

Øvnthia J. Kurtz

City Manager

Introduced by: \_\_\_\_\_

#### ORDINANCE NO.

AN ORDINANCE OF THE CITY OF PASADENA AMENDING ORDINANCE NO. 6883 TO EXTEND, EXPAND AND UPDATE THE BOUNDARIES OF THE ENTERPRISE ZONE, APPLY FINANCIAL INCENTIVES TO CERTAIN AREAS OF THE ENTERPRISE ZONE, AND AMEND THE TRANSPORTATION TRAFFIC REDUCTION AND TRANSPORTATION IMPROVEMENT FEE (PMC § 4.19)

WHEREAS, the City of Pasadena ("City") has established the "Pasadena Enterprise Zone"

(through Ordinance No. 6131, subsequently amended by Ordinance Nos. 6588 and 6883) which

provides for local and State development incentives to encourage economic development in the

Enterprise Zone; and

WHEREAS, in compliance with State Department of Housing and Community Development

conditions, the City has applied for a new Enterprise Zone, and must amend the Enterprise Zone

ordinance to match the boundaries and expiration of the proposed new zone; and

WHEREAS, on January 29, 2007, Council adopted a Negative Declaration and approved

expansion of the new Enterprise Zone by 20%, and approved expansion of the financial incentives to the Enterprise Zone.

NOW THEREFORE, the People of the City of Pasadena ordain as follows:

**SECTION 1.** This ordinance, due to its length and the corresponding cost of publication, will be published by title and summary as permitted by Section 508 of the Pasadena City Charter. The approved summary of this ordinance is as follows:

#### **"Summary**

"In its uncodified sections, Ordinance No. \_\_\_\_\_ expands the boundaries of the Enterprise Zone as set forth on Exhibit A to the full text ordinance, incorporated by this reference as if fully set forth herein, and on file in the City Clerk's Office of the City of Pasadena, and sets forth waivers or reductions of specified fees or taxes for certain businesses within the Enterprise Zone. In its codified section, this ordinance also amends PMC § 4.19.050.F (traffic reduction and transportation improvement fee) to delete reference to the former Enterprise Zone map, made obsolete by the adoption of this ordinance.

Ordinance No. \_\_\_\_\_ shall take effect upon publication."

**SECTION 2. The following provision shall be codified.** Pasadena Municipal Code, Title 4, Chapter 4.19, Section 4.19.050.F is amended to read:

"All new Industrial, Office, <u>or</u> Retail <del>or Residential</del> uses in the Enterprise Zone Business Development Area ("EZBDA"), whose boundaries are set forth on the map attached as Exhibit 1</del>."

#### SECTION 3. The following provisions shall be uncodified.

A. Notwithstanding the provisions of any other ordinance of the City of Pasadena or any provisions of the Pasadena Municipal Code to the contrary, the Enterprise Zone boundaries are expanded to match those shown on the map attached hereto as Exhibit A and incorporated herein by reference.

B. All new construction of, new additions to, and modifications to: (1) Research and Development uses (as defined in Chapter 17 of the Pasadena Municipal Code) in the "Enterprise Zone Technology Development area," and (2) Commercial or Industrial uses (as defined in Chapter 17 of the Pasadena Municipal Code) in the "Enterprise Zone Business Development area," shall be eligible for waiver or reduction of those local development incentives (certain taxes and fees) as follows: (1) all fees set forth in Title 2, Title 14 and Title 17 related to development applications or permits; (2) the construction tax set forth in Chapter 4.32; and (3) fees for a new or renewed license or permit required by Chapters 5.04, 5.10, and 5.16 (excluding Section 5.16.190 (residential rental accommodations), and

2

5.16.270 (operation of nonresidential buildings)). Excluded from waiver or reduction are those uses allowed by a home occupancy permit, seasonal sales permits, or those with no fixed location of business. This waiver or reduction does not include any fee charged by any other agency. Nothing herein shall excuse or relieve any business or person from the requirement to obtain a valid business license and/or permit when required, or waive any of the remedies for failure to obtain such license and/or permit, but it is the intent of this ordinance to waive charges for the license tax required by any of the above mentioned chapters.

C. This ordinance extends the life of the Enterprise Zone, and Ordinance Nos. 6588 and 6883, to the same date set by state law for the expiration of the Enterprise Zone.

**SECTION 4.** The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

**SECTION 5.** This ordinance shall take effect upon publication.

Signed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2007.

Bill Bogaard Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this \_\_\_\_\_\_day of \_\_\_\_\_\_2007, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

Jane L. Rodriguez, CMC City Clerk

Approved as to form:

Thurs

Theresa E. Fuentes Deputy City Attorney

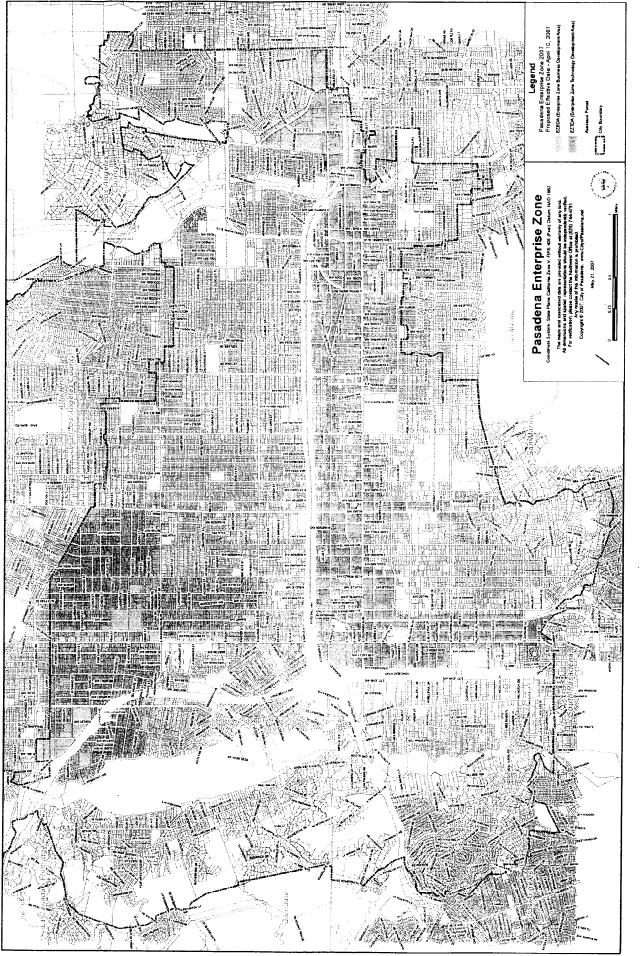


EXHIBIT "A"