

# Agenda Report

July 11, 2011

**TO:** City Council

**FROM:** CITY MANAGER

**SUBJECT: Establishment of the Playhouse District Association Property-based Business Improvement District (PBID)**

## **RECOMMENDATION**

It is recommended that the City Council:

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

It is further recommended that upon closing 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 Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.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 Agreement for Services contract between Playhouse District Association (PDA) and the City of Pasadena, Attachment 1.
4. Adopt the Baseline Services Contract as described in this report in "Playhouse District Association Baseline Services Agreement", Attachment 2.
5. Authorize the City Manager to enter into a financial agreement and baseline services contract with PDA.
6. Adopt a final resolution "Establishing the Playhouse District Association, Property-based Business Improvement District"

## **BACKGROUND:**

The Playhouse District Association (PDA) was initially established by Council on May 14, 2001 and was renewed for a second term that is set to expire on December 31<sup>st</sup>,

2011. The proposed new term is five years and if successful, will commence on January 1, 2012 and run until December 31, 2017.

## **PBID PROPOSAL**

The proposed renewal of the PDA would have a five-year life span and assess an estimated \$768,990 in the first year. An additional \$165,000 would be contributed by the City for a total of \$933,990 in the first year. The City contribution exists for the purposes of funding parking related initiatives. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Los Angeles-Riverside-Orange County Consumer Price Index (CPI), All Urban Consumers as voted upon by the PDA Board. The assessment would be derived from a 33-block area bound by Los Robles on the west, the north frontage of Walnut Street, Catalina Avenue north of Colorado Boulevard and Hudson south of Colorado Boulevard on the east and the south frontage of Green Street. The proposed budget of \$768,990 is to be spent as follows:

|                                   |            |
|-----------------------------------|------------|
| <b>Clean and Safe Programs</b>    | <b>54%</b> |
| <b>Marketing &amp; Promotions</b> | <b>21%</b> |
| <b>Physical Improvements</b>      | <b>6%</b>  |
| <b>Economic Improvements</b>      | <b>20%</b> |
| <b>Administration</b>             | <b>15%</b> |

## **CITY CONTRIBUTION AND BASELINE SERVICES AGREEMENT**

The City contribution to the PBID of \$165,000 per year exists for the purpose of identifying and implementing parking solutions identified in the Council-adopted Meyer Mohaddes Parking Study in the absence of a public parking garage to fulfill the 300 parking space deficiency necessary to serve the existing land uses. The contribution is fixed, not subject to CPI increase and was derived through the consolidation of the PDA boundaries, by substituting \$165,000 in lost assessments with the City contribution. The contribution includes the assessments applied to City-owned parcels within the District.

There is no recommended change to the Agreement for Services or Baseline Services Agreement. The Agreements are authorized commensurate with each PBID term.

## **PROCESS**

The California State Law governing the formation of PBIDs requires a process which begins with a petition phase, signed by property owners in the proposed district whose combined assessments exceed 50% of the proposed assessment. The second step is for City Council to adopt a resolution of intention to establish the PBID, which authorizes the City Clerk to mail a ballot for the establishment of the PBID to the property owners

within the district, and set a date for a public hearing to count the ballots with no less than 45-day public notice. In order for the district to be established, the Clerk must receive ballots in support, which “outweigh” those returned in opposition to the PBID based on the amount of assessments to be levied. The City Council may then establish the assessment district by adopting a final resolution. The assessments are billed with the property tax billing and collected by the County Tax Assessor, which are then transferred to the City. The City in turn, will contract with the PDA to fulfill the goals and objectives of the management plan for the District. The PDA is required to abide by the Brown Act and must submit an annual report and annual audit to the City.

Per the requirements of the PBID law, PDA has created the Playhouse District Association PBID – A Management Plan (Attachment 3). The map of the proposed district is included as Appendix A of the Management Plan.

### **COUNCIL POLICY CONSIDERATION**

PBIDs have become an important tool to help Pasadena maintain regional prominence as one of the top visitor destinations in Southern California. The PBIDs afford the leverage of shared resources resulting in a unique blend of public and private agencies working together to ensure business profitability and to emphasize customer service, safety, area marketing and promotion, cleanliness, improve parking management and continued retail recruitment.

More specifically, the work of PBIDs helps to implement Council Policy Considerations including a number of the City’s Guiding Principles of the General Plan:

- Economic vitality will be promoted to provide jobs, services, revenues and opportunities;
- Pasadena will be promoted as a cultural, scientific, corporate, entertainment and educational center for the region;
- As well as Council’s Strategic Plan goal to support and promote the quality of life and local economy.

### **ENVIRONMENTAL ANALYSIS**

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The proposed action is the establishment of the Playhouse District Association property based Business Improvement District for an additional five-year term. The PBID will allow an assessment to collect funds that are used in the Playhouse District to promote

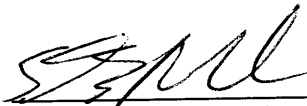
economic vitality in the area. No specific projects are being analyzed at this time. Any future project that results from the use of the funds shall be reviewed under its own merits at the time of project submittal for purposes of CEQA.

**FISCAL IMPACT**

The cost of this action will be \$165,000 per year for five years starting January 1, 2012. \$115,000 of this cost will be funded from through Community Redevelopment Fund 452120, while the remaining \$50,000 will be funded through the Playhouse Parking Fund 229.

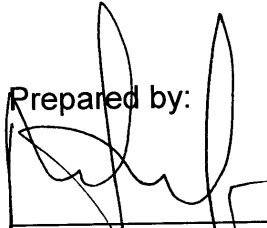
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|--|-----------------|
| Pasadena Community Development Commission Funds: | \$115,000       |
| Playhouse Parking Fund 229:                      | \$50,000        |
| Total  | <hr/> \$165,000 |

Respectfully submitted,



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Prepared by:

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Robert Montano  
Project Manager

Approved by:

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MICHAEL J. BECK  
City Manager

Attachments:

- Attachment 1 – Agreement for Services
- Attachment 2 – Baseline Services
- Attachment 3 – Management Plan