

Agenda Report

May 23, 2011

TO: Honorable Mayor and City Council

FROM: Economic Development, Office of the City Manager

SUBJECT: ESTABLISHMENT OF THE PLAYHOUSE DISTRICT ASSOCIATION
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION:

It is recommended that the City Council:

1. Find that adopting a resolution establishing the Playhouse District Association property- based Business Improvement District is exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3); and
2. Adopt a Resolution of Intention to establish the Playhouse District Association Property-Based Business Improvement District setting a Public Hearing for July 11, 2011 at 7:30 pm.

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 31st, 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 \$933,990 is to be spent as follows:

Clean and Safe Programs	54%
Marketing & Promotions	21%
Physical Improvements	6%
Economic Improvements	20%
Administration	15%

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 are no recommended changes to the Baseline Services Agreement. The baseline services are attached as Attachment 3. Authorization to execute the Baseline Services Agreement will be requested at the Public Hearing should the PDA achieve the minimum threshold vote necessary to form the PBID. The Baseline Services Agreement authorized in 2001 was written to terminate with the termination of the initial 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 collection by the County Tax Assessor, which are then transferred to the City. It is anticipated that the City 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 2) and has collected petitions exceeding the legal minimum of 50% of assessed value plus \$1, in the 33-block district as of May 23, 2011. The PDA hosted a series of meetings and continues community outreach to encourage support for PBID formation through the balloting phase. 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 Sothern 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.

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.

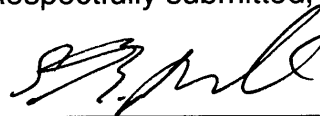
The proposed action is the establishment of the Playhouse District Association property based Business Improvement District for an additional five-year term. The PBID will allow an assessment to collect funds that are used in the Playhouse District to promote economic vitality in the area. No specific 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 City's contribution of \$165,000 to the PBID will commence January 1, 2012 and is budgeted annually. This level of funding was authorized by Council on December 19, 2005, scheduled to continue until such time that a pool of offsite parking is created to cover the parking deficiency in the District to meet the existing land use demands. The contribution is funded using the following sources:

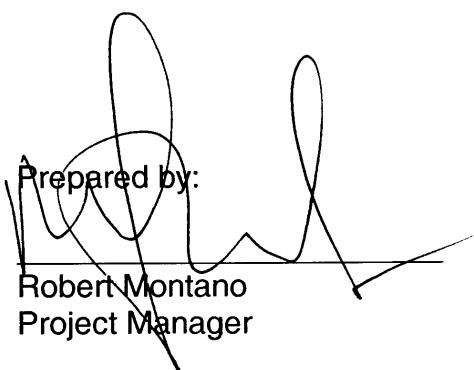
Pasadena Community Development Commission	
Funds:	\$115,000
Playhouse Parking Fund 229:	\$50,000

Respectfully submitted,



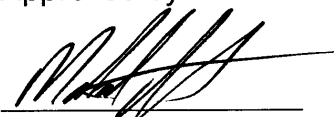
STEVE MERMELL
Assistant City Manager
Economic Development

Prepared by:



Robert Montano
Project Manager

Approved by:



MICHAEL J. BECK
City Manager

Attachments:

- Attachment 1 – Management Plan
- Attachment 2 – Baseline Services

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PASADENA STATING ITS INTENTION TO FORM THE PLAYHOUSE DISTRICT ASSOCIATION PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994, PART 7 OF DIVISION 18 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE, AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO.

WHEREAS, the Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code, commencing with Section 36600, (the "Law") authorizes cities to establish property and business improvement districts within business districts to promote the economic revitalization and physical maintenance of such business districts; and

WHEREAS, the Law authorizes cities to levy and collect assessments on real property within such districts for the purpose of providing improvements and promoting activities that specially benefit real property within such districts; and

WHEREAS, Articles XIIIC and XIID of the California Constitution and Section 53753 of the California Government Code impose certain procedural and substantive requirements relating to the levy of new or increased assessments; and

WHEREAS, a written petition has been submitted by property owners within Old Pasadena business district requesting the City Council to initiate proceedings pursuant to the Law to establish a property and business improvement district to be named the Playhouse District Association Property-based Business Improvement District; and

WHEREAS, such petition was signed by property owners in the proposed district who will pay more than fifty percent (50%) of the assessments proposed to be levied; and

WHEREAS, a Management District Plan entitled the "Playhouse District Association Property-Based Business Improvement District – a Management Plan" (the Management District Plan) has been prepared and submitted to the City Clerk, containing all of the information required by Section 36622 of the Law, including a description of the boundaries of the district, the improvements and activities proposed for the district, and the cost of such improvements and activities;

NOW THEREFORE BE IT RESOLVED, that the Pasadena City Council declares as follows:

Section 1. Pursuant to Section 36621(a) of the Law, the Pasadena City Council declares its intention to form a property and business improvement district to be designated the "Playhouse District Association Property-based Business Improvement District" (the "District") and to levy and collect assessments against lots and parcels of real property within the District, commencing with Fiscal year 2012-2013.

Section 2. The City Clerk shall make the Management District Plan and other documents related to the District available to the public for review during normal business hours Monday through Thursday and alternating Fridays 7:30 a.m. – 5:30 p.m.

Section 4. NOTICE IS HEREBY GIVEN that the City Council shall conduct a public hearing on the establishment of the District and the levy and collection of assessments on July 11, 2011 at 7:30 p.m. or as soon thereafter as the matter may be heard, in City Hall, Council Chambers, Room S249 at 100 North Garfield Avenue. At the public hearing, the City Council will consider all objections or protests, if any, to the proposed establishment of the District and the proposed assessment. Any interested person may present written or oral testimony at the public hearing.

Section 5. The exterior boundaries of the proposed District include an approximately 33-block area bounded by Los Robles, Walnut Avenue, generally Catalina, and generally Green Street.

Section 6. The proposed improvements and activities for the District include providing security, sanitation, street and sidewalk cleaning and other municipal services supplemental to those normally provided by the City; marketing, and other improvements and activities which benefit businesses and real property located in the District.

Section 7. The assessment proposed to be levied and collected for Fiscal Year 2011 is \$768,990. The amount to be levied and collected for subsequent years up to a total of 5 years may also be increased, by an amount not to exceed five percent per year, in accordance with increases in the Consumer Price Index, All Urban Consumers, for the Los Angeles-Orange-Riverside County metropolitan area.

Section 8. The City Clerk, or his designee, is hereby authorized and directed to cause notice to be given of the public hearing as provided in Section 53753 of the Government Code and Article XIID, Section 4 of the California Constitution.

Adopted at the regular meeting of the City Council on the ____ day of _____,
2011, by the following vote:

AYES:

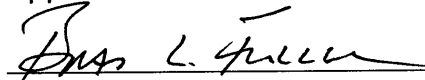
NOES:

ABSENT:

ABSTAIN:

MARK JOMSKY, CITY CLERK

Approved as to form:



Brad L. Fuller, Assistant City Attorney