

Ordinance Fact Sheet

TO: CITY COUNCIL DATE: APRIL 11, 2016
FROM: CITY ATTORNEY
SUBJECT: AMENDMENT OF THE LIGHT AND POWER RATE ORDINANCE
TO ESTABLISH AN ECONOMIC DEVELOPMENT RATE
SCHEDULE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, TITLE 13, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH ECONOMIC DEVELOPMENT INCENTIVES FOR NEW COMMERCIAL CUSTOMERS OR EXPANDED SERVICES BY EXISTING CUSTOMERS UNDER SPECIFIED CONDITIONS.

PURPOSES OF THE ORDINANCE:

The purpose of this Ordinance is to amend the light and power rate ordinance to add economic development incentives for new commercial customers or expanded services by existing customers under specified power use thresholds.

REASONS WHY LEGISLATION IS NEEDED:

The City Council directed preparation of this amendment at its meeting of November 2, 2015. The reason why legislation is needed is that Pasadena's Economic Development Strategic Plan and subsequent Economic Development Task Force report recommended that the City "provide utility incentives or flexible payment terms to targeted job producers that upgrade outdated facilities." As a result, Pasadena Water and Power ("PWP") staff considered various options that would help meet certain economic development goals without adversely impacting PWP customers. The establishment of an Economic Development Rate schedule meets these objectives.

04/11/2016

MEETING OF _____

20

AGENDA ITEM NO. _____

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

On November 2, 2015, the City Council found that the proposed amendment to the light and power rater ordinance is not a project subject to the California Environmental Quality Act ("CEQA"), as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

The Pasadena Water and Power Department, its new and existing customers, the City, and the general public would be positively impacted by this amendment.


FISCAL IMPACT:

The proposed Economic Development Rate may reduce electric revenues from qualifying new customer load by a total of up to \$1,000,000 over a three- to five-year period, depending upon the amount and pace of customer participation. The proposed incentive rate schedule is expected to encourage new customer load that otherwise would not have occurred, which will bring additional revenues to the Light and Power Fund that offset costs for all customers. Thus, it is anticipated that there will be no adverse impact to PWP's overall electric customer base (e.g., no rate increases will result from this program). In addition, the City would benefit from the new and expanded businesses, jobs, and improvements to existing infrastructure and building stock as a result of the economic development stimulated by the Economic Development Rate incentives.


POLICY CHANGES:

This ordinance amendment does not result in any policy changes, and is consistent with recommendations in Pasadena's Economic Development Strategic Plan, the subsequent Task Force report, and the City Council's goals.

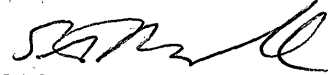
Respectfully submitted,


Michele Beal Bagneris
City Attorney

Prepared by:


Lisa Hosey
Deputy City Attorney

Concurrence:


Steve Mermell
Interim City Manager