

Agenda Report

DATE: NOVEMBER 13, 2000
TO: CITY COUNCIL
FROM: CYNTHIA J. KURTZ, CITY MANAGER
SUBJECT: PUBLIC HEARING: DISESTABLISHMENT OF THE OLD PASADENA BUSINESS IMPROVEMENT DISTRICT AND INTRODUCTION OF AN ORDINANCE TO DISESTABLISH THE BID

RECOMMENDATION

It is recommended that the City Council take the following actions:

1. Hold a public hearing to consider the disestablishment of the Old Pasadena Business Improvement District ("BID").
2. At the conclusion of the public hearing, hold first reading of an ordinance disestablishing the Old Pasadena BID.

BACKGROUND

At its meeting of October 23, 2000, the City Council adopted Resolution No. 7927 declaring its intention to disestablish the Old Pasadena BID. The resolution fixed November 13, 2000 at 8:00 p.m. for a public hearing to consider the disestablishment of the BID. Notice of the public hearing was given by publishing the Resolution of Intention in the Pasadena Journal on November 2, 2000, and Resolution No. 7927 was mailed to all business in the Old Pasadena BID on October 26, 2000.

It is recommended that the City Council hear and consider all protests (if any) against the proposed action. It is also recommended that the City Council hold the first reading of the ordinance at the end of this public hearing.

The Old Pasadena Business Improvement District was established in July of 1989 by Ordinance No 6341, for the primary purpose of promoting public events and business activities in the District. The ordinance established three classifications of businesses (retail, professional and service) and two separate benefit zones and authorized the City to collect assessments from the businesses within the District. The City and the Old Pasadena Business and Professional Association entered into a Collection and Remittance Agreement, dated December 28, 1989, whereby the Board designated the Association as its advisory body for the purpose of recommending expenditures for those activities and programs, and agreed to remit the proceeds of levies against businesses in the District to the Association for use in implementing the activities and programs in accordance with a budget approved annually by the City. The Community Development Commission entered into a loan agreement with the Old Pasadena Business & Professional Association to engage the services of a full-time executive director for the Association to carry out the BID's programs and activities. This loan was to be paid back by the OPBPA to the commission from one-half of all annual assessment funds in excess of \$100,000 collected by the City until the loan advance was fully paid. The current unpaid balance is \$123,342.29.

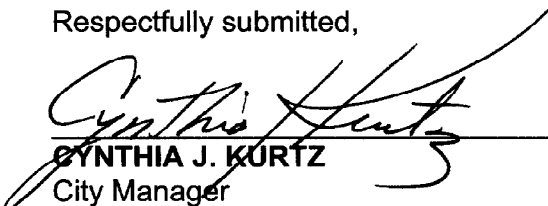
On June 26, 2000 the City Council established the Old Pasadena Management District, a property-based Business Improvement District (PBID). The funds are to be billed and collected by the County of Los Angeles with the property tax billing.

In light of the existence of the PBID, the Old Pasadena Business & Professional Association has requested that the City disestablish the existing District to eliminate program redundancy.

FISCAL IMPACT

Under Loan Advance and Repayment Agreement No. CDC-83 the OPBPA owes \$123,000 to the Commission. A proposed loan amendment is being presented to the Commission and City on November 13, 2000 for consideration prior to this public hearing. The proposed loan amendment will provide a mechanism to repay the Commission. If the loan amendment is approved, an estimated \$58,000 is available to repay a portion of the loan. The OPBPA expects to repay the Commission approximately \$10,000 from the Associations' residual funds. The Finance Department currently is holding approximately \$28,000 from FY 2000 BID assessments, which have not been released to the OPBPA. The Finance Department also estimates that there may be an additional \$20,000 in past due assessments which are currently being billed for payment. The loan balance after funds are collected will have no further means of payment and will be terminated.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:



ERLINDA L. ROMO
Business District Coordinator

Approved by:

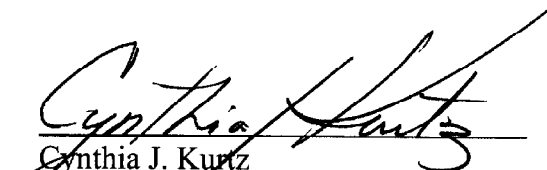


RICHARD J. BRUCKNER
Director of Housing and Development

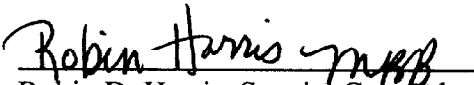
FISCAL IMPACT:

the fiscal impact of the ordinance affects repayment of Agreement No. CDC-83. A proposed amendment to this loan will allow for partial payment of the loan amount and a termination of the loan agreement.

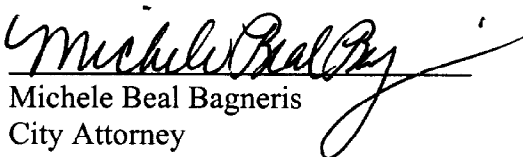
Respectfully submitted,


Cynthia J. Kurtz
City Manager

Prepared by:


Robin D. Harris, Special Counsel

Approved by:


Michele Beal Bagneris
City Attorney