

# Agenda Report

DATE: OCTOBER 23, 2000

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: ADOPTION OF A RESOLUTION DECLARING THE COUNCIL'S INTENTION TO DISESTABLISH THE OLD PASADENA BUSINESS IMPROVEMENT DISTRICT (BID) AND TO HOLD A PUBLIC HEARING TO DISESTABLISH THE BID

## **RECOMMENDATION:**

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

1. Adopt a resolution, in the form attached as Attachment No. 1, evidencing the intention of the City Council to hold a Public Hearing on November 13, 2000 at 8:00 p.m. on the disestablishment of the Old Pasadena BID.
2. Direct the City Clerk to give notice of the public hearing by (a) causing the resolution to be published not less than seven days before the Public Hearing and (b) mailing a complete copy of the resolution by first class mail to each business owner in the Old Pasadena BID.

## **BACKGROUND**

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 (Attachment No. 2 OPBPA District Map). 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, on August 4, 1992. 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 PBID will be assessed upon the property owners within the District within the four benefit zones (Attachment No. 3 OPMD District Map). The funds are to be billed and collected by the County of Los Angeles with the property tax billing. These funds will be spent as follows:

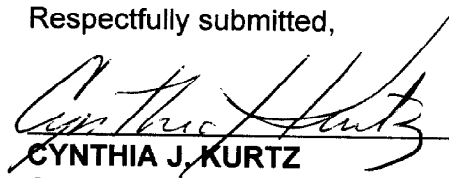
- Public Safety - The Public Safety programs designed to improve both the reality and perception of safety in Old Pasadena. A consistent and visible uniformed security presence will be throughout the district 16 hours a day, seven days a week. Estimate budget \$395,000
- Maintenance - In order to establish and maintain a uniform standard of cleanliness throughout the District the maintenance program will remove graffiti, remove trash and debris, provide sidewalk sweeping, sidewalk pressure washing and other maintenance services. Estimate budget \$335,000
- Communication, Marketing, Economic Development and Special Projects - In order to tell the story of Old Pasadena and continue to build upon the success of the district, a communications, marketing and economic development program will be implemented. Estimate budget \$130,000
- Advocacy and Administration - Manage day-to-day activities of the Management District to include labor, office, rent, insurance, utilities, supplies, etc. Estimate budget \$141,454
- Reserve Account - 1% of Budget
- Formation Expenses - \$60,000 for the first year of operation only

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:**

Any existing BID revenue balances derived from the levy of assessments or any revenue derived from the sale of assets acquired with assessment revenues shall first be applied to repay outstanding obligations incurred in connection with the BID program. Should the outstanding loan be repaid in full and there is a remaining cash balance for collected assessments, the cash balance will be refunded to existing business owners within the BID. Upon disestablishment of the BID, so long as there is an outstanding loan balance, the City will continue to collect past due assessments and will apply this revenue to the outstanding loan advance made to the BID. This will require an amendment to the current loan document. Upon disestablishment, past due assessments will be the only source of revenues available to repay the loan.

Respectfully submitted,

  
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