

Agenda Report

DATE: JULY 9, 2001

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF ANNUAL REPORT OF THE SOUTH LAKE BUSINESS ASSOCIATION FOR THE SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF A RESOLUTION OF INTENTION TO HOLD A PUBLIC HEARING TO LEVY ASSESSMENTS WITHIN SAID DISTRICT FOR PROGRAM YEAR 2001

RECOMMENDATION:

It is recommended that the City Council of the City of Pasadena ("City Council") take the following actions:

1. Approve the Annual Report of the South Lake Business Association ("Association") for the South Lake Business Improvement District (the "District") for Program Year 2001 in the form submitted by the Association and attached as Attachment No. 1 to this Agenda Report while in keeping with the Approval Conditions detailed in this report.
2. Adopt a resolution (Attachment No. 2) evidencing the intention of the City Council to hold a Public Hearing on July 23, 2001 at 8:00 p.m. on the continuation of the City Council to levy and collect assessments within the District for Program Year 2001 commencing January 1, 2001.
3. Direct the City Clerk to give notice of the public hearing by causing the resolution to be published not less than seven days before the Public Hearing.

BACKGROUND:

A. General

Twelve years ago, pursuant to the Parking and Business Improvement Area Law of 1979 (the "prior law") and in response to a request of the South Lake Business

Association, a nonprofit corporation (the "Association"), the then City Board of Directors (the "Board") adopted Ordinance No. 6320 (effective February 5, 1988) establishing the South Lake Business Improvement District (the "District") for the primary purpose of the 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 on businesses within the District and the two benefit zones depicted in Exhibit "A" to the Annual Report attached hereto.

The City and the Association entered into a Collection and Remittance Agreement, dated March 14, 1988, whereby the Board designated the Association as its advisory body for the purpose of recommending expenditures for those activities and programs, and in accordance with budget, approved annually by the City.

The Parking and Business Improvement Area Law of 1989 declared every business improvement district (based upon the 1979 law) subject to an annual approval. Since May 4, 1990, the City Council has confirmed the annual reports and the levying of assessments for the District on an annual basis. By doing so, the City conformed the existing District to the new law and applicable procedures, regulations and requirements.

B. Proposed Annual Program, Assessment Levy and Budget

On December 21, 2000, and pursuant to the law, the South Lake Association submitted its Annual Report for Program Year 2001, commencing January 1, 2001, which includes:

- a. A proposed list of the improvements, activities and programs for that year;
- b. A budget; and
- c. The basis and method for levying the assessments.

The City's Finance Department estimates that the aggregate amount of assessments to be levied will amount to approximately \$143,000 for Association's Program Year 2001, which commences January 1, 2001. The proposed list of improvements, activities, and programs for 2001 and the budget therefore are attached as Exhibits "C" and "D" respectively to the Annual Report. The basis and method for levying the assessments are not proposed to be modified for the proposed Program Year 2001. Also, the Association has prepared its annual audit for its Program Year 2000, which is included as Attachment No. 3.

The law requires the City Council to approve the Association's Annual Report as filed or to modify the Report then approve the report as modified. Concurrently, and after the approval of the annual report, the City Council is required to adopt a resolution of intention fixing a time for a public hearing to be held by the City Council on the proposed levy of the assessment for Program Year 2001. Staff does not recommend that the City Council modify any of the provisions of the

Annual Report and recommends that the City Council approve the report, as filed, and adopt a resolution evidencing its intent to hold a public hearing on July 23, 2001 at 8:00 p.m. on the levy of the proposed assessment for Program Year 2001.

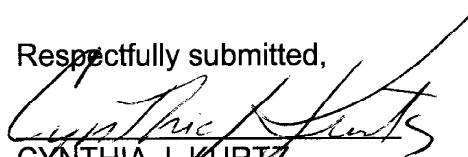
APPROVAL CONDITION:

The District Board of Directors in cooperation with City staff will complete a strategic plan for the District during this Program Year. This effort shall involve the stakeholders within the district, property owners, businesses, and the adjacent residents. The outcome of the dialogue will establish an overall vision for the district and an annual work plan, to be reflected in the annual report for 2002.

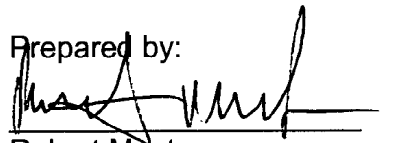
FISCAL IMPACT:

Implementation of the proposed assessment formula for the Association's Program Year 2001 will have no fiscal impact upon the City, other than the cost of administering the collection of the assessments. Administration costs have been budgeted in Finance - Municipal Services Budget Account 327200.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

Prepared by:


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Business District Coordinator

Approved by:


RICHARD J. BRUCKNER
Director of Planning and Development