



# Ordinance Fact Sheet

**TO:** City Council

**DATE:** January 7, 2002

**FROM:** City Attorney

**SUBJECT:** Amendment to Construction Tax Ordinance

**TITLE OF PROPOSED ORDINANCE:**

AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 4 OF THE PASADENA MUNICIPAL CODE, TO PROVIDE A FULL OR PARTIAL WAIVER OF THE CONSTRUCTION TAX FOR RESEARCH AND DEVELOPMENT PROJECTS

**PURPOSE OF ORDINANCE:**

This ordinance implements and codifies the code amendments approved by the City Council on November 19, 2001. This amendment would provide for full or partial waiver of the construction tax for research and development projects city wide.

**REASON WHY LEGISLATION IS NEEDED:**

An ordinance is needed to amend that portion of the municipal code which implements the incentives for research and development improvements as approved by the City Council.

**PROGRAM, DEPARTMENTS, OR GROUPS AFFECTED:**

The Planning and Development Department would implement the proposed ordinance.

**FISCAL IMPACTS:**

The fiscal impacts were reviewed at the City Council on November 19, 2001. At that time the Council report noted that expanding the applicability of both the current construction tax and enterprise zone waivers will represent lost potential revenue to the general fund. It is difficult to determine a specific dollar amount based on potential waivers that will fluctuate significantly from year to year. However, it is estimated that \$150,000 - \$200,000 per year might represent an average annual lost revenue figure. This is based on a combination of rehabilitated space and new construction.

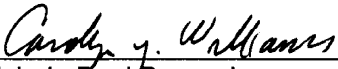
MEETING OF 1/7/2002

AGENDA ITEM NO. 9.A.3.

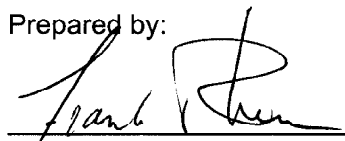
**ENVIRONMENTAL:**

Through an initial study, the environmental impacts were reviewed by the City Council on November 19, 2001. At that time the Council approved staff's recommendation that a Negative Declaration is appropriate.

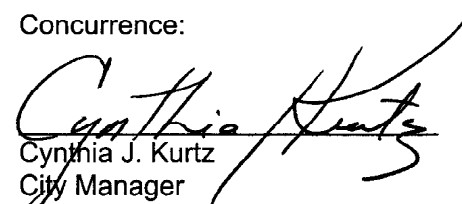
Respectfully Submitted,

*for*   
Michele Beal Bagneris  
City Attorney

Prepared by:

  
Frank L. Rhemrev  
Assistant City Attorney

Concurrence:

  
Cynthia J. Kurtz  
City Manager

Introduced by Councilmember \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF PASADENA AMENDING  
TITLE 4 OF THE PASADENA MUNICIPAL CODE TO PROVIDE  
A FULL OR PARTIAL WAIVER OF THE CONSTRUCTION TAX  
FOR RESEARCH AND DEVELOPMENT PROJECTS

WHEREAS, the City of Pasadena finds that it is necessary and essential to the health, safety and welfare of the citizens of the City of Pasadena to promote the economic development in the City thereby creating employment opportunities for all residents of the City; and

WHEREAS, a key component in the City's plan to economically revitalize the community is the expansion and diversity of the City's employment base; and

WHEREAS, the City of Pasadena has determined that encouraging technology based business will: 1. supplement the loss of local manufacturing jobs with another high wage industry; 2. help retain a higher percentage of Caltech spin-off companies; 3. support Caltech's need to attract the best research talent to the area; 4. represent a favorable match to a large segment of the City's labor market; 5. help obtain full and gainful employment for the residents of the City; and 6. promote the growth of the City's tax base through increased property values; and

WHEREAS, without some financial incentive, certain technology based businesses will choose not to locate in the City, thereby increasing or perpetuating the reliance on retail sales for employment and tax revenue; and

WHEREAS, the City of Pasadena finds that providing a financial incentive will serve a legitimate public purpose and promote the municipal affairs of the City.

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NOW THEREFORE, the People of the City of Pasadena do ordain as follows:

SECTION 1. Subsection C of Section 4.32.050 entitled "Exemptions" of Chapter 4.32 entitled "Construction Tax" is hereby amended to read as follows:

"C. Any construction project with the 'Research and Development - Office' or 'Research and Development - Non-Office' land use designation as defined in Chapter 17 of the Pasadena Municipal Code. The Director shall determine whether a full or partial waiver will be granted and shall base his/her decision on his/her determination as to what portion of the construction project is being built to specifically accommodate 'Research and Development' uses."

SECTION 2. This ordinance shall take effect thirty days from its publication.

Signed and approved this 7<sup>th</sup> day of January, 2002.

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Bill Bogaard  
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its regular meeting held November 19, 2001, by the following vote:

AYES:

NOES:

ABSENT:

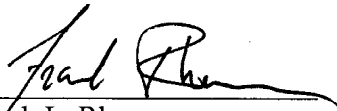
ABSTAIN:

Published:

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Jane L. Rodriguez, CMC  
City Clerk

APPROVED AS TO FORM



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Frank L. Rhemrev  
Assistant City Attorney