



# Ordinance Fact Sheet

**TO:** City Council

**DATE:** March 4, 2002

**FROM:** City Attorney

**SUBJECT:** Pasadena Center Operating Company

**TITLE OF PROPOSED ORDINANCE:**

AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLES 2, 3 AND 4 OF THE PASADENA MUNICIPAL CODE REGARDING THE PASADENA CENTER OPERATING COMPANY.

**PURPOSE OF ORDINANCE:**

This ordinance amends provisions regarding the appointment of members to the Pasadena Center Operating Company, increases the quorum of this thirteen member body from six to seven, allows approval of contracts under \$75,000 subject to certain conditions and adds provisions regarding the use of the Pasadena Center.

**REASON WHY LEGISLATION IS NEEDED:**

The City Council directed preparation of this ordinance to codify proposed changes related to the Pasadena Center Operating Company. Section 410 of the Pasadena City Charter requires that the Municipal Code be amended by ordinance.

**PROGRAM, DEPARTMENTS, OR GROUPS AFFECTED**

The Pasadena Center Operating Company would implement the proposed ordinance.

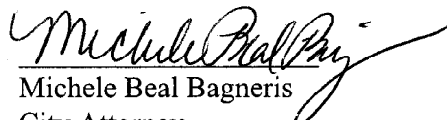
**FISCAL IMPACTS:**

There are no financial impacts to this ordinance.

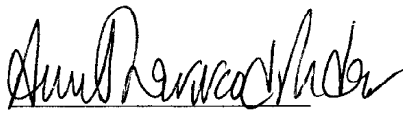
**POLICY CHANGES:**

The adoption of this ordinance increases the quorum requirements of this thirteen member group from six to seven, makes certain changes to the appointment of members to the Pasadena Center Operating Company and codifies the contracting procedures of the Pasadena Center Operating Company.

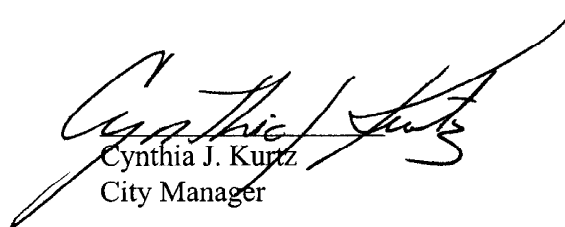
Respectfully Submitted,

  
Michele Beal Bagneris  
City Attorney

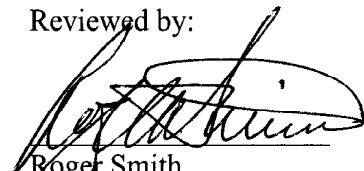
Prepared by:

  
Ann Sherwood Rider  
Assistant City Attorney

Concurrence:

  
Cynthia J. Kurtz  
City Manager

Reviewed by:

  
Roger Smith  
Chief Executive Officer  
Pasadena Center Operating Company

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

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

**AN ORDINANCE OF THE CITY OF PASADENA AMENDING VARIOUS SECTIONS IN CHAPTERS 2.165 AND 4.08 AND ADDING SECTIONS 3.04.040, 3.04.050 AND 3.04.060 TO THE PASADENA MUNICIPAL CODE REGARDING THE PASADENA CENTER OPERATING COMPANY**

The People of the City of Pasadena ordain as follows:

**SECTION 1.** This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the City Charter. The approved summary of this ordinance reads as follows:

“SUMMARY

The subject ordinance, Ordinance No. \_\_\_\_\_, amends various sections in Chapters 2.165 and 4.08 and adds sections 3.04.040, 3.04.050 and 3.04.060 to the Pasadena Municipal Code regarding the Pasadena Center Operating Company. This ordinance amends provisions regarding the appointment of members to the Pasadena Center Operating Company, limits major hotel representation to four members and if the number of major hotels in the City exceeds four, requires the Pasadena Center Operating Company to establish a rotation for major hotel membership, increases the quorum of this thirteen member body from six to seven, allows approval of contracts under \$75,000 by the Pasadena Center Operating Company subject to certain conditions and adds provisions regarding the use of the Pasadena Center.

Ordinance No. \_\_\_\_\_ shall take effect 30 days after its publication.”

**SECTION 2.** Section 2.165.030 of the Pasadena Municipal Code is hereby

amended to read:

**“2.165.030 Membership - Appointments and terms.**

A. The board shall consist of 13 members, who shall be appointed as follows:

1. The mayor shall nominate ~~9~~ **8** members from persons recommended by the other ~~6~~ **7** city council members ~~and the Pasadena Chamber of Commerce~~. Such nominations shall include ~~the city manager or his/her authorized representative and~~ a member of the city council;

2. The major hotels in Pasadena may nominate 1 representative per hotel ~~to represent the interests of hotels~~ for a total of ~~at least not more than~~ **4** members. A major hotel is defined herein as a property of over ~~200~~ **250** rooms. ~~In the event that there are more than 4 major hotels in the city, the board shall establish a rotation for nomination;~~

3. All nominations ~~except the City Manager or his or her authorized representative~~ are subject to ratification by the city council. ~~The City Manager or his or her authorized representative, at the election of the City Manager by written notice to the City Clerk is appointed as a member.~~

B. Members shall be appointed for a term of 3 years, and city members, except for the city manager or his/her appointed representative, shall serve no more than 2

consecutive terms. A term of less than 1 year shall not be considered a full term. Terms expire on June 30th of the applicable years. A member shall continue in office for the term for which he/she was appointed or until his/her successor is appointed. No city member, except for the city manager or his/her appointed representative, who has served 2 consecutive terms shall be eligible for reappointment to the board prior to the passage of a 2-year interval.

C. If a city member ~~required to reside in the city~~ ceases to reside in the city prior to the expiration of a term, the member may complete the term only upon approval by the city council pursuant to Section 2.45.020.

D. ~~Any member of the board may be removed by the city council at its pleasure.~~

~~Any member of the board may be removed by the city council for cause as specified in the Corporations Code or articles or bylaws of the corporation. Any city member of the board~~ ~~required to reside in the city~~ may be removed by the city council if he/she ceases to reside in the city or has 3 consecutive unexcused absences.”

**SECTION 3.** Section 2.165.040 of the Pasadena Municipal Code is hereby amended to read:

**“2.165.040 Qualifications**

A. All members, ~~except the City Manager or his or her authorized representative and the hotel representatives as set forth in Section 2.165.030,~~ shall be residents of the

city.

B. Members should possess an understanding of the operations of the Pasadena Center.”

**SECTION 4.** Section 2.165.060 of the Pasadena Municipal Code is hereby amended to read:

**“2.165.060 Election of Officers**

At the first meeting of the board, and thereafter at its first meeting of each subsequent year, the members shall elect a president, a vice president, a secretary and a treasurer. The corporation bylaws delineate the responsibilities of corporate officers. Two offices may be held by 1 person, with the exception of president and secretary and secretary and treasurer. In the absence or disability of the president and vice president, the board may designate a temporary president.”

**SECTION 5.** Section 2.165.070 of the Pasadena Municipal Code is hereby amended to read:

**“2.165.070 Meetings - Records**

A. The board shall meet at least once a year. All its meetings shall be held in accordance with the Ralph M. Brown Act and shall be open to the public except as provided by law. Special meetings may be called by the president or a majority of the board.

B. Six ~~Seven~~ members of the board shall constitute a quorum. No action of the board shall be valid without a majority vote unless a different rule is provided herein.

C. Officers of the city shall have the right to attend meetings and make recommendations to the board.

D. The board shall keep a record, which shall be available for public inspection, of all its resolutions, proceedings, and other actions.”

**SECTION 6.** Section 2.165.110 of the Pasadena Municipal Code is hereby amended to read:

**“2.165.110 Purpose and functions**

A. The specific and primary purpose for which this corporation is formed is to manage and operate the Pasadena Center, a civic facility designed for conferences, exhibitions, trade shows, assemblies and cultural, educational and recreational programs for the use, benefit and enjoyment of the public, and to supervise the activities of the Pasadena Convention Bureau.

B. This corporation has the power, ~~except as provided in Chapter 4.08:~~

1. To solicit, collect, receive, acquire, hold, and invest money and property, both real and personal, including money and property received by gift, contribution, bequest or devise; to sell and convert property, both real and personal, into cash; and to use the funds of this corporation and the proceeds, income, rents, issues, and profits

derived from any property of this corporation for any of the purposes for which this corporation is formed;

2. To purchase, acquire, own, hold, sell, assign, transfer, dispose of, mortgage, pledge, hypothecate or encumber, and to deal in shares, bonds, notes, debentures, or other securities or evidences of indebtedness of any person, firm, corporation or association and, while the owner or holder of them, to exercise all rights, powers, and privileges of ownership;

3. To purchase or acquire, own, hold, use, lease (either as lessor or lessee), sell, exchange, assign, convey, dispose of, mortgage, hypothecate, or encumber real and personal property;

4. To borrow money, incur indebtedness, and to secure repayment by mortgage, pledge, deed of trust or other hypothecation of property, both real and personal;

5. To enter into, make, perform and carry out contracts of every kind for any lawful purpose without limit on amount, with any person, firm, association or corporation, municipality, county, parish, state, territory, government (foreign or domestic) or other municipal or governmental subdivision;

6. To do all things necessary, expedient or appropriate to the accomplishment of any of the objects and purposes for which this corporation is formed.

C. The property, assets, profits and net revenue of this corporation are irrevocably



dedicated to the city of Pasadena; provided, however, that until all indebtedness of the corporation shall have been paid, such net revenues may be used for the purpose of paying or calling for redemption any bonds, debentures, notes or other evidences of such indebtedness. Upon the dissolution, liquidation or winding up of the corporation or upon abandonment, the assets of the corporation remaining after payment of or provision for all debts or liabilities of this corporation shall be distributed to the city.

D. All powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by the board.

**SECTION 7.** Section 4.08.025 of the Pasadena Municipal Code is hereby amended to read:

**“4.08.025 Contracts requiring city council approval.**

All contracts shall be approved by the city council except contracts under \$75,000, and except contracts of the Rose Bowl Operating Company and the Pasadena Center Operating Company as set forth in Section 4.08.026.”

**SECTION 8.** Section 4.08.026 of the Pasadena Municipal Code is hereby amended to read:

**“4.08.026 Contracts of the Rose Bowl Operating Company and the Pasadena Center Operating Company.**

All contracts of the Rose Bowl Operating Company shall be signed on behalf of the city by the general manager of the Rose Bowl and approved as to form by the city attorney. All contracts of the Pasadena Center Operating Company shall be signed on behalf of the city by the chief executive officer of the Pasadena Center and approved as to form by the city attorney. The Rose Bowl Operating Company and the Pasadena Center Operating Company may award contracts under \$75,000 which conform to the requirements of this chapter and which are reflected in any budget approved by the city council. The city council shall approve all contracts in excess of \$75,000. The following contracts are deemed approved by the city council without respect to amount:

- A. Contracts for advertising rights which conform substantially to standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and a schedule of charges specified in a resolution of city council adopted and/or reconfirmed from time to time.
- B. Licenses for luxury suites in the Rose Bowl Press Box which conform substantially to standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and a schedule of charges specified in a resolution of city council adopted and/or reconfirmed from time to time.
- C. Licenses for event uses which conform to the requirements of the Arroyo Seco

Ordinance, which conform substantially to standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and a schedule of charges specified in a resolution of city council adopted and/or reconfirmed from time to time.

D. Contracts for construction, services, labor and materials or supplies which conform substantially to standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and which are reflected in any budget approved by the city council.

E. Contracts for employment which conform substantially to the standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and which are reflected in any budget approved by the city council.

F. Licenses for event uses which conform to the requirements of Chapter 3 04 which conform substantially to standard terms and conditions set forth in a resolution of the city council adopted and/or reconfirmed from time to time and a schedule of charges specified in a resolution of city council adopted and/or reconfirmed from time to time.”

**SECTION 9.** Section 4.08.027 of the Pasadena Municipal Code is hereby amended to read:

“**4.08.027 Authority of the Rose Bowl Operating Company and the Pasadena**

**Center Operating Company.**

For all competitive bidding and purchasing processes which it undertakes pursuant to this chapter, the Rose Bowl Operating Company and the Pasadena Center Operating Company shall have all authority granted to the city council under this chapter except as explicitly reserved to the city council in Sections 4.08.025, 4.08.026 and 4.08.155 or otherwise reserved by the City Charter, and the Rose Bowl general manager and the Pasadena Center Operating Company chief executive officer shall have all authority granted to the city manager and director of finance under this chapter, except as explicitly reserved in Section 4.08.180.”

**SECTION 10.** A new section 3.04.040 is added to the Pasadena Municipal Code to read as follows:

**“3.04.040 Rental rates and Charges.**

The city council, by resolution, shall establish a schedule of minimum rents, charges and fees to be charged and collected for use of the Pasadena Center. Nothing herein shall prohibit rents, charges and fees in excess of those set forth in the aforementioned schedule. In addition, users of the Pasadena Center shall pay to the city all costs incurred by the city and Pasadena Center in connection with their licensed use as determined by the chief executive officer of the Pasadena Center and enumerated in a license agreement which also shall set forth the time and method of payment of all charges and the matter of accounting

therefor. The minimum schedule of rents, fees and charges shall conform to the other provisions set forth in this section and chapter.

A. Services for which costs shall be charged as costs of operations for the Pasadena Center shall include, but not be limited to all services which are required by the chief executive officer or his designee of the Pasadena Center and set forth in the license agreement.

B. The aforementioned minimum schedule may provide for but shall not require a reduction of rents, fees and charges based on the following considerations:

1. Whether the event to be sponsored is for a local public purpose or benefit; or
2. Whether an admission fee is to be charged, collection taken or space or advertising sold or sublet; or
3. Whether the net proceeds of the event will be donated to nonprofit organizations; or
4. Whether the event is to be open to the public; or
5. Whether the event is of a cultural, civic or patriotic character; or
6. Whether the licensee is a nonprofit organization.

The chief executive officer of the Pasadena Center shall determine whether or not a licensee is entitled to any reduced rent, fee or charge provided for hereunder and his or her decision shall be limited to a consideration of the foregoing factors. For purposes of this section, a "nonprofit organization" shall be defined as a nonprofit organization with an office in the city

for at least 5 years preceding the date of the application for a license.

C. Every licensee shall be required to pay all costs of operations incurred by city and Pasadena Center Operating Company in connection with said licensee's use of the Pasadena Center, except as such costs are either reduced or waived by specific resolution of the city council as to city costs and of the Pasadena Center Operating Company as to Pasadena Center Operating Company costs. Nothing contained elsewhere in this chapter shall authorize an exception to this provision.

D. Every person using the Pasadena Center shall be required to indemnify, hold harmless and defend the city, Pasadena Center Operating Company, their respective officers, directors and employees from any loss, liability or damage resulting from the use of the premises by said licensee, and each user shall procure and maintain, in full force and effect, during the period of licensed use, a policy of insurance satisfactory to city which shall insure city and Pasadena Center Operating Company against any liability of whatsoever nature on account of bodily injury to or of damage to any property arising out of or in connection with the use of said premises by said user, including all costs of defending any claim arising as a result thereof. The insurance policies required herein shall be in an amount and on forms approved by the city, and each such policy shall provide that the policy shall not be cancelable for any cause until 30 days' written notice to the city and Pasadena Center Operating Company. Evidence of products' liability insurance coverage, or workers' compensation insurance coverage may be required, and if required by city, such coverage shall comply with the form

requirements specified herein. City, at city's sole option, may waive all or part of the foregoing requirements regarding indemnity and insurance, and require the user to obtain similar insurance coverage, either through the city or by other arrangement approved by city, and the user shall be required to reimburse city for the cost of any insurance provided pursuant hereto.

E. No provision of this section shall limit or prohibit the Pasadena Center Operating Company from charging a rental or use fee in excess of that set forth in the minimum schedule provided for herein, or basing the rental fee or charge for use of the Pasadena Center upon a percentage of licensee's gross receipts; provided, that each licensee agreement shall provide that the minimum rental fee or charge set forth in the aforementioned schedule shall be collected from the licensee.

F. The chief executive officer of the Pasadena Center or his or her designee shall use the authority granted hereunder to promote by all appropriate means greater use of the Pasadena Center for revenue-producing events.”

**SECTION 11.** A new Section 3.04.050 of the Pasadena Municipal Code is hereby added to read:

**“3.32.350 Cancellation of use.**

The city manager may cancel any right to use the Pasadena Center if in his or her opinion such use will unduly damage the premises or will be inimical to the public welfare.”

**SECTION 12.** A new Section 3.04.060 of the Pasadena Municipal Code is hereby added to read:

**“3.04.060 Terms of use.**

The Pasadena Center may, in conformance with this chapter, permit the use of the Pasadena Center for any event or series of events upon such terms as it determines to be reasonable, and the contract for such use shall state such terms.”

**SECTION 13.** The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by number, title and summary, and the City Clerk’s certification.

**SECTION 14.** This ordinance shall take effect upon its publication by title and summary.

Signed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_

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 meeting held \_\_\_\_\_, 2002, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Published:

\_\_\_\_\_

Jane Rodriguez, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_

Ann Sherwood Rider  
Assistant City Attorney