

Agenda Report

March 4, 2002

ATTN: FINANCE COMMITTEE
TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: REVENUE RATE INCREASES - GRANDSTAND PERMIT APPLICATION,
ROSE BOWL ADMISSION TAX, NEW YEAR'S DAY RELATED BUSINESS

RECOMMENDATION:

It is recommended that the City Council approve the following rate increases to be effective March 4, 2002:

<u>Municipal Code Section</u>	<u>Present Rate</u>	<u>Proposed Rate</u>
<u>3.12.040</u>		
Per Seat	.49	.50
Minimum	28.38	29.11
<u>4.48.040</u>		
<u>ROSE BOWL ADMISSION TAX</u>		
Tax	0.07	0.07
Additional percentage per \$1.00	9.40%	9.65%
Maximum	1.13	1.16
<u>5.16.070-B</u>		
<u>NEW YEAR'S DAY RELATED BUSINESS</u>		
B. Grandstand seat surcharge	3.91	4.01

BACKGROUND:

Section 1.08.060 of the Pasadena Municipal Code provides that all taxes, fees and charges referred to in the Code will be adjusted on July 1 of each year to reflect changes in the Consumer Price Index (CPI) unless otherwise determined by the City Council. On October 29, 1991, the City Council adopted Ordinance 6457 amending the Code for Rose Bowl Admission Tax, New Year's Grandstand Seat Surcharge and Grandstand Permit Applications. Ordinance 6457 provides that these taxes be adjusted as of February 1 each year to reflect changes in the Consumer Price Index (CPI) during the 12 months which ended the preceding October 1. This change was made to

accommodate New Year's Day ticket vendors. The Code requires the Director of Finance to compute the changes and submit them for review and approval. The City Council may reject but may not modify, any or all adjustments before ordering the report filed.

The Consumer Price Index for all Urban Consumers in the Los Angeles-Long Beach Metropolitan areas increased by 2.6% between October 1, 2000 and October 1, 2001. The above adjustments are accordingly submitted showing the current rates affected by these provisions, and the adjusted rates which would take effect March 4, 2002.

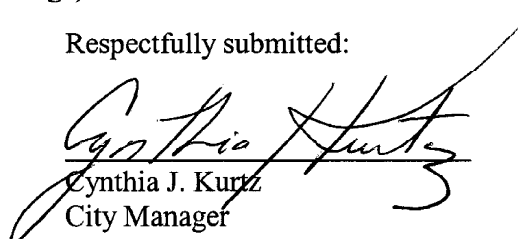
FISCAL IMPACT:

Based on an average of the last three New Year's (1999 through 2001) related revenue and the average admission tax for the last three years, this adjustment will increase New Year's Day revenues and admissions tax by approximately \$14,677 as follows:


<u>Tax Name</u>	<u>Revenue Assignment</u>	<u>Estimated Revenue</u>	<u>Estimated Increase (Decrease)</u>
New Year's Day Grandstand Permit	New Year's Day related General Fund costs	\$52,786	\$1,373
Rose Bowl Admission Tax	Rose Bowl Operating Company	\$214,703	\$5,582
New Years Day Related Business Grandstand Seat Tax	New Year's Day related General Fund costs	\$297,046	\$7,723

The Rose Bowl Admission Tax is part of a master plan to maintain an adequate financial base within the Rose Bowl Operating Company. The New Years Day Grandstand Permit and Seat Tax increases help to cover some of the direct New Year's Day related General Fund costs of approximately \$1,300,000 (three year average).


Respectfully submitted:


Cynthia J. Kurtz
City Manager

Prepared by:


Matt N. Pressey
Accounting Administrator

Approved:


Jay M. Goldstone
Director of Finance