

Agenda Report

DATE:

AUGUST 14, 2006

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: ESTABLISHMENT OF THE PLAYHOUSE DISTRICT ASSOCIATION
PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION

It is recommended that the City Council:

1. Conduct a Public Hearing on the proposed establishment of the Playhouse District Association Property-based Business Improvement District (PBID).

It is further recommended that upon closing of the Public Hearing, that the City Council:

2. Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.

Upon receipt of the report on the tabulation of ballots, if the results of said tabulation show that a majority protest does not exist, it is recommended that the City Council:

3. Adopt a final resolution Establishing the Playhouse District Association, Property-based Business Improvement District, Attachment 1.
4. Adopt the Baseline Services and authorize the City Manager to enter into a financial agreement and baseline services contract with the Playhouse District Association, Attachment 2.

BACKGROUND

The Playhouse District Association Business Improvement District (PDA) was initially established by Council on May 14, 2001 and will expire December 31, 2006, as California Property-based Business Improvement District (PBID) Law limits the initial term to five years maximum. The new term proposed is for five years and if successful, will commence on January 1, 2007 and run until December 31, 2011.

PBID PROPOSAL

The proposed renewal of the PDA would have a five-year life span and assess an estimated \$628,316.00 in the first year. An additional \$165,000 would be contributed by the City for a total of \$793,316 in the first year. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Los Angeles-Long Beach Consumer Price Index (CPI), All Urban Consumers. The assessment would be derived from a 33-block area bound by Los Robles on the west, the north parcels along Walnut on the north. The parcels on the western edge of Mentor to Union, the southern parcels on Union to Catalina, and western parcels of Catalina to Colorado comprise the eastern edge, and the southern parcels along Green Street make the southern boundary. This boundary represents an expansion of the current Playhouse District boundaries eastwardly. The expansion was done at the behest of the expansion area's businesses and property owners. The former boundaries were Los Robles Avenue to Lake Avenue, Corson Street to Cordova.

A map of the proposed PBID is included as Attachment 3. The proposed budget of \$794,000 is to be spent as follows:

Design & Physical Enhancements: estimated 44% of yearly budget

- Daily or as-needed pickup of litter on sidewalks, gutters, alleys and public parking areas
- Daily inspection and as needed emptying of sidewalk trash containers
- Daily to bi-weekly mechanical sweeping of sidewalks depending on the benefit zone
- Parking Subcommittee and new Parking Administrator
- Quarterly mechanical scrubbing/ steam cleaning of sidewalks
- Installation of benches, trash cans, bike racks and new trees, banners, signage and public art
- Efforts to obtain grants and funding to assist with an office corridor/ gateway designation along Lake Avenue.

Public Safety & Economic Enhancement: estimated 20% of yearly budget

Ambassador guides on foot or bicycle:

- Patrol District on days, evenings and weekends and report any crime, graffiti, debris, sidewalk and repair needs

- Assist shoppers/ customers with directions and by answering questions
- Provide maps, promotional materials and calendar of events
- Assist businesses and property owners in reporting problems and obtaining help

Marketing & Promotion: estimated 11 % of yearly budget

- Plans meetings & Cultural events
- Produces visitor map, brochures and maintains web site
- Organizes joint merchant promotional activities and regular advertising
- Provides media coverage of events and joint shopping promotions

Management & Operation: estimated 12% of yearly budget to:

Full-time staff to:

- Manage District events/ promotions and maintain regular communication through notices and newsletters
- Work with District committee and Board of Directors
- Keep Association members informed of legislation or projects that impact District

Process

The California State Law (PBID Law) governing the formation of PBID's requires a process which begins with a petition phase, signed by property owners in the proposed district who will pay more than 50% of the proposed assessments. The second step is for City Council to adopt a resolution of intention to establish the PBID, which authorizes the City Clerk to mail a ballot for the establishment of the PBID to the property owners within the district, and set a date for a public hearing to count the ballots with no less than 45-day public notice, performed on June 12, 2006. In order for the district to be established, the Clerk must receive ballots in support, which "outweigh" those returned in opposition to the PBID based on the amount of assessments to be levied. The City Council may then establish the assessment district by adopting a final resolution. The assessments are billed with the property tax billing and collected by the County Tax Assessor. The County returns the assessments funds to the City, and it is anticipated that the City will contract with the PDA to provide the PBID services to the District in accordance with the Management Plan. The PDA is required to abide by the Brown Act. The production of an annual report and an annual audit are required from the PDA.

Per the requirements of the PBID law, PDA has created the Playhouse District Association PBID – A Management Plan (Attachment 4) and had collected petitions in excess of the legal minimum of 50% of assessed value plus \$1, in the 33-block district as of June 12, 2006. The PDA hosted a series of meetings and continues community outreach to encourage support for PBID formation. The initial meeting was held on June 12, 2006.

USE OF FUNDS AND BASELINE SERVICES AGREEMENT

The City contribution to the PBID is \$165,000 annually and is fixed, not subject to a CPI increase and represents an increase over the primary term for the purpose of assisting the PDA in identifying solutions to parking concerns in the PDA through the hiring of a PDA Parking Administrator. The contribution in the initial term was \$53,500 per year.

The PDA will use the City funding of \$165,000 for the purposes of staffing a parking administrator position and will not use any of the City's contribution for the renewal of the PBID.

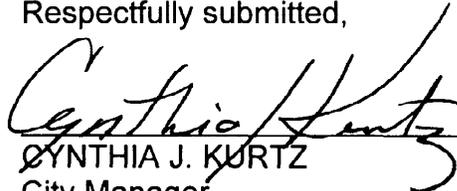
There are no recommended changes to the Baseline Services Agreement. The baseline services are attached as Attachment 2. The Baseline Services Agreement authorized in 2001 was written to terminate with the termination of the primary term.

FISCAL IMPACT

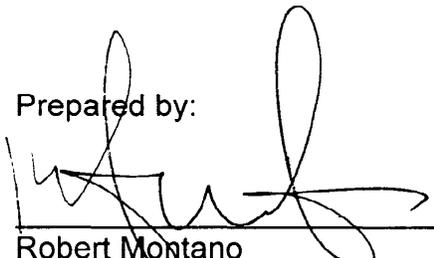
The City will contribute to the PBID \$165,000 per year for five years commencing January 1, 2007. This level of funding was authorized by Council on December 19, 2005 using the following funding sources:

Playhouse Parking Fund 229:	\$50,000.00
Pasadena Community Development Commission Funds:	\$115,000.00
TOTAL	\$165,000.00

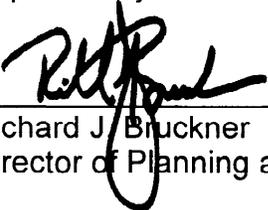
Respectfully submitted,


 CYNTHIA J. KURTZ
 City Manager

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