

# Agenda Report

**TO:** City Council

June 18, 2007

**FROM:** Pasadena Center Operating Company

**SUBJECT:** Levy of Assessment Against Hotel and Motel Businesses for Fiscal Year 2007-08 in connection with the Pasadena Tourism Business Improvement District

## **RECOMMENDATION**

It is recommended that the City Council (i) conduct a Public Hearing on the levy of an assessment against Hotel and Motel Businesses for Fiscal Year 2007-08 in connection with the Pasadena Tourism Business Improvement District (the "District") and (ii) at the conclusion of the Public Hearing in the absence of a majority protest, adopt a resolution confirming the Annual Report of the Advisory Board as originally filed and levying the assessment for Fiscal Year 2007-08 in connection with the District.

## **BACKGROUND**

On July 18, 2006, the City Council approved the Conference Center Expansion Project and financing plan. The project has been funded through Certificates of Participation issued by The City of Pasadena. The debt service on the Certificates will be repaid from operating and transient occupancy tax revenues. In order to maximize available revenues, the City Council established the Tourism Business Improvement District (TBID), which allows for an assessment of up to 2.89% on hotel/motel room revenue pursuant to the Parking and Business Improvement Area Law of 1989. Assessments from the District are being used to pay for marketing and promotional efforts of the Convention and Visitors Bureau as discussed in the Annual Report, thus freeing up other revenues to be used to cover the debt service on the Certificates.

The Tourism Business Improvement District was initially established by the City Council in March of 2003. The City Council has renewed The District annually since 2003. The current levy of assessment is in place until June 30, 2007. In order to continue the assessment, there are a series of actions required on an annual basis.

The required actions are as follows:

At a public meeting, the City Council, must approve the Annual Report of the Advisory Board of the District, which is the PCOC, and declare its intention to levy and collect assessments within the District for the following Fiscal Year. The City Council must also schedule a public hearing on the

levying of the assessment. At the conclusion of the public hearing, in the absence of a majority protest against the levy of the assessment, the City Council may enact the assessment.

By ordinance, the City Council can levy an assessment of up to 2.89% on hotel/motel room revenue on an annual basis. For each year that the assessment is levied, the City Council must adopt a resolution of intention to levy an assessment. Then, at a subsequent meeting, the Council will hold a public hearing and, in the absence of a majority protest by owners of Hotel and Motel Businesses, may adopt a resolution levying the assessment.

For Fiscal Years 2002-03 through 2005-06, the assessment rate was set at 2.39%. For Fiscal Year 2006-07 the assessment rate was set at 2.89%.

At the May 23, 2007 regular meeting, the PCOC Board, serving as the Advisory Board with regard to the District approved the annual report for Fiscal Year 2007-08. The report recommends the assessment rate to continue at 2.89% for Fiscal Year 2007-08, which would be in effect from July 1, 2007 through June 30, 2008. The assessment is estimated to generate approximately \$2,388,395.

On June 4, 2007, the City Council approved the Annual Report of the Advisory Board of the District, which is the PCOC, declared its intention to levy and collect assessments within the District for Fiscal Year 2006-07 and scheduled a public hearing on the levy of assessment in the District for June 26, 2006.

Tonight, the City Council must conduct a public hearing on the levying of the assessment and confirm the Annual Report of the Advisory Board. At the conclusion of the public hearing, in the absence of a majority protest against the levy of the assessment, the City Council may enact the assessment.

The PCOC has discussed the District with hotel and motel operators within the City of Pasadena and has received broad based support. No letters have been received in protest of the 2007-08 assessment.

### **FISCAL IMPACT**

If the City Council ultimately approves the levying of the assessment, revenues to be used for the promotion of tourism will increase by approximately \$2,388,395 for Fiscal Year 2006-07.

Respectfully submitted,



Michael Ross  
Chief Executive Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA  
CONFIRMING THE ANNUAL REPORT OF THE ADVISORY BOARD  
AND LEVYING AN ASSESSMENT FOR FISCAL YEAR 2007-2008 IN  
CONNECTION WITH THE PASADENA TOURISM BUSINESS  
IMPROVEMENT DISTRICT

RECITALS:

WHEREAS, Ordinance No. 6929 of the City of Pasadena established the Pasadena Tourism Business Improvement District (the "District") pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code Sections 36500 et seq.) (the "Law"); and

WHEREAS, in accordance with Section 36533 of the Law, the Pasadena Center Operating Company, serving as advisory board with respect to the District, prepared and filed with the City Clerk a report entitled "Report of the Advisory Board with Regard to the Pasadena Tourism Business Improvement District for Fiscal Year 2007-2008" (the "Report"); and

WHEREAS, on June 4, 2007 the City Council adopted a resolution approving the Report, declaring the City Council's intention to levy an assessment against businesses located in the District for Fiscal Year 2007-2008 (the "Assessment"), and setting a time and place for a public hearing on the levy of the Assessment (the "Resolution of Intention"); and

WHEREAS, on June 18, 2007, the City Council held a noticed public hearing at which the testimony of all interested persons regarding the levy of the Assessment for

Fiscal Year 2007-2008 was heard and considered, and a full, fair and complete hearing was held.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Pasadena as follows:

Section 1. The above recitals are true and correct.

Section 2. Following notice duly given pursuant to law, the City Council has held a full and fair public hearing regarding the levy and collection of an Assessment within the District for Fiscal Year 2007-2008. All interested persons were afforded the opportunity to hear and to be heard regarding protests and objections to the levy and collection of the Assessment for Fiscal Year 2007-2008. The City Council finds that there was no majority protest within the meaning of the Law. All protests and objections to the levy and collection of the Assessment and any and all other protests and objections are hereby overruled by the City Council.

Section 3. The City Council hereby finally confirms the Annual Report as originally filed.

Section 4. The adoption of this Resolution constitutes the levy of the Assessment for Fiscal Year 2007-2008. The rate of the assessment for Fiscal Year 2007-2008 is 2.89% of each day's Gross Occupancy Revenue (as defined in Ordinance No. 6929).

Adopted at the \_\_\_\_\_ meeting of the City Council on the \_\_\_\_ day  
of \_\_\_\_\_, 2007, by the following vote:

AYES:

NOES:


ABSENT:

ABSTAIN:

Approved as to Form:

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Jane L. Rodriguez, CMC  
City Clerk



Ann Sherwood Rider  
Assistant City Attorney