

Exhibit B

**Summary Report Regarding Payment by the Community
Development Commission for a Portion of the Seismic
Rehabilitation of the Glenarm Steam Plant Building of Benefit
to the Downtown Redevelopment Project**

**SUMMARY REPORT REGARDING PAYMENT BY THE PASADENA
COMMUNITY DEVELOPMENT COMMISSION FOR A PORTION OF THE
COST OF THE SEISMIC REHABILITATION OF THE GLENARM STEAM
PLANT BUILDING OF BENEFIT TO THE DOWNTOWN REDEVELOPMENT
PROJECT**

DATED: May 31, 2007

Estimate of Taxes

The Pasadena Community Development Commission ("Commission") proposes to pay, using tax increment revenues from the Downtown Redevelopment Project Area, a portion of the cost for the seismic rehabilitation and related remediation of hazardous materials at the Glenarm Steam Plant Building ("Steam Plant").

The Commission will pay a portion of the total cost of the project from taxes ("tax increment revenues") allocated to the Commission pursuant to California Health and Safety Code Section 33670 (b) from the Project Area. The total amount of tax increment revenues allocated to the Commission from the Project Area necessary to fund the portion of the improvements is \$1,000,000.

The amount set forth in this report is based on the current estimates of costs and availability of other funds that the Commission believes are reasonable. Such amounts may vary depending on the actual costs and availability of funds.

Facts Supporting Determinations

Determination of Legislative Body Pursuant to Section 33445 of the Health and Safety Code Regarding Finding of Benefit for Glenarm Steam Plant Building:

- I. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the agency.**

The subject project includes the seismic retrofit, hazardous materials remediation, and rehabilitation & occupancy of the historic Glenarm Steam Plant building. This building, along with adjacent parcels, have been determined to be "excess" by the City of Pasadena Water & Power Department and therefore have been made available for use.

Art Center College of Design, as part of their long-range plan for institutional growth, increased presence and availability in the community, and offering of public benefit programs to the community, is expressing interest in the Steam Plant building and adjacent parcels to establish a graduate studies headquarters.

The subject former Glenarm Steam Plant building is approximately .92 miles from the Downtown Project Area. The building and site are due south of the redevelopment project area, with Arroyo Parkway and Raymond Avenue serving as the major connecting streets. The Metro Gold Line light rail line also connects the project area with the site. In addition to existing street access, the subject site is served by the Fillmore Gold Line station, approximately .37 miles from the site.

Since the Pasadena Water & Power Department has consolidated operations and certain facilities, use of the steam plant building is no longer necessary, and portions of adjacent parcels will be available as well. Art Center occupancy of the building and site will benefit the immediate area as many businesses in the area will benefit from the increased student population attending class and living on the South Campus site. Faculty and administration are also likely to utilize nearby off-campus business for shopping & dining. Businesses located within the Downtown Redevelopment Project Area will benefit as well. The project area is very accessible by way of the Gold Line or Fair Oaks Ave or Colorado Blvd. The marketability of sites located in the Project Area which remain underutilized and/or vacant will significantly improve with Art Center's presence nearby. Students and faculty will establish residence in the area. New businesses seeking to be near the Art Center South Campus will add to the creative mix of businesses in the Project Area, providing further benefit to the area as a whole.

In the event that an alternate use occupies the building and adjacent properties as a result of the public improvements, this occupancy will be equally beneficial to the Project Area. Long-range plans for the area include opportunities for business to locate in the area, providing employment opportunities and services for the community. Employees of future businesses are anticipated to continue to look to cluster in this area, utilize the Gold Line for access, and provide benefit to the overall Project Area.

II. That no other reasonable means of financing the buildings, facilities, structures or other improvements are available to the community.

The City of Pasadena is using a number of sources of financing to complete the improvements, including General Funds and FEMA

funds. The cost of the seismic upgrade and remediation has risen significantly over the last year, impacting the City's ability to complete the work. Tax increment funds are the last viable source, as the City has no other alternative reasonable means of financing to complete the work.

III. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low- or moderate- income persons, and is consistent with the implementation plan adopted pursuant to Section 33490.

Though the time limits for implementation of the redevelopment plan for the Downtown Redevelopment Project Area are nearing an end, there remain a number of blighting influences within the Project Area that can benefit from the increased development activity on the South Glenarm site. The addition of students, faculty, visitors and administrators in the area will act as a catalyst for residential, office, mixed use, and commercial development activity in the area.

The Commission's Five Year Implementation Plan ("Implementation Plan") was adopted on August 1, 2005. Among the Commission's 2004-2009 General Redevelopment Fund Goals and Objectives are:

- Encourage development opportunities adjacent to and benefited by public mass transportation thoroughfares; and
- Throughout the project areas promote and assist business retention and expansion activities.

The subject project is directly adjacent to the Gold Line light rail line, which will be utilized by students, faculty, administrators and visitors to the future Art Center campus facilities, or by employees and visitors to future businesses. As noted, the Fillmore station is approximately .37 miles from the site, with the Del Mar Station (located within the Downtown Redevelopment Project Area) located .92 miles from the site.

The Implementation Plan further addresses other citywide initiatives specific to the subject site and area. These initiatives include 1) the "South Fair Oaks Bio-Tech Campus" including a broad vision for a bio-tech business cluster on South Fair Oaks Avenue (immediately adjacent to the subject site and building; and 2) the "Proposed Glenarm Redevelopment Project Area" which includes the exploration for a new project area at the southern city gateway, including the

subject site and building. In sum, implementation of the public improvements as noted in this summary report is fully consistent with the goals and objective of the Implementation Plan and the Downtown Redevelopment Project Area.

Redevelopment Purpose: Elimination of Blight

The above-described rehabilitation of public improvements will serve a basic purpose of redevelopment. Redevelopment includes the provision of structures as may be appropriate or necessary in the interest of the general welfare. Another fundamental purpose of redevelopment is to expand employment opportunities and to provide an environment for the social, economic, and psychological growth and well-being of all citizens.

The above-described rehabilitation of public improvements will assist in the ongoing revitalization of the Project Area, encourage private sector investment, create job opportunities, promote the economic viability of businesses in the Project Area, attract new businesses, assist in retaining existing businesses, and encourage business expansion, all for the health, safety, and welfare of the residents and taxpayers of the Project Area and the City.

File: GlenamFindingofBenefit
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