

# Agenda Report

**TO:** City Council and  
Community Development  
Commission

**DATE:** February 2, 2009

**THROUGH:** Economic Development & Technology Committee  
(January 7, 2009)

**FROM:** Michael J. Beck, City Manager/Chief Executive Officer

**SUBJECT:** Recommendation Regarding Ordinances to Extend the Plan Effectiveness Deadlines and Tax Increment Deadlines for the Downtown, Fair Oaks, Lake/Washington, Lincoln Avenue, Old Pasadena, Orange Grove, and Villa Parke, Redevelopment Plans Pursuant to Health and Safety Code Section 33333.6(e)(2)(C).

## **RECOMMENDATION:**

It is recommended that the City Council and Community Development Commission ("Commission") direct the City Attorney to prepare ordinances extending the Plan effectiveness dates and the debt repayment and receipt of tax increment dates by one year for the Downtown, Fair Oaks, Lake/Washington, Lincoln Avenue, Old Pasadena, Orange Grove, and Villa Parke Redevelopment Plans and Project Areas as authorized by Senate Bill 1045 ("SB 1045").

## **COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDATION:**

On December 11, 2008 the Community Development Committee recommended that the City Council and Community Development Commission approve ordinances extending the Plan effectiveness dates and the debt repayment and receipt of tax increment dates by one year for the Downtown, Fair Oaks, Lake/Washington, Lincoln Avenue, Old Pasadena, Orange Grove, and Villa Parke Redevelopment Plans and Project Areas as authorized by Senate Bill 1045.

## **EXECUTIVE SUMMARY**

The purpose of this report is to introduce ordinances extending the Redevelopment Plan effectiveness dates and the debt repayment and receipt of tax increment dates by one year for the Downtown, Fair Oaks, Lake/Washington, Lincoln Avenue, Old Pasadena, Orange Grove, and Villa Parke Redevelopment Project Areas in accordance with the provisions of SB 1045.

## **BACKGROUND**

As a component of the FY 2003-2004 State Budget, the Legislature adopted SB 1045, which required every redevelopment agency to make an Educational Revenue Augmentation Funds (ERAF) payment to the County Auditor for the 2003-2004 Fiscal Year. Under SB 1045, redevelopment agencies may amend their redevelopment plans, depending upon the time remaining in the lives of the plans, by one year if the agency was required to make an ERAF payment for FY 03-04. The Commission's ERAF contribution for the 203-2004 Fiscal Year was \$898,754.

## **Noticing Requirements**

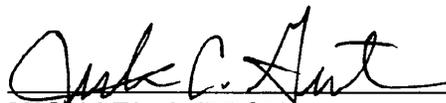
The City Council/Community Development Commission is required to hold a public hearing before adopting the ordinances. Notice of the hearing must be mailed to affected taxing entities at least 30 days prior to the hearing. The notice was mailed to each taxing agency on December 22, 2008 and the hearing notice will be published on January 18 and January 22, 2009.

## **FISCAL IMPACT**

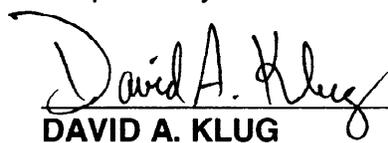
Combined with action previously taken, adoption of this ordinance will extend the Plan Effectiveness dates and the dates for debt repayment. In addition, the receipt of tax increment will be extended by three years for the affected project areas allowing the Commission to have three additional years to receive tax increment and repay debt (Attachment No. 1). This amount is estimated to total approximately \$59,778,039 for the recommended extension period.

These additional funds will be used to repay the Commission's outstanding debt and the costs of projects and activities necessary to carry out the goals and objectives of the Redevelopment Plans.

Respectfully submitted:

  
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City Manager/Chief Executive Officer

Prepared by:

  
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DAVID A. KLUG  
Redevelopment Manager

Approved by:

  
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RICHARD BRUCKNER  
Director of Planning & Development

Concurrence:

  
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STEVE MERMELL  
Commission Treasurer

**ATTACHMENT NO. 1**

<b>TIME AND FINANCIAL LIMITS PASADENA REDEVELOPMENT PROJECT AREAS SUMMARY</b>			
<b>PROJECT NAME ADOPTION DATE</b>	<b>NEW PLAN EFFECTIVENESS</b>	<b>DEBT REPAYMENT (RECEIPT OF T.I.)</b>	<b>ESTIMATED REVENUE (WITH EXTENSION)</b>
<b>Downtown</b> December 29, 1970	December 29, 2013	December 29, 2023	\$43,163,128
<b>Fair Oaks</b> September 8, 1964  Added Area July 14, 1986	January 1, 2012 (Original Project Area)  July 21, 2027 (Added Area)	January 1, 2022 (Original Project Area)  July 21, 2037 (Added Area)	\$844,034  \$834,555 (Added Area)
<b>Lake/Washington</b> June 15, 1982	June 15, 2025	June 15, 2035	\$759,491
<b>Lincoln Avenue</b> July 21, 1986	July 21, 2027	July 21, 2037	\$514,606
<b>Old Pasadena</b> July 19, 1983	July 19, 2026	July 19, 2036	\$8,470,579
<b>Orange Grove</b> January 23, 1973	January 23, 2016	January 23, 2026	\$1,759,199
<b>Villa-Parke</b> December 26, 1972	December 26, 2015	December 26, 2025	\$3,432,447