

Agenda Report

DATE: March 16, 2009

TO: CITY COUNCIL

FROM: CITY MANAGER

**SUBJECT: AUTHORIZATION TO REIMBURSE THE OLD PASADENA
MANAGEMENT DISTRICT \$165,000 FOR SEASONAL LIGHTING
IN OLD PASADENA**

RECOMMENDATION:

It is recommended that the City Council authorize a \$165,000 reimbursement to the Old Pasadena Management District for seasonal lighting this past holiday season in Old Pasadena.

BACKGROUND:

Recently, the City and Old Pasadena Management District co-developed a strategy and proposal for investing Old Pasadena Redevelopment Project Area Tax Increment funds into projects that would strengthen the District's competitive edge. Old Pasadena is facing increased shopping competition with the construction and expansion of other regional shopping entertainment districts. In addition to the competition, a struggling economy, Old Pasadena is forced to look at any and all opportunities for improvement and betterment in order to sustain and attract current and new patrons.

Old Pasadena is one of the largest retail generators in the City, one of the most recognizable, and an area in which the City made significant investments in its initial stages in order to facilitate the revitalization of the City's densest historic resources. The construction of the City-owned parking structures enabled the revitalization of the failing historic core and secured additional private investment. In 1990, Old Pasadena produced just over \$168 thousand in annual sales tax revenues. Annual sales tax revenues have grown to just over \$3.3 million in 2007 but are precarious given the added competition, aging infrastructure and economy.

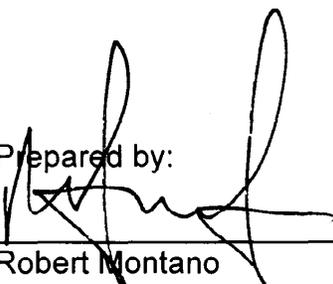
The City's current year Operating budget includes an allocation of \$1,000,000 in Old Pasadena Tax Increment in order to support large infrastructure and promotional projects for which OPMD could not financially support, ranging from lighting infrastructure to sewer and storm gutter repair. One of the elements prioritized between the City and OPMD was the installation of holiday lighting and necessary improvements to the City's overhead lights.

OPMD contracted directly with a vendor, Dekra Lite, who specializes in Commercial Holiday Decorations, Holiday lighting and exterior commercial seasonal displays and holiday décor fabrications, at a cost of \$165,000. Staff is recommending reimbursement to OPMD in this amount.

In addition to the promotional benefits through the Holiday Season, residents, businesses owners, property owners and other stakeholders have supported leaving the lights installed throughout the year as the light provide the added benefit of illuminating the street and sidewalk further encouraging pedestrian activity along Green Street. Electrical service will be billed back to Old Pasadena Management District.

FISCAL IMPACT:

Sufficient funds are included in the Pasadena Community Development Commission's Fiscal Year 2009 Operating Budget and are paid out of the Old Pasadena Redevelopment Project Area Tax Increment. These funds are generated through property taxes within the Old Pasadena Redevelopment Project Area and per the California Redevelopment Law, must be reinvested within the Project Area. The project will not impact the General Fund.

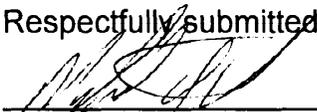
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Approved by:


RICHARD J. BRUCKNER, Director
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Respectfully submitted,



MICHAEL J. BECK
City Manager