# Attachment 4 – Management Plan

# MANAGEMENT DISTRICT PLAN

# For the renewal of the

Old Pasadena Property and Business Improvement District (PBID)

Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIII D of the California Constitution
to renew a property and business improvement district (PBID)
within the City of Pasadena, California for the period 2010 – 2015, by the
Old Pasadena Continuation Committee

July 2010

# Old Pasadena Management District Property and Business Improvement District Management District Plan 2010 - 2015

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### I. EXECUTIVE SUMMARY

# PETITION FOR THE ORGANIZATION OF THE OLD PASADENA MANAGEMENT DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT WITHIN THE CITY OF PASADENA, COUNTY OF LOS ANGELES

Introduction: As a result of the efforts of the Old Pasadena Continuation Committee, this Management District Plan is presented for consideration by the property owners within the District to seek their support for the organization of said District in accordance with the provisions of the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 et. seq., hereinafter referred to as "State Law." This is the Management District Plan required by Section 36622, and is proposed to improve and convey special benefits to properties located within the boundaries of the Old Pasadena Management District.

<u>Name:</u> The name of the proposed district shall be the Old Pasadena Property and Business Improvement District, hereinafter referred to as the "District."

Location: The proposed District is located in the Old Pasadena community in the city of Pasadena. Generally, the District spans 21 blocks in the City of Pasadena bounded by Pasadena Avenue, Walnut Street, Arroyo Parkway and Del Mar Boulevard. The District currently includes four-hundred seventy (470) parcels, of which four-hundred sixty-one (461) are identified as parcels that receive special benefits from the improvements, services and activities provided by the District. Of these benefiting properties, four-hundred forty-two (442) shall be assessed on the Los Angeles County Tax Rolls with the assessments for the remaining nineteen (19) parcels (most of which are owned by the City of Pasadena) being funded from an annual City contribution to the District. A detailed map outlining the boundaries of the current District is included in the Engineer's Report attached herein as Appendix A of this Plan.

History: The initial Old Pasadena Management District (OPMD) was formed in June, 2000 for a five-year term which expired in 2005. The District was successfully renewed for Calendar Years 2006-2010 (Fiscal Years 2005/2006 through 2009/2010) and a maximum assessment was approved by the property owners through an assessment ballot proceeding, conducted according to provisions of Article XIIID of the California Constitution with Fiscal Year 2009/2010 being the last year of the current term of the District. The District is governed by an elected Board of Directors. The Old Pasadena Management District manages the Old Pasadena Business Improvement District under a contract with the City of Pasadena.

<u>Services:</u> The District will fund improvements and activities authorized under the Law. There are four basic categories of special benefit services that will be funded with this assessment district:

- Maintenance
  - Trash
  - Street Maintenance (Street Sweeping & Pressure Washing)
  - Day Porters
  - Special Zone Projects (Dog Walk Bag Service, Additional Pressure Washing, Rose Parade Clean-up)
  - District-wide Maintenance Services (Landscaping, Graffiti, Debris Pick-up, etc.)
- Public Safety
- Marketing
- District Management (Administration & Advocacy)
- Reserve and Contingency Fund

The following are some key aspects of the Service Plan Budget:

- The Service Plan Budget provides for the security program, Old Pasadena Ambassador Guides, who serve a number of functions. This security program continuously increases awareness of security efforts in the District, coordinates existing property owner security programs, and acts as the "eyes and ears" for the Pasadena Police Department. The program reduces street disorder and serves a lead role in crime prevention. Also the Old Pasadena Guides serve as good-will ambassadors for the District by assisting visitors.
- > The maintenance program keeps the District clean. Highly visible personnel are on the streets removing trash, graffiti, and other litter. In addition, the PBID will provide sidewalk cleaning, trash/debris removal, and street sweeping.
- > The marketing and promotions program continues to improve communications, build stronger working relationships with property owners and business operators, and increase exposure for the District.

Please refer to the Engineer's Report attached herein as Appendix A of this Plan for a detailed description of the services to be provided.

City Services: The improvements (services and activities) planned and budgeted for the District over the proposed five-year term of the District are above and beyond those currently provided by the City of Pasadena and provide special benefit only to properties within the District. Basic City services currently provided within the District will continue to be provided at the same level of service provided throughout the City of Pasadena, and are considered not included as part of the special benefit assessments levied on properties within this District. However, the City intends to annually contribute funds to the District in the amount of \$545,000. This contribution shall be used to pay the City's proportional special benefit for properties owned by the City within the District as well as other government-owned properties or qualifying properties, with the remaining funds being used to support various activities and services provide by OPMD. These remaining funds account for approximately twenty-five percent (25%) of the District's total estimated annual expenditures, which more than compensate for any measurable general benefit to properties within the District.

**Budget:** The total maximum District budget for each year of its five-year operation is a base of approximately \$1,531,363 per year with an annual CPI adjustment capped at five percent (5%). Of the total budget, property owner assessments will contribute \$909,363 for Fiscal Year 2010/2011 with the remaining balance of \$625,000 being funded by the City of Pasadena (\$545,000) and approximately \$80,000 in marketing sales revenues. The detailed District budget the Engineer's Report attached herein as Appendix of this Plan.

Method of Financing: The basis of funding shall be through special benefit assessments levied on real properties that will benefit within the District. The State Law and State Constitution require that assessments be levied according to the special benefit each parcel receives from the improvements. In order to match assessment rates to benefits, five zones of benefit have been created within the District. The zones of benefit have been created due to the different type and frequency of special benefits that will be delivered to each of the respective areas. In addition to allocating services costs to different Zones based on services provided, the improvement and service costs are apportioned to properties within each respective Zone based on the following property characteristics:

- Lot size; which on average comprise approximately 47 percent of the assessment total revenues.
- ➤ Ground floor square footage; which on average comprise approximately 40 percent of the total assessment revenues.
- Non-Ground floor square footage; which on average comprise approximately 13 percent of the total assessment revenues.

The assessment formula, zones of benefit and methodology are described more fully in the Engineer's Report, which is appended to this document. However, for the first year, the maximum allowable rates per square foot will be as follows:

### Proposed Rates for Fiscal Year 2010/2011 (Calendar Year 2011)

Rate per Sq Ft	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Lot Size	\$ 0.254080	\$ 0.128200	\$ 0.157330	\$ 0.075510	\$ 0.184550
Ground Floor	\$ 0.299910	\$ 0.239040	\$ 0.259040	\$ 1.940430	\$ 0.252430
Non-Ground Floor	\$ 0.149955	\$ 0.119520	\$ 0.129520	\$ 0.970215	\$ 0.126215

Adjustments of Assessment Formula: Subject to a decision by the Board of Directors the assessment rate and annual assessments applied to each of the property dimensions (lot size, ground floor building square footage, non-ground floor building square footage) may be adjusted by the lesser of the annual increase in the Los Angeles-Riverside-Orange County area Consumer Price Index for All Urban Consumers (CPI-U) or five percent (5%) per year commencing in the second fiscal year (Fiscal Year 2011/2012). Actual annual adjustments may range from zero percent (0%) to five percent (5%). Adjustments may be less than the allowed inflationary adjustment from year to year depending on the service needs identified by the Board of Directors.

Further, as a result of continued development, the District may experience the addition or subtraction of assessable building area and/or additional parcels being included and assessed within the PBID boundaries. The modification of parcel improvements assessed within the District may result in an increase or decrease in the amount of total assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in the Engineer's Report of this Management District Plan, provided the assessment formula does not increase, other than through a CPI-U adjustment, mentioned above. For example, if a new development results in the addition of additional assessable building area square footage during the lifespan of this PBID, the Board of Directors may elect to decrease the building area rate for all properties in the District.

Bonds: The District will not issue bonds.

# **District Governance and Management:**

# > Old Pasadena Management District

The affairs and corporate powers of the Old Pasadena Management District shall be exercised by, or under the direction of, the Board of Directors. The leadership for these elected representatives will continue to provide meaningful representation by assessment-paying property owners, as well as those other stakeholders who benefit from the services provided. The Board of Directors of the Old Pasadena Management District currently provides for a 23-member Board with representatives from property owners, businesses, and residents located within the PBID boundaries, a majority of whom will always be assessment paying owners. It is expected that representation for residential interests will increase proportionate to the increase in residential assessment income, and that the increase of residential representation will be in addition to the current assessment-paying owner representation on the Board.

# Policies for Zones and their Related Levels of Service

Levels of service provided for by the PBID Management District Plan are deemed the minimum levels of service and are absolute. While owners within their respective Zones may band together and petition to increase service levels and corresponding assessments within a particular Zone during the life of this PBID,

under no circumstances may the minimum service levels described in this PBID Management District Plan be reduced in any or all Zones during the life of the PBID.

<u>Duration</u>: As required by State Law, the District will have a set term. The District's term will be for a five year term (Calendar Years 2011 through 2015) and will be levied assessments for the Fiscal years 2010/2011 through 2014/2015, being July 1, 2010 through July 31, 2015. At the end of this five year period, the petition process must be repeated for the District to be reestablished (renewed).

# II. FORMAL BOUNDARIES AND MAP

The Old Pasadena PBID provides various improvements, services and activities for and within an approximately 21-block area of Pasadena. The District is bounded by Pasadena Avenue on the west, Walnut Street on the north, Arroyo Parkway on the east, and Del Mar Boulevard on the south. Because of the scope and nature of the District and level of services to be provided vary in different parts of the District, five benefit zones have been established based on these variations. The following is a description of the District Zones:

**Zone 1:** encompasses the core area of Old Pasadena, along Colorado Boulevard, the South side of Union Street and the North side of Green Street between South Raymond and Mills Alley, but excludes the parcels that comprise One Colorado (Zone 3).

Zone 1 has the highest pedestrian activity and generally has the highest demand for most of the services and activities provided by the District. Its services include but are not limited to: more frequent pressure washing; frequent attention from day porters; more trash removal; and the highest visibility of security. Collectively, approximately 39.4% of the service and activities (costs) are associated with this Zone

Zone 2: is comprised of two areas. The northern area of Zone 2 which includes all properties to the North of Union Street, East of Fair Oaks, and West of Arroyo Parkway (excluding Memorial Park). The southern area of Zone 2 includes the blocks north of Valley Street between Pasadena Avenue and Fair Oaks; properties facing Dayton Street between Fair Oaks and Raymond; as well as properties on Raymond from Del Mar to just south of Green Street (excluding Central Park) and as far east as the Gold Line Right of Way.

Zone 2 generally has slightly less demand than Zone 1 for most of the services and activities provided by the District, but substantially more than the remaining Zones. Because this Zone has greater street frontage (equivalent block faces) than Zone 1, this Zone requires more street sweeping and pressure washing, but because there is less pedestrian traffic than Zone 1, it generally has less demand for other services and activities such day porters, trash removal and security foot patrol. Collectively, approximately 33.9% of the service and activities (costs) are associated with this Zone.

Zone 3: is comprised of One Colorado properties along Colorado Blvd. between Delacey and Fair Oaks (excluding the southeast corner of Union and Delacey) as well as the South side of Union Street to Exchange Alley between Fair Oaks and Kendall Alley.

Zone 3 includes only the One Colorado properties. The One Colorado properties already provide a high level of private security and maintenance services and therefore require less support from the District for these services and activities. While these properties privately fund services that are similar to those provided by the District, the District's efforts and support to the surrounding area (other Zones) directly enhances the properties in Zone 3 by reducing potentially even higher private security and maintenance costs that might otherwise be incurred if the surrounding area lacked such services. In addition to privately funding similar services that are provided by the District, Zone 3 properties provide an aggressive schedule of special events throughout the year, as well as additional marketing efforts throughout the year that highlights all of Old

Pasadena as a destination for consumers. These overall contributions to the District are reflected in the District budget for Zone 3, which is assessed for only about 5.6% of the District's total assessed costs.

Zone 4: is comprised of Memorial Park and Central Park.

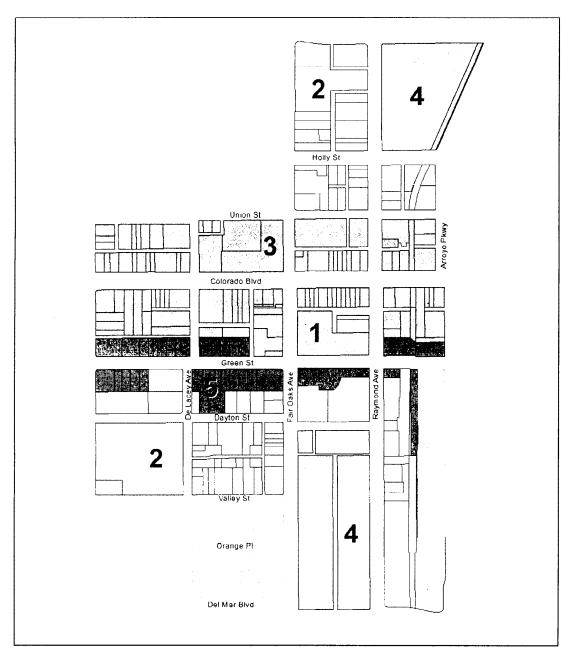
While the benefit to properties within Zone 4 may not be as great as those properties in other zones, the District does provide street sweeping, pressure washing, security as well as other activities specifically for this Zone and these properties derive special benefits from those services and activities proportionate to the District resources applied in that area. Collectively, approximately 8.5% of the service and activities provided by the District (costs) are associated with this Zone. Because the City owns all the property in this Zone, a portion of the City's annual contribution to the District is used to offset these parcels' proportional special benefit assessments, which is why this Zone is not levied assessments on the Tax Rolls.

Zone 5: includes properties that face or have a significant amount of frontage along the north and south sides of Green Street between Pasadena Avenue and Arroyo Parkway excluding the north side of Green Street between South Raymond and Mills Alley.

Zonc 5 receives regular but less frequent or moderate levels of service as compared to Zone 1 and Zone 2. Its services include but are not limited to: less frequent pressure washing, and street sweeping due to less street frontage (equivalent block faces) than Zones 1 and 2, but similar to Zone 4. This Zone also has less attention from day porters, trash removal and security foot patrol than Zones 1 and 2; but certainly greater service levels than provided in Zone 3 or 4. Collectively, approximately 12.6% of the service and activities (costs) are associated with this Zone.

The PBID boundary is illustrated by the map on the following page. Please see the Engineer's Report for the specific assessment formulas applicable to the Zones based on a combination of lot size, ground floor building square footage and non-ground floor building square footage.

# III. BOUNDARY MAP



Legend

Other Pasadena Parcels Zone 2 Zone 4

Zone 1 Zone 3 Zone 5



### IV. PROGRAMS AND BUDGET

All benefits derived from the assessments outlined in the Management District Plan and Engineer's Report are for services directly benefitting the property and business owners within this specialized district and support increased commerce, business attraction and retention, increased property rental income, and enhanced overall safety and image within this commercial core. All services, projects, promotions, security, maintenance, and professional and administration services are provided solely to properties within the District to enhance the image and viability of properties and businesses within the Old Pasadena Management District PBID boundaries and are designed only for the direct special benefit of the assessed properties. No services will be provided to non-assessed parcels outside the PBID boundaries.

# **Budget Categories**

A brief summary of the operating budget for the Old Pasadena PBID in Calendar Year 2011 (Fiscal Year 2010/11) is provided below. The total improvement and activity plan budget for 2011 is projected at \$1,531,363. Of the total budget, property owner assessments will contribute approximately \$906,363. The balance of \$625,000 will come from the City of Pasadena and other revenue sources.

2011 Budget		Total Budget	Co	City ontribution	R	Other evenues	pecial Benefit be Assessed
Trash Street Maintenance (Street Sweeping) Street Maintenance (Pressure Washing) Street Maintenance Additional Pressure Washing Dog Walk Bag Service	\$	114,037 117,145 117,145 234,290 12,852 2,400	\$	70,157 72,042 72,042 144,084	\$	- - - -	\$ 43,880 45,103 45,103 90,206 12,852 2,400
Rose Parade Clean-up Day Porters Districtwide Maintenance (Allocated by Lot Size) Districtwide Maintenance (Allocated by Building Size District-wide Maintenance Services	_	2,000 25,840 56,061 56,298 112,359		34,532 34,532 69,063		- - - -	 2,000 25,840 21,529 21,766 43,296
Total Maintenance Safety		503,778 510,035		283,304		- -	220,473 510,035
Marketing Administration and Advocacy Reserves and Contingency		276,012 181,204 <u>60,333</u>	_	121,995 - -	_	80,000 - -	74,017 181,204 <u>60.333</u>
	\$	1,531,363	\$	405,300	\$	80,000	\$ 1,046,063
City Contribution for Non-Assessed Proper  Total City		ontribution:	<del>-</del>	139,700 545,000			
Balance To Levy (Assessed on Tax R	•		·	****			\$906,363

The following is the allocation of the "Special Benefit to be Assessed" shown above, allocated to the five Zones of the District.

2011 Allocations		Zone 1 Allocation		Zone 2 Allocation		Zone 3 Allocation		Zone 4 Allocation		Zone 5 Allocation	
Trash	\$	25,106	\$	12,555	\$	2,318	\$	1,494	\$	2,407	
Street Maintenance		28,726		36,404		5,069		10,984		9,023	
Additional Pressure Washing		8,580		-		-		-		4,272	
Dog Walk Bag Service 1		-		1,063		•		750		587	
Rose Parade Clean-up <sup>1</sup>		2,000		-		-		-			
Day Porters		10,717		7,758		1,949		1,949		3,468	
District-wide Maintenance Services		13,229		18,191		2,516		4,451		4,907	
Total Maintenance		88,359		75,971		11,852		19,627		24,664	
Safety		222,223		159,430		28,121		43,426		56,835	
Marketing <sup>2</sup>		28,629		28,627		4,757		864		11,140	
Administration and Advocacy		55,496		76,376		10,575		18,712		20,046	
Reserves and Contingency	_	18,544		25,358		3,504		6,240		6,687	
	\$	413,250	\$	365,762	\$	58,810	\$	88,870	\$	119,371	
City Contribution	\$	33,690	\$	17,141	\$	-	\$	88,870	\$		
(For Non-Assessed Properties) Balance To Levy (Assessed on Tax Roll)	\$	379,560	\$	348,622	\$	58,810	\$	-	\$	119,37	

Revenues for specific programs may be reallocated from year to year within a range of 15-20%. The budget forecasted for Calendar Years 2012 through 2015 is provided on the following page. This budget forecast is an estimate of future costs based on the maximum annual inflationary adjustment of 5%. Potential changes, based upon changing district needs and budgets, must be approved by the Pasadena City Council. What follows is a general description of the types of services to be delivered according to each budget category:

# Old Pasadena Management District Five-Year Budget Projection

	Yea	r 2011	Yea	r 2012	Yea	r 2013	
Budget Forecast	Total Budget (Pro	Special Benefit posed)	Total Budget (Esti	Special Benefit imated)	Total Budget (Est	Special Benefit Imated)	
Trash	\$ 114,037	\$ 43,880	\$ 115,022	\$ 46,074	\$ 116,056	\$ 48,377	
Street Maintenance	234,290	90,206	236,317	94,716	238,446	99,452	
Additional Pressure Washing	12,852	12,852	13,495	13,495	14,170	14,170	
Dog Walk Bag Service	2,400	2,400	2,520	2,520	2,646	2,646	
Rose Parade Clean-up	2,000	2,000	2,100	2,100	2,205	2,20	
Day Porters	25,840	25,840	27,132	27,132	28,489	28,48	
District-wide Maintenance Services	112,359	43,296	113,333	45,460	114,357	47,73	
Total Maintenance	503,778	220,473	509,919	231,497	516,367	243,07	
Safety	510,035	510.035	535,537	535,537	562,314	562,314	
Marketing	276,012	74,017	277,611	77,718	279,289	81,60	
Administration and Advocacy	181,204	181,204	190,265	190,265	199,778	199,77	
Reserves and Contingency	60,333	60,333	63,350	63,350	66,518	66,51	
	\$ 1,531,363	\$ 1.046,063	\$ 1,576,681	\$ 1,098,366	\$ 1,624,265	\$ 1,153,285	

		Yea	14	Year 2015				
Budget Forecast		Total Budget Special Benefit (Estimated)			Total Budget Special Benef (Estimated)			
Trash	\$	117,142	\$	50,796	\$	118,282	\$	53,336
Street Maintenance		240,680		104,425		243,027		109,646
Additional Pressure Washing		14,878		14.878		15,622		15,622
Dog Walk Bag Service		2,778		2,778		2,917		2,917
Rose Parade Clean-up		2,315		2,315		2,431		2,431
Day Porters		29,913		29,913		31,409		31,409
District-wide Maintenance Services		115,431		50,120		116,559		52,626
Total Maintenance		523,137		255,225		530,247		267,986
Safety		590,429		590,429		619,951		619,951
Marketing		281,051		85,684		282,902		89,968
Administration and Advocacy		209,767		209,767		220,255		220,255
Reserves and Contingency		69,843		69,843	l	73,336		73,336
• •	\$ .	,674,228	\$	1,210,949	\$ 1	,726,690	\$	1,271,496
					1			

### **Programs and Services**

# > Public Safety

General objective: A safe District is a prerequisite to quality of life for the District stakeholders, economic vitality and future business growth. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment (e.g., cameras, lighting, etc.) and organizations which promote safety and security only for those properties within the boundaries of the District.

Specific program and service components: Resources will be earmarked for the operation of the Ambassador Guide team, which will patrol the entire BID and will be responsible for coordinating the District's activities with the Pasadena Police Department to deter crime, warn and advise trespassers and panhandlers, and respond to visitor inquiries. Among other services, this budget item covers deployment of officers, ambassador training, traffic control, deterrence and reporting of auto theft, illegal dumping and panhandling. The bicycle patrol security services are available throughout the entire District equally, but foot patrols will provide differential levels of coverage to the five zones of benefit.

#### > Maintenance

General objective: A clean, well maintained and attractive business district promotes safety, enhances quality of life for the District stakeholders and contributes to an improved business climate. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment and organizations which promote the cleanliness, attractiveness and aesthetic character only for those properties within the boundaries of the District.

Specific program and service components: Resources will be earmarked to contract with a maintenance vendor and/or hire staff that will provide services – street sweeping, sidewalk sweeping and pressure washing, graffiti removal and sticker removal, trash removal and related services only for those properties within the boundaries of the District.

Monies may be set aside each year to pay for special capital improvements, infrastructure repair (e.g., Star Trackers, palm tree lights, stage lights), new street furniture (e.g., trash receptacles, benches), holiday decorations and similar improvements. These improvements will benefit only the assessment-paying parcels in the District by improving the aesthetics of the area which attracts business and customers. These are services and or repairs that are not otherwise provided by the city of Los Angeles.

### > Marketing and Communications

General objective: To capitalize on the identity of the District in the heart of Pasadena, and to optimize public awareness of the District, it is important to undertake activities to promote the District as a whole. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment, District-serving infrastructure (e.g., pedestrian amenities, street furniture and parking signage, etc.) and organizations which promote the District as a place to live, visit, shop, work, worship, invest and be entertained for the sole benefit of the properties in the District.

Specific program and service components: Resources may be earmarked to contract or hire professional consulting services to assist with pressing issues facing the property owners in the District. The Board of Directors, with input from the property owners, will determine each year how these funds should be allocated. The types of consulting services contemplated include: marketing, media relations, event planning, public relations guidance, economic development, retail recruitment, grant writing, and BID renewal (in the final year of the BID 2014-15).

Funds may be also utilized to match grant proceeds, or for "district branding" opportunities, such as pole banners, logos, and wall maps; promotional materials, including advertising, maps, visitors' guides, press releases; maintenance of District website; annual economic benchmarking research, and similar projects. In the new BID, overtures may be made to potential corporate sponsors to attract new (non-assessment) revenues to leverage the marketing activities of the BID.

# > Advocacy and Administration

General Objective: A well-managed District optimizes the use of the assessment payer funds, through effective vendor selection and contract management, excellent communications with stakeholders, valuable advocacy on behalf of property owner interest, effective board and committee coordination and sound fiscal management. District management, advocacy and administration will only benefit businesses and property within the District boundaries by attracting business and customers.

Specific Program and Service Components: Administrative funds are allocated to pay for the following items: office expenses, legal, telephone/internet access, accounting services, business meals, travel, insurance (workers comp, general liability and directors/officers liability), dues/subscriptions, equipment/ furniture, rent, and database maintenance. Personnel expenses are earmarked for staff persons, payroll taxes and benefits. The administrative office – in addition to coordinating all affairs of the Board of Directors and complying with all contractual obligations to the City of Pasadena in the management of a BID – also will serve as the "voice" of the property owner to the community, the media and government policymakers.

For example, staff advocacy on behalf of property owners interests on issues affecting the entire district may include, but not be limited to: municipal service levels; law enforcement and public safety; street, sidewalk and sanitation services; enforcement of existing municipal code; traffic congestion relief and related policies related to parking, valet parking, taxi and shuttle access; tax relief; protection of rights of property owners to form and guide business improvement districts, and other related matters as determined by the Board of Directors.

# > Reserves and Contingency Funds

This Reserve and Contingency funding allows the District to ensure continued and appropriate service in the District. When the PBID was first established in 2000, it was recognized that funding would be need to be reserved during the life of the PBID in order to fund the costs associated with the renewal requirements under state law. In addition other established districts have found it important to set aside adequate funding to undertake one-time, task-oriented projects that benefit the District property owners as a whole or to address unforeseen costs. These funds may be used for, but not limited to the following or similar activities at the discretion of the Board of Directors:

- Additional and expanded Clean and Safe services
- Expanded holiday decorations
- Expanded trash can locations and service
- Complete website redesign and added functionality
- Enhanced programs for business recruitment and retention
- Small business assistance
- Additional special events to increase attendance

# Assessment Methodology

Assessment law provides that the expenses of a business improvement district shall be allocated in proportion to the benefit received by each parcel. In addition, Article XIIID of the California Constitution requires that a parcel's assessment may not exceed the reasonable cost of proportional special benefit conferred on that

parcel. Article XIIID provides that only special benefits are assessable and that a special benefit is a particular and distinct benefit over and above general benefits conferred on real property or the public at large. The assessment methodology outlined in the Engineer's Report (Appendix A), represents the Engineer's determination of a fair and equitable system of apportioning assessments in relation to the special benefits received by parcel owners (proportional special benefits).

The cost of providing the authorized services to the properties within the boundaries of the district will be funded by the levy of assessments on those properties, and will be apportioned to them on the basis of their special benefit received, as outlined in the Engineer's Report. For a complete and detailed description of the special benefit rationale and the assessment formulas, please refer to the Engineer's Report included as Appendix A.

# V. TIME AND MANNER FOR COLLECTING ASSESSMENTS

As provided by State Law, the District assessments will appear as a separate line item on annual Property Tax bills prepared by the County of Los Angeles. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Los Angeles shall distribute funds collected to the City of Pasadena and then to the Management District. Existing laws for enforcement and appeal of Property Taxes apply to the District assessments.

# VI. GOVERNANCE AND MANAGEMENT

Consistent with business improvement district legislation throughout the nation, California's "Property and Business Improvement District Law of 1994" establishes a governance framework that allows property owners who pay assessments, the ability to determine how the assessments are used. This Management District Plan may be subject to changes if required by the state of California or the City of Pasadena.

- (A) Old Pasadena Management District The affairs and corporate powers of the Old Pasadena Management District shall be exercised by, or under the direction of, the Board of Directors. The leadership for these elected representatives will continue to provide meaningful representation by assessment-paying property owners, as well as those other stakeholders who benefit from the services provided. The Board of Directors of the Old Pasadena Management District currently provides for a 23-member Board with representatives from property owners, businesses, and residents located within the PBID boundaries, a majority of whom will always be assessment paying owners. It is expected that representation for residential interests will increase proportionate to the increase in residential assessment income, and that the increase of residential representation will be in addition to the current assessment-paying owner representation on the Board.
- (B) Policies for Zones and their Related Levels of Service Levels of service provided for by the PBID Management District Plan are deemed the minimum levels of service and are absolute. While owners within their respective Zones may band together and petition to increase service levels and corresponding assessments within a particular Zone during the life of this PBID, under no circumstances may the minimum service levels described in this PBID Management District Plan be reduced in any or all Zones during the life of the PBID.

# **Disestablishment**

State law provides for the disestablishment of a Business Improvement District pursuant to an annual review process. Each year that the District is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the District was first established by City Council.

Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the Business Improvement District may be disestablished. The City Council will hold a public hearing on disestablishing the District prior to actually doing so.

# **Termination of BID Services**

In the event the PBID ends as a result of the disestablishment process or through its natural expiration in 2015, in accordance with state law, the remaining funds of the District (existing assets) shall become the property of the City and shall be used: (1) to pay the City any amount owed to it by the District; (2) settle any outstanding debit to service providers, consultants, or staff for services provided; (3) utilize the funds to remove equipment, street furniture, trash receptacles and other elements for which there would no longer be a caretaker, and (4) to disburse the remaining assets to the owners of assessed properties.

# VII. APPENDIX A (ENGINEER'S REPORT)

A copy of the Engineer's Report is attached hereto as Appendix A and outlines in more detail the improvements, services, budgets and assessments proposed for the Old Pasadena Property and Business Improvement District (PBID), including the Assessment Roll for Fiscal Year 2010/2011 which is representative of the assessment amount to be balloted for each parcel.

# CITY OF PASADENA



# OLD PASADENA MANAGEMENT DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT RENEWAL

# APPENDIX A - ENGINEER'S REPORT

CALENDAR YEARS 2011 TO 2015 (FY 2010/2011 TO 2014/2015)

PREPARED JULY, 2010



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# **ENGINEER'S REPORT AFFIDAVIT**

# City of Pasadena Old Pasadena Management District Property and Business Improvement District

City of Pasadena Los Angeles County, State of California

This Report describes the District and defines improvements, services, activities, budget and method of assessment apportionment, and the parcels proposed to be levied commencing in Fiscal Year 2010/2011 in accordance with the provisions of the Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code and the provisions of the California Constitution Article XIIID. Reference is hereby made to the Los Angeles County Assessor's maps for a detailed description of the lines and dimensions of the lost and parcels of land within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council.

Dated this	day of	, 2010.
Willdan Financial Assessment Engir On Behalf of the	neer	
Ву:		
Jim McGuire Principal Consulta	int	
Ву:		
Richard Kopecky		
R. C. E. # 16742		

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# **Overview**

# Introduction

The City of Pasadena ("City") formed and established the Old Pasadena Management District Property and Business Improvement Assessment District ("District" or "OPMD") to provide improvements, services and activities that confer special benefits upon real property within the boundaries of the District. The District shall be established and levied pursuant to Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code (hereafter referred to as the "Act") and the provisions of the California Constitution Article XIIID (hereafter referred to as the "Constitution" or "Proposition 218"). Pursuant to the Act, property owners within the District submitted a signed petition requesting formation (renewal) of the District. The initial Old Pasadena Management District was formed in June, 2000 for a five-year term which expired in 2005. The District was successfully renewed for Calendar Years 2006-2010 (Fiscal Years 2005/2006 through 2009/2010) and a maximum assessment was approved by the property owners through an assessment ballot proceeding, conducted according to provisions of Article XIIID of the California Constitution with Fiscal Year 2009/2010 being the last year of the current term of the District. Under the provisions of the Act, the property owners within the District may renew the District for a maximum term of ten (10) years, however only a 5-year term is being proposed as part of this renewal process. As part of this renewal process, property owners representing more than fifty percent (50%) of the total proposed assessments must submit a petition in favor of the renewal and proposed assessments. Based on this petition and the proposed Management District plan, including this Engineer's Report, the Pasadena City Council may initiate proceedings to renew the District and ballot property owners for the proposed assessments pursuant to the Constitution. Assuming upon tabulation of the ballots returned, majority protest does not exist, the City Council may adopt the appropriate resolutions to renew the District and levy and collect annual assessments commencing with Fiscal Year 2010/2011 (Calendar year 2011) to provide funding for improvements and activities authorized within the District for a period of five years Calendar Years 2010-2015 (Fiscal Years 2010/2011 through 2014/2015).

This Engineer's Report ("Report") describes the District, improvements, services and activities, method of apportionment, the proposed assessments for the first fiscal year, and the maximum assessment proposed for the five-year duration of the renewed District. The proposed assessments are based on the estimated cost to provide the improvements, activities, and operations that provide a direct and special benefit to properties within the boundaries of the District. The costs of improvements, services, activities, and operations include all expenditures, deficits, surpluses, revenues, and reserves.

The words "property" or "parcel", for the purposes of this Report, refers to real property located within the District, and identified as an individual property or parcel assigned its own Assessor's Parcel Number (APN) by the County of Los Angeles Assessor's Office. The County of Los Angeles Auditor/Controller uses APNs to identify on the tax roll parcels the properties assessed for taxes, special assessments, and fees and charges.



# District Renewal

Written petition(s) of the property owners within the proposed District, representing more than fifty percent (50%) of the proposed assessment to be levied must be submitted to the Pasadena City Council in order to proceed with the District formation (renewal). After the required signatures have been gathered, the City Council may initiate proceedings for the renewal of the District by adopting a resolution expressing its intention to renew the District. The resolution of intention will reference the Management District Plan, which incorporates this Engineer's Report, and shall give notice of the time and place of a public hearing on the re-establishment (renewal) of the District and levy of assessments.

Pursuant to the Act, within 90 days of adopting the resolution of intention, the City Council shall hold a public hearing on the matter. Assessment ballots (property owner protest ballots) shall be mailed to each property owner of record at least 45 days prior to the public hearing pursuant to Article XIIID of the California Constitution.

At the public hearing the City Council may provide the public and property owners the opportunity to provide oral protests and written protests prior to the adoption of the Engineer's Report and the Management District Plan. Pursuant to the Constitution, the City Council will tabulate property owner assessment ballots timely received from property owners to determine whether majority protest exists. This tabulation will occur after the close of the Public Hearing.

If the property owners ballot results support (approve) the renewal of the District and the imposition of new assessments, the Old Pasadena Management District (hereafter referred to as "OPMD") will appoint a Board of Directors for the District. The Board of Directors shall make recommendations on the expenditures of revenue derived from the levy of assessments and on the classification of properties as applicable. The Board of Directors shall cause to be prepared a report each fiscal year for which assessments are to be levied and collected. Said annual report shall be filed with the City Clerk and shall contain: any proposed changes to the district boundary; the improvements, services and activities to be provided that year; the estimated costs for that year; the method of assessment; the amount of any surplus or deficit; and contributions from other sources. The City Council may approve the report as submitted or as modified.



# **Description of the District**

The District is located in the Old Pasadena community within the City of Pasadena, County of Los Angeles and currently includes four-hundred seventy (470) parcels, of which four-hundred sixty-one (461) are identified as parcels that receive special benefits from the improvements, services and activities provided by the District. Of these benefiting properties, four-hundred forty-two (442) shall be assessed on the Los Angeles County Tax Rolls with the assessments for the remaining nineteen (19) parcels (most of which are owned by the City of Pasadena) will be funded from a portion of the \$545,000 the City annually contributes to the District.

The Old Pasadena PBID provides various improvements, services and activities for and within an approximately 21-block area of Pasadena. The District is bounded by Pasadena Avenue on the west, Walnut Street on the north, Arroyo Parkway on the east, and Del Mar Boulevard on the south. Because of the scope and nature of the District and level of services to be provided vary in different parts of the District, five benefit zones have been established based on these variations.

# Zones of Benefit

While it has been determined that the services and activities to be provided by the District are entirely special benefit (no measurable general benefit), the level of service and activities to be provided vary within the boundaries of the District.

In order to properly allocate the cost of the services or variations in services, benefit areas (hereafter referred to as "Zones") have been established for the District. These Zones are based on differences in services or the level of service to be provided within those Zones. The overall cost of providing each of the services and activities shown in this Report have been budgeted and allocated to the various Zones, (Zones 1, 2, 3, 4 and 5), based on an estimate of the service level demands within each of the respective Zones. The costs and expenditures associated with each Zone are proportionately allocated to each of the benefiting parcels within a Zone based on specific physical characteristics of the parcels within the District, including each parcel's lot size, ground floor building square footage, and non-ground floor building square footage.

A District budget has been prepared for the various services and activities that benefit properties within the District and the cost of these various activities (minus available funding from other sources) are proportionately allocated to Zones 1 through 5 based on an estimate of the service level demands to be provided within each of the respective Zones. The overall estimated District expenditures; contributions from the City and other revenue sources; and the allocation of special benefit costs to each Zone appear in the District Budget Section of this Report.

The following is a description of the District Zones:

# Zone 1:

Zonc 1 encompasses the core area of Old Pasadena, along Colorado Boulevard, the South side of Union Street and the North side of Green Street between South Raymond and Mills



Alley, but excludes the parcels that comprise One Colorado (Zone 3), which have a reduced level of District services than the other parcels in this core area because they privately fund and provide many of the same services and activities within and around One Colorado.

Service Level – Zone 1 has the highest pedestrian activity and generally has the highest demand for most of the services and activities provided by the District. Its services include but are not limited to: more frequent pressure washing; frequent attention from day porters; more trash removal; highest visibility of security; more administrative and advocacy attention due to street closures, events and visible tourist and retail attention. Collectively, approximately 39.4% of the service and activities provided by the District (costs) are associated with this Zone

**Location** – Refer to the District Diagram and Assessment Roll contained within this Report, for a visual representation and parcel listing of parcels within Zone 1.

### Zone 2:

Zone 2 is comprised of two areas. The northern area of Zone 2 which includes all properties to the North of Union Street, East of Fair Oaks, and West of Arroyo Parkway (excluding Memorial Park). The southern area of Zone 2 includes the blocks north of Valley Street between Pasadena Avenue and Fair Oaks; properties facing Dayton Street between Fair Oaks and Raymond; as well as properties on Raymond from Del Mar to just south of Green Street (excluding Central Park) and as far east as the Gold Line Right of Way.

Service Level – Zone 2 generally has slightly less demand than Zone 1 for most of the services and activities provided by the District, but substantially more than the remaining Zones. Because this Zone has greater street frontage (equivalent block faces) than Zone 1, this Zone requires more street sweeping and pressure washing, but because there is less pedestrian traffic than Zone 1, it generally has less demand for other services and activities such day porters, trash removal and security foot patrol. Collectively, approximately 33.9% of the service and activities provided by the District (costs) are associated with this Zone.

**Location** – Refer to the District Diagram and Assessment Roll contained within this Report, for a visual representation and parcel listing of parcels within Zone 2.

# Zone 3:

Zone 3 is comprised of One Colorado properties along Colorado Blvd. between Delacey and Fair Oaks (excluding the southeast corner of Union and Delacey) as well as the South side of Union Street to Exchange Alley between Fair Oaks and Kendall Alley.

Service Level – Zone 3 includes only the One Colorado properties. The One Colorado properties already provide a high level of private security and maintenance services and therefore require less support from the District for these services and activities. While these properties privately fund services that are also provided by the District, the District's efforts and support to the surrounding area (other Zones) directly enhances the properties in Zone 3 by reducing potentially higher private security and maintenance costs that might otherwise be incurred if the surrounding area lacked such services. In addition to privately funding similar services that are provided by the District, Zone 3 properties provide an aggressive



schedule of special events throughout the year, as well as additional marketing efforts throughout the year that highlights all of Old Pasadena as a destination for consumers. These overall unique contributions to the District is reflected in the District budget for Zone 3, which is assessed for only about 5.6% of the District's total assessed costs.

**Location** – Refer to the District Diagram and Assessment Roll contained within this Report, for a visual representation and parcel listing of parcels within Zone 3.

# Zone 4:

Zone 4 properties include Memorial Park and Central Park.

Service Level – Zone 4 is comprised entirely of properties owned by public agencies (primarily the City) and incorporates the two parks within the District boundaries. While the benefit to properties within Zone 4 may not be as great as those properties in other zones, the District does provide street sweeping, pressure washing, security as well as other activities specifically for this Zone and these properties derive special benefits from those services and activities proportionate to the District resources applied in that area. Collectively, approximately 8.5% of the service and activities provided by the District (costs) are associated with this Zone. Because the City owns all the property in this Zone, a portion of the City's annual contribution to the District is used to offset these parcels' proportional special benefit assessments, which is why this Zone is not levied assessments on the Tax Rolls.

**Location** – Refer to the District Diagram and Assessment Roll contained within this Report, for a visual representation and parcel listing of parcels within Zone 4.

# Zone 5:

Zone 5 includes properties that face or have a significant amount of frontage along the north and south sides of Green Street between Pasadena Avenue and Arroyo Parkway excluding the north side of Green Street between South Raymond and Mills Alley.

Service Level – Zone 5 receives regular but less frequent or moderate levels of service as compared to Zone 1 and Zone 2. Its services include but are not limited to: less frequent pressure washing, and street sweeping due to less street frontage (equivalent block faces) than Zones 1 and 2, but similar to Zone 4. This Zone also has less attention from day porters, trash removal and security foot patrol than Zones 1 and 2; but certainly greater service levels than provided in Zone 3 or 4. Collectively, approximately 12.6% of the service and activities provided by the District (costs) are associated with this Zone.

**Location** – Refer to the District Diagram and Assessment Roll contained within this Report, for a visual representation and parcel listing of parcels within Zone 5.



# Improvements and Activities

The improvements, services and activities to be provided by the District are in addition to those provided by the City of Pasadena. The proposed District intends to continue to provide and ensure the operation and maintenance of the improvements and activities approved for the existing District for another five (5) year term.

The services and activities planned and budgeted for the District over the next five years can generally be grouped into the following categories:

- Maintenance
  - Trash
  - Street Maintenance (Street Sweeping & Pressure Washing)
  - Day Porters
  - Special Zone Projects (Dog Walk Bag Service, Additional Pressure Washing, Rose Parade Clean-up)
  - District-wide Maintenance Services (Landscaping, Graffiti, Debris Pick-up, etc.)
- Public Safety
- Marketing
- District Management (Administration & Advocacy)
- Reserve and Contingency Fund

The following are some key aspects of the Service Plan Budget:

- The Service Plan Budget provides for the security program, Old Pasadena Ambassador Guides, who serve a number of functions. This security program continuously increases awareness of security efforts in the District, coordinates existing property owner security programs, and acts as the "eyes and ears" for the Pasadena Police Department. The program reduces street disorder and serves a lead role in crime prevention. Also the Old Pasadena Guides serve as good-will ambassadors for the District by assisting visitors.
- The maintenance program keeps the District clean. Highly visible personnel are on the streets removing trash, graffiti, and other litter. In addition, the PBID will provide sidewalk cleaning, trash/debris removal, and street sweeping.
- > The marketing and promotions program continues to improve communications, build stronger working relationships with property owners and business operators, and increase exposure for the District.

# Public Safety

# Old Pasadena Public Safety Program

The 21 block Old Pasadena Ambassador Guide program mission is to support the police department, property owners and tenants in overall crime prevention efforts and reduction in street disorder, while offering a customer service orientation to pedestrians. They provide



highly visible neighborhood security and are intended to supplement-not supplant-individual building security and the Pasadena Police Department.

# Integration with the Pasadena Police Department

The Old Pasadena security program works closely with the Pasadena Police and integrates the Old Pasadena program with that of the Police. Pasadena Police Department officers are active in the development and training of the Old Pasadena Guide personnel.

# Bicycle Patrol

The Bike Patrol deters aggressive panhandling and other unsuitable street behavior. Their presence is a deterrent to theft and burglary from motor vehicles; however, the service does not completely prevent these crimes. They also deter and report illegal street vending, illegal dumping and street code violations. They observe and report a myriad of quality-of-life problems including: drinking in public, urinating in public, public drunkenness, trespassing, and shopping cart confiscation.

The Bike Patrol officers also act as ambassadors performing goodwill gestures such as giving directions to visitors, escorting employees, helping lost persons, and retrieving keys from locked cars and conducting tours. Bike Patrols also assist with traffic control in the event of accidents, fires or unusual occurrences.

They patrol assigned routes evenly, covering all property equally on any route in the District. They are professional, friendly, courteous, people-oriented individuals in excellent physical condition. The Bike Patrol officers complete 40 hours of customized classroom training and 16 hours of field training.

### Foot Patrol

The Foot Patrol will concentrate on the highest pedestrian use corridors such as Colorado Boulevard and Fair Oaks Avenue. The Foot Patrol has the same mission and receives the same training as the Bike Patrol. Uniforms and equipment will be identical. Because of their easy accessibility to pedestrians, the Foot Patrol will act as ambassadors helping visitors find their dining, shopping and parking destinations.

# Maintenance

#### Old Pasadena Clean Team

The Clean Team consistently deals with maintenance issues within the District. To effectively deal with the maintenance issues facing Old Pasadena, a multi-dimensional approach has been developed consisting of the following elements:

### Sidewalk Maintenance

Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks and gutters of the District. Collector truck personnel collect trash from trash receptacles.



# Alley Maintenance

The Clean Team and safety patrols each have responsibility in this area. Guide safety personnel address owner and tenant compliance with City code issues on cleanliness of sidewalks, alleys and illegal dumping. The Clean Team crew sweeps the alleys, removes graffiti and clears the alley of debris when a responsible party cannot be found for illegal dumping or other violations.

### Graffiti Removal

The Clean Team removes graffiti by painting, using solvent and pressure washing. The District will maintain a zero tolerance graffiti policy. All tags will be removed within 24 hours.

# Sidewalk Pressure Washing

Pressure washers service 3-6 blocks per night, 7 nights a week. The District standard is to have all sidewalks cleaned at least twice a month. The high use areas will be cleaned more frequently.

### Trash Collection

District provides for all collection of trash from sidewalk trashcans.

# Landscape Maintenance

Public landscape areas, tree wells, and planters will be maintained and kept free of litter and weeds.

# Paper Sign and Handbill Removal

Paper signs and handbills taped or glued on public property, utility boxes, poles and telephone poles are removed by hand or when necessary by high pressure hose.

### **Special Collections**

District trucks will be available to collect stolen shopping carts and large bulky items illegally dumped in the District.

# Maintenance Problems Requiring Third Party Intervention

Problems in the District that create blighted or unsafe conditions are monitored but are outside of the jurisdiction of the District to repair. Requests are made to the responsible party for repair. Types of problems include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating street lights, damaged or missing street signs, etc.

