

# Agenda Report

June 7, 2010

**TO:** Honorable Mayor and City Council

**THROUGH:** Economic Development and Technology

**FROM:** Planning and Development

**SUBJECT:** Establishment of the Old Pasadena Management District Property-based Business Improvement District (PBID)

## **RECOMMENDATION:**

It is recommended that the City Council adopt a Resolution of Intention to establish the Old Pasadena Management District Property-Based Business Improvement District (Attachment 1), setting a Public Hearing for July 26th, 2010 at 7:30 p.m.

## **CITY COUNCIL COMMITTEE RECOMMENDATION:**

On May 5, 2010, the Economic Development and Technology Committee received a report on the effort to renew the Old Pasadena Management District PBID and supported moving the action to City Council upon successful completion of the legal requirements to initiate the PBID process.

## **BACKGROUND:**

The Old Pasadena Management District Business Improvement District (OPMD), originally established by City Council on June 26, 2000 and renewed for a second five year term, proposes to renew for an additional five years. If successful, the third term will commence on January 1, 2011 and run until December 31, 2015.

## **PBID Proposal**

The proposed renewal of the OPMD would have a five-year life span and assess an estimated \$1,534,590 in the first year. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Los Angeles-Orange-Riverside County Consumer Price Index (CPI). The assessment will be derived from the 21-block area bound by Pasadena Avenue, Walnut Street, Arroyo

Parkway and Del Mar Blvd and remains unchanged (Attachment A). The proposed budget is to be spent as follows:

Ambassador & Public Safety	33%	\$510,829
Maintenance & Physical Enhancement	33%	\$503,883
Marketing & Communications	18%	\$278,174
Administration & Project Management	12%	\$181,282
Contingency/City Fees/Reserve for Non-Pay	4%	\$60,422
<b>Total</b>		<b>\$1,534,590</b>

Over the past year, OPMD has been working with its Board and stakeholder volunteers through renewal efforts. They have reviewed their goals and priorities in various public committee meetings and have worked to refine operations and reduce costs in this challenging economic climate. OPMD has continued to be a valued stakeholder in the community and an economic strength for the City. They continue to work with the other downtown Districts (Paseo Colorado, Playhouse and South Lake) on co-sponsored events and marketing efforts. The Old Pasadena Renewal brochure illustrating accomplishments is attached.

### **COUNCIL POLICY CONSIDERATION**

Adoption of the Old Pasadena Management District PBID is a means to enable property owners the ability to voluntarily self levy through property taxes thereby creating a source of funds to reinvest within the District for a variety of coordinated programs. Such an investment furthers the principles of the General Plan's Seven Guiding Principles to support economic vitality to provide for employment opportunities and enhanced revenues, support a healthy family community by contributing to a safe and clean commercial core, and supporting the notion of Pasadena as a cultural, scientific, corporate, entertainment and educational center for the region. This action also furthers the City Council Strategic Plan Goal to promote the quality of life and local economy.

### **Establishment Process**

PBID Establishment is a multi-step process that involves the collection of petitions representing over 50% of the assessed value followed by a balloted election that concludes in a Public Hearing. The Old Pasadena Management District has successfully completed the petition phase and hereby request that an election be held and a Public Hearing set for June 26, 2010 at 7:30 in the Council Chambers.

Upon the completion of a successful election and City Council approval, the assessments will be paid through the property tax collected by the County Assessor, and passed through to the City. The City will remit the assessments to the Old Pasadena Management District for implementation of its workplan.

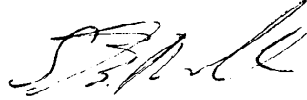
**Baseline Services**

There are no recommended changes to the business points found in the Baseline Services Agreement – the agreement between the City and Old Pasadena Management District on respective basic level of service provided within the District. A new Baseline Services Agreement and Agreement for Services must be executed commensurate with the PBID term.

**FISCAL IMPACT:**

The City contribution will remain at the original 2000 funding level of \$545,000 which is reflected in the FY 2011 recommended operating budget.

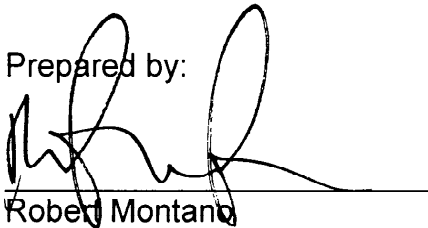
Respectfully submitted,



---

STEVE MERMELL  
Assistance City Manager

Prepared by:



---

Robert Montano  
Project Manager

Approved by:



---

MICHAEL J. BECK  
City Manager

Attachment A – Resolution of Intention

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

**A RESOLUTION OF THE CITY OF PASADENA STATING ITS INTENTION TO FORM THE OLD PASADENA MANAGEMENT DISTRICT PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994, PART 7 OF DIVISION 18 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE, AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO**

**WHEREAS**, the Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code, commencing with Section 36600, (the "Law") authorizes cities to establish property and business improvement districts within business districts to promote the economic revitalization and physical maintenance of such business districts; and

**WHEREAS**, the Law authorizes cities to levy and collect assessments on real property within such districts for the purpose of providing improvements and promoting activities that specially benefit real property within such districts; and

**WHEREAS**, Articles XIIC and XIID of the California Constitution and Section 53753 of the California Government Code impose certain procedural and substantive requirements relating to the levy of new or increased assessments; and

**WHEREAS**, a written petition has been submitted by property owners within Old Pasadena business district requesting the City Council to initiate proceedings pursuant to the Law to establish a property and business improvement district to be named the Old Pasadena Management District Property-based Business Improvement District; and

**WHEREAS**, such petition was signed by property owners in the proposed district who will pay more than fifty percent (50%) of the assessments proposed to be levied; and

**WHEREAS**, a Management District Plan entitled the "Old Pasadena Management District Property-Based Business Improvement District (PBID) Plan" (the Management District Plan) has been prepared and submitted to the City Clerk, containing all of the information required by Section 36622 of the Law, including a description of the boundaries of the district, the improvements and activities proposed for the district, and the cost of such improvements and activities; now therefore be it

**RESOLVED**, that the Pasadena City Council declares as follows:

Section 1. Pursuant to Section 36621(a) of the Law, the Pasadena City Council declares its intention to form a property and business improvement district to be designated the "Old Pasadena Management District Property-based Business Improvement District" (the "District") and to levy and collect assessments against lots and parcels of real property within the District, commencing with Fiscal year 2011-2015.

Section 2. The City Clerk shall make the Management District Plan and other documents related to the District available to the public for review during normal business hours Monday through Friday 7:30 a.m. – 5:30 p.m.

Section 4. NOTICE IS HEREBY GIVEN that the City Council shall conduct a public hearing on the establishment of the District and the levy and collection of assessments on July 26, 2010 at 7:30 p.m. or as soon thereafter as the matter may be heard, in City Hall, Council Chambers, Room S249 at 100 North Garfield Avenue. At the public hearing, the City Council will consider all objections or protests, if any, to the proposed establishment of the District and the proposed assessment. Any interested person may present written or oral testimony at the public hearing.

Section 5. The exterior boundaries of the proposed District include an approximately 21-block area bounded by Walnut Avenue on the north, Arroyo Parkway on the east, Del Mar Boulevard on the south, and Pasadena Avenue east.

Section 6. The proposed improvements and activities for the District include providing security, sanitation, street and sidewalk cleaning and other municipal services supplemental to those normally provided by the City; marketing, and other improvements and activities which benefit businesses and real property located in the District.

Section 7. The assessment proposed to be levied and collected for Fiscal Year 2011 is \$1,534,590. The amount to be levied and collected for subsequent years up to a total of 5 years may also be increased, by an amount not to exceed five percent per year, in accordance with increases in the Consumer Price Index, All Urban Consumers, for the Los Angeles-Orange-Riverside County metropolitan area.

Section 8. The City Clerk, or his designee, is hereby authorized and directed to cause notice to be given of the public hearing as provided in Section 53753 of the Government Code and Article XIID, Section 4 of the California Constitution.

Adopted at the regular meeting of the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by the following vote:

AYES:

NOES:

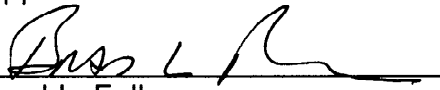
ABSENT:

ABSTAIN:

---

MARK JOMSKY, CITY CLERK

Approved as to form:



---

Brad L. Fuller