

# Agenda Report

JUNE 11, 2012

**TO:** Honorable Mayor and City Council

**FROM:** Office of the City Manager

**SUBJECT: Establishment of the South Lake Avenue Property-based Business Improvement District**

**RECOMMENDATION:**

It is recommended that the City Council:

1. Find that adopting a resolution establishing the South Lake Avenue property-based Business Improvement District is exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3); and
2. Conduct a Public Hearing on the proposed establishment of the South Lake Avenue Property-based Business Improvement District (PBID).

It is further recommended that upon closing of the Public Hearing, that the City Council:

3. Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.

Upon receipt of the report on the tabulation of ballots, if the results of said tabulation show that a majority protest does not exist, it is recommended that the City Council:

4. Adopt a final resolution "Establishing the South Lake Avenue Property-based Business Improvement District", Attachment 1.
5. Adopt the Baseline Services (Attachment 2) and authorize the City Manager to enter into a financial agreement and baseline services contract.

## **BACKGROUND:**

The South Lake Association Property-Based Business Improvement District (SLA) was established by Council on July 30, 2007 and will expire December 31, 2012. It should be noted that while this action calls for the establishment of the South Lake Association PBID, it is effectively a renewal; State law only accommodates the establishment of each term. The purpose of a PBID is to provide enhanced services to its stakeholders within the District. Those services range from clean and safe programs, providing cleaning and security services beyond what the City provides, to advocacy and marketing, to bring greater public awareness to the District. Since formation, the South Lake Association has been instrumental in bringing physical improvements to the District, has established a single voice of advocacy and provided much needed attention to the district through enhanced services. The proposed new term is five years and if successful, will commence on January 1, 2013 and run until December 31, 2017. Setting of this Public Hearing was completed, consistent with State Law, on April 23, 2012.

### **PBID Proposal**

The proposed formation of the South Lake Association would have a five-year life span and assess an estimated \$595,000 in the first year. Subsequent year assessments could be increased up to five percent per year, or in accordance with increases in the Consumer Price Index, All Urban Consumers, for the Los Angeles-Riverside-Orange County metropolitan area. The assessment would be derived from a 14-block area bound by Colorado Boulevard, Mentor Avenue, California Boulevard, and Hudson Avenue. The map of the proposed PBID is included as Appendix A of the Management Plan in Attachment 3.

### **City Assessment**

The City assessment for the PBID is \$45,483.12 in the first year and is applied to the properties that constitute Shoppers Lane. This amount includes assessments totaling \$12,736.03 on City-owned parcels, and \$32,747.09 on the privately owned parcels bound by a surface easement requiring that the City pay all property taxes and assessments. None of the City contributions may be spent on renewal efforts.

The proposed budget is to be spent as follows:

#### **Maintenance & Safety**

Comprehensive Clean and Safe programs will help keep the Avenue inviting.

- Clean Teams will expand the scope and frequency of sidewalk sweeping, sidewalk washing, litter removal from sidewalks, gutters, alleys and public parking lots
- Daily inspection of sidewalk trash bins; emptying, cleaning and repairing
- Downtown Ambassador assisting visitors with valuable information and hospitality
- Shoppers Lane and Median Beautification

### **Marketing & Promotions**

Selling South Lake as a destination. Creating consumer awareness & Downtown vitality.

- Destination Marketing Campaign including advertising and marketing pieces
- Monthly Newsletter
- Branding Campaign
- Promotion Campaigns
- Special Events & Holiday Activities
- Holiday Lighting

### **Economic Development**

Program and services created to help support the growth and vitality of existing businesses, attract new businesses, and stimulate investor confidence.

- Business Expos and Workshops
- District database with market & real estate information
- Full service [www.southlakeavenue.org](http://www.southlakeavenue.org) website for members, visitors and investors
- Business Advocacy
- Comprehensive/ Strategic Planning
- Business Creation Attraction Retention Expansion (CARE) Program

### **Image Enhancement**

Programs and projects designed to attract new investors, tenants and customers to the district.

- District Branding including street banners, way-finding signage, planters, garbage & recycling containers and lighting
- Business directory kiosks, furniture & fixture replacement
- Expand physical enhancement and beautification efforts through the district

### **Process**

The California State Law governing the formation of PBIDs requires a process which begins with a petition phase, signed by property owners in the proposed district who will pay more than 50% of the proposed assessments. The second step is for City Council to adopt a resolution of intention to establish the PBID, which authorizes the City Clerk to mail a ballot for the establishment of the PBID to the property owners within the district, and set a date for a public hearing to count the ballots with no less than 45-day public notice.

In order for the district to be established, the Clerk must receive ballots in support, which "outweigh" those returned in opposition to the PBID based on the amount of assessments to be levied. If the vote is successful, the City Council may then establish the assessment district by adopting a final resolution. The assessments are billed through property tax billing collected by the County Tax Assessor and sent to the City biannually. It is anticipated that the City will contract with the South Lake Association to

provide the PBID services to the District in accordance with the Management Plan. The South Lake Association is required to abide by the Brown Act. The production of an annual report and an annual audit are required from the South Lake Association.

Per the requirements of the PBID law, the Notice and Balloting material was sent to affected stakeholders on April 26<sup>th</sup>, allowing for the 45-day public hearing notice.

### **COUNCIL POLICY CONSIDERATION:**

PBIDs have become an important tool to help Pasadena maintain regional prominence as one of the top visitor destinations in Sothern California. The PBIDs afford the leverage of shared resources resulting in a unique blend of public and private agencies working together to ensure business profitability and to emphasize customer service, safety, area marketing and promotion, cleanliness, improve parking management and continued retail recruitment.

More specifically, the work of PBIDs help implement Council Policy Considerations including a number of the City's Guiding Principles of the General Plan:

- Economic vitality will be promoted to provide jobs, services, revenues and opportunities;
- Pasadena will be promoted as a cultural, scientific, corporate, entertainment and educational center for the region; and
- The Strategic Plan goal to support and promote the local economy.

### **ENVIRONMENTAL ANALYSIS:**

The action proposed herein is exempt from the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines Section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The proposed action is the establishment of the South Lake Avenue Property-based Business Improvement District for an additional five-year term. The PBID will allow an assessment to collect funds that are used in the District to promote economic vitality in the area. No specific projects are being analyzed at this time. Any future project that results from the use of the funds shall be reviewed under its own merits at the time of project submittal for purposes of CEQA.

**FISCAL IMPACT:**

The cost of this action will be \$45,483.12 per year, subject to CPI increases for the first PBID term of five years commencing January 1, 2013. Funding for this action will be addressed by the utilization of parking revenue funds in account 8145-217-774212 - South Lake Parking District Fund 217.

Respectfully submitted,



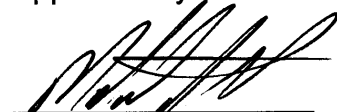
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Approved by:



MICHAEL J. BECK  
City Manager

Attachments:

- Attachment 1 – Resolution Establishing the South Lake Avenue Property-based Business Improvement District
- Attachment 2 – Baseline Services
- Attachment 3 – Management Plan and Engineer's Report