



Agenda Report

December 10, 2018

TO: Honorable Mayor and City Council

THROUGH: Finance Committee

FROM: Department of Finance

SUBJECT: ANNUAL ADJUSTMENTS TO THE FISCAL YEAR 2019 SCHEDULE OF TAXES, FEES, AND CHARGES RELATED TO NEW YEAR'S DAY AND THE ROSE BOWL

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the proposed rate increases are exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061(b)(3); and
2. Approve the scheduled rate increases effective February 1, 2019 for the Grandstand Permit Application, the Rose Bowl Admission Tax, and for the New Year's Day Related Business Grandstand Seat Surcharge as set forth in the body of this report.

BACKGROUND:

Pursuant to Pasadena Municipal Code (PMC) Section 1.08.060, the Rose Bowl Admission Tax, the Grandstand Seat Surcharge, and the Grandstand Permit Application Fee are to be presented to City Council no later than December 15th and adjusted on February 1st of each year. PMC also states that these taxes and fees are adjusted by an amount equal to the change in the Consumer Price Index (CPI) for the Los Angeles-Riverside-Orange County metropolitan area for the preceding 12-month period ending October 1st. The change in CPI for all urban consumers in the Los Angeles Riverside-Orange County metropolitan area was 3.9327 percent between October 1, 2017 and October 1, 2018; accordingly, it is proposed that the Rose Bowl Admission Tax, the Grandstand Seat Surcharge, and the Grandstand Permit Application Fee be increased by a like amount on the Fiscal Year (FY) 2019 Revised Schedule of Taxes, Fees, and Charges as indicated below.

Municipal Code Section 3.12.040 – Grandstand Permit Application Tax

This fee is charged for each seat in each grandstand designed or used for seating for a person viewing the Tournament of Roses parade.

	Adopted FY 2019 Rate	Proposed FY 2019 Rate
Per Seat	\$0.71	\$0.73
Minimum	\$43.93	\$45.66

Municipal Code Section 4.48.040 – Amendment of Taxes - Rose Bowl Admission Tax

This tax is levied upon all admission tickets to the Rose Bowl.

	Adopted FY 2019 Rate	Proposed FY 2019 Rate
Tax on first dollar of ticket price	\$0.08	\$0.08*
Charge per each additional \$1.00 or fractional part of a dollar on ticket price exceeding \$1.00	\$0.11	\$0.11*
Maximum Rate	\$1.70	\$1.76

*CPI increase results in a change of less than one half of one cent; therefore, the rate does not change.

Municipal Code Section 5.16.070-B – New Year’s Day Related Business - Grandstand Seat Surcharge

This is a special business license tax levied upon every vendor engaged in the current business of selling seats for viewing the Tournament of Roses parade.

	Adopted FY 2019 Rate	Proposed FY 2019 Rate
Per Seat	\$5.89	\$6.12

COUNCIL POLICY CONSIDERATION:

The proposed actions are consistent with the City Council’s strategic planning goals of maintaining fiscal responsibility and supporting and promoting the quality of life and local economy.

ENVIRONMENTAL ANALYSIS:

This action is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the General Rule. The General Rule can be applied when it can be seen with certainty that the activity will not have a significant effect on the environment. The proposed action is the modification of a tax or fee, and will not result in any new development or physical changes.

FISCAL IMPACT:

Implementation of the proposed rate adjustments for the Grandstand Permit Application, the Rose Bowl Admission Tax, and the New Year's Day Related Business Grandstand Seat Surcharge will increase estimated revenues for FY 2020 in the New Year's Day Event Fund by \$11,000 (10620016-603000), \$2,000 (10621010-618200), and \$40,000 in additional revenue for the Rose Bowl Operating Company.

There is no fiscal impact to the FY 2019 budget as a result of these actions, nor will there be indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,



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Director of Finance

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Approved by:



STEVE MERMELL
City Manager

Attachment: (1)

- 1) Attachment A – Fiscal Year 2019 Schedule of Taxes, Fees, and Charges