

Agenda Report

July 12, 2021

TO: Honorable Mayor and City Council

FROM: Office of the City Manager, Economic Development Division

SUBJECT: RENEWAL OF THE PLAYHOUSE VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PVPBID)

RECOMMENDATION

It is recommended that the City Council:

1. Conduct a Public Hearing on the proposed renewal of the Playhouse Village Property and Business Improvement District (PVPBID);
2. Find that adopting a resolution renewing the Playhouse Village Property and Business Improvement District (PVPBID) is exempt from the California Environmental Quality Act (CEQA) per Section 15061(b)(3) (common sense exemption); and

Upon closing of the Public Comment portion 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 Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.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. Authorize the City Manager to enter the Baseline Services Contract and the Agreement for Services in the amount of \$224,600 with PVAPBID;
5. Appoint the Playhouse Village Association (acting by and through its Board of Directors) as the owners association for the purpose of making recommendations to the City Council on expenditures derived from the assessment, property classifications, as applicable, and on the method and basis of levying assessments; and

6. Adopt a final resolution "Playhouse Village Property and Business Improvement District".

BACKGROUND:

The PVPBID is located in the center of historic "Downtown" Pasadena. The current PV PBID encompasses properties bounded roughly by Walnut on the north, Catalina on the east, Green Street on the south, and Los Robles Avenue on the west. The PBID is generally surrounded by residential neighborhoods on the north and the south and other business areas on the west, east and south-east. Based on information provided by the Los Angeles County Assessor's Office, there are approximately 570 parcels within the PBID.

The programs and activities to be funded by the PV PBID include: Clean & Safe, Promotions and Marketing, Streetscapes & Placemaking and Administration & Economic Advocacy. The property uses within the boundaries of the PBID that will receive special benefits from PBID funded programs, services and improvements are currently a mix of commercial, non-profit and residential. Formerly known as the Playhouse District, the Playhouse Village PBID was initially established by City Council on May 14, 2001 and was renewed for three subsequent terms. The latest PBID term is set to expire on December 31st, 2021. The proposed new term is six years and if successful, will commence on January 1, 2022 and run until December 31, 2027. It is noted that the range of property tax years for levying the proposed PBID assessments is 2021-22 through 2026-27. At the conclusion of this term, the PBID may be renewed again for a maximum of ten years.

RENEWAL PROCESS

The California State Law governing the renewal of PBIDs requires a two-step property owner approval process. The first step is a petition phase whereby petitions must be collected that are signed by property owners in the proposed assessment district whose combined assessments exceed 50% of the proposed assessment. The second step of the approval process is a ballot phase whereby PBID renewal ballots are sent out to each property owner in the proposed renewed assessment district. Returned ballots in support of the PBID renewal must outweigh those returned in opposition based on the amount of assessment to be levied collectively on the returned ballots.

As required by State PBID Law, prior to initiating the petition phase, PVA developed a Management District Plan that was provided at the May 24, 2021 City Council meeting, which sets the PBID boundaries and benefit zones and guides the next proposed six year PBID work plan, budget and assessment rates and methodology. The PDA has collected petitions exceeding the 50% minimum threshold.

In order for the PV PBID renewal to proceed, it is necessary for the City Council to adopt a resolution of intention to renew the PBID. On May 24, the City Council adopted

City Clerk to mail a ballot for the renewal of the PBID to the property owners within the assessment district, and to set a date for a public hearing to count the ballots with no less than 45-day public notice. In order for the PBID to be renewed, the Clerk must receive ballots in support that "outweigh" those returned in opposition to the PBID based on the amount of assessments to be levied collectively on the returned ballots. The City Council may then renew the assessment district by adopting a final resolution.

PBID PROPOSAL

As part of the proposed renewal, the PVA is proposing several new initiatives including: a boundary expansion, enhanced servicing/cleaning of the Lake Avenue Metro Station, and programming and maintenance of the future park to be constructed on the Union/El Molino surface parking lot.

Boundary Expansion

PBID boundaries will be expanded along Lake Avenue northward to include the two office buildings at Lake and Corson, to the southern frontage of Maple Street to incorporate the existing Metro Station block, one parcel on El Molino as part of 711 E Walnut St. mixed-use development, and three parcels south of Green St. as part of the future Stanford-Pasadena mixed-use development (Attachment 2).

Lake Avenue Metro Station

PVA is proposing to provide supplemental maintenance and Ambassador Guide services above standard Metro and City baseline services to the Station. The PVA's service outline is as follows:

- daily/as-needed pressure washing of public street and sidewalk areas, including the station portals at sidewalk level, litter removal including abandoned/discarded belongings within the freeway entrance ramps, transient engagement; and
- wayfinding services for Metro riders. Ambassador Guides would be a "first-line" set of eyes and ears for public safety issues such as traffic collisions, pedestrian conflicts, and quality of life issues.

Enhancements will serve to bolster the role of the Lake Avenue Metro station as an amenity for Playhouse Village residents and North Lake Avenue office buildings, in particular, which are currently suffering from high vacancies. The proposed enhanced services would also benefit the City and public at large due to the increased safety patrols and attention to public realm maintenance.

Playhouse Village Park

PVA is proposing to spend approximately \$100,000 annually on Park Ambassador Guides and activation activities to augment City baseline park maintenance services to include:

- Litter pick-up
- Empty trash bins
- Restroom cleaning, vandalism check/repair

- Restroom power washing
- Stage/gathering plaza cleaning/power washing (as needed)
- Moveable furniture set-up, break-down/storage
- Moveable furniture cleaning (hourly/as needed)
- Pet waste removal
- Pet waste bag replacement
- Weed abatement
- Leaf collection/removal
- General graffiti/vandalism removal (if/where possible, consistent with current capabilities/standards; MASH to be alerted)
- Storm damage mitigation (e.g. pick up branches/leaves, cordon off flooded areas, upright toppled items, etc.)
- Pavement cleaning/power washing
- Monitor and report maintenance issues (e.g. broken sprinkler, damaged play equipment, broken lightbulb, etc.)

The proposed renewal of the PV PBID would have a six-year life span and assess an estimated \$1,134,213 in the first year. Subsequent annual increases on the assessments are capped at a maximum of 6% per year, subject to approval by PBID Property Owner Association Board of Directors. The assessment would be derived from a 34-block area bound by Los Robles on the west, northward to include the two office buildings at Lake and Corson, Catalina Avenue north of Colorado Boulevard and Hudson south of Colorado Boulevard on the east, and the south frontage of Green Street along with the 3 parcels south of Green St. as part of the future Stanford-Pasadena mixed-use development. The proposed total budget of \$1,413,651 (including the proposed use of existing reserve funding) is to be spent as follows:

Expenditures		
ACTIVITY	Allocation	%
Clean & Safe (includes Ambassador Guides; N Lake expansion + Metro station maintenance for 2022)	\$716,498	50%
Promotions & Marketing	\$169,073	12%
Streetscapes & Placemaking (includes Park maintenance for 2022)	\$174,780	13%
Administration & Economic Advocacy	\$353,300	25%
TOTAL	\$1,413,651	100%

CITY CONTRIBUTION AND BASELINE SERVICES AGREEMENT

General Benefits

An Assessment Engineer's Report (Report) is required by State Law when renewing a BID. General benefits are conferred on the public at large, spillover onto parcels outside the PBID, and on assessed parcels within the PBID. The Report determined that the district-wide General Benefit would equate to about \$59,600 or about 5% of the

total PBID Assessed Revenues, which cannot be assessed to property owners. It is recommended that the City pay the annual General Benefit amount \$59,600.

In addition to the General Benefit payment, it is recommended that City continue with providing the same contribution as with the 2016 renewal, of \$165,000, to the PBID per year that will be for General Benefit costs associated with Park and Metro station maintenance, as well as for parking management, economic development efforts and Madison Street and Union parking lot assessment.

The assessments are billed with the property tax bill and collection by the County Tax Assessor, which are then transferred to the City. It is anticipated that the City will again contract with the PVA to receive the PBID assessment funds and fulfill the goals and objectives of the Management Plan for the Village. The PVA is required to abide by the Brown Act and must submit an annual report and will be audited in accordance with the City's policy and funding guidelines. The map of the proposed Village is included as Appendix A of the Management Village Plan.

COUNCIL POLICY CONSIDERATION:

Adoption of the Playhouse Village Property and Business Improvement District (PBID) is a means to enable property owners the ability to voluntarily self-levy through the property tax collection process thereby creating a source of funds to reinvest within the Village for a variety of coordinated programs. Such an investment furthers the principles of some of the General Plan's Guiding Principles including:

1. Supporting economic vitality to provide for employment opportunities.
2. Enhancing revenues.
3. Supporting a healthy family community by contributing to a safe and clean commercial core.
4. 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.

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 (common sense exemption) 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.

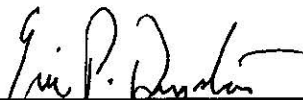
The proposed action is the renewal of the Playhouse Village Property and Business Improvement District for an additional six-year term. The PBID will allow an assessment to collect funds that are used in the Playhouse Village to promote economic vitality in the area. No specific projects are being analyzed 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:

As proposed, the City's contribution of \$59,600 (District-wide General Benefit) plus \$165,000 (less City assessment of \$7,317; covers Park and Metro General Benefit offset of \$85,120), is \$217,283, which is \$3,385 higher than the 2016 funding level of \$213,898 and will be paid from a combination of general fund revenue and revenue received from the Madison Street and El Molino Avenue parking lots.


Respectfully submitted,


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