

Agenda Report

July 14, 2025

TO: Honorable Mayor and City Council

FROM: Office of the City Manager, Economic Development Division

SUBJECT: RENEW OLD PASADENA MANAGEMENT DISTRICT PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID) AND AUTHORIZE THE CITY MANAGER TO EXECUTE A BASELINE SERVICES AGREEMENT AND AGREEMENT FOR SERVICES WITHIN SUCH DISTRICT

RECOMMENDATION

It is recommended that the City Council:

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

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 Order the tabulation of all ballots received and not withdrawn, and request a report on the tabulation results as soon as possible.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 into a Baseline Services Agreement and Agreement for Services with PBID for a period of 10 years in the annual amount of \$669,050;

5. Appoint the Old Pasadena Management District (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 "Renewing the Old Pasadena Management District Property-Based Business Improvement District."

BACKGROUND:

The Old Pasadena Management District Property-Based Business Improvement District (PBID) was originally established by City Council on June 26, 2000, and subsequently renewed in 2005, 2010, and 2015. With the success of the PBID over the last 25 years, Old Pasadena Management District seeks to renew for a period of ten (10) years. To guide the PBID for the next 10 years, the board of directors has approved a new PBID Management District Plan that implements the industry's best practices and responds to new developments, market opportunities, and district challenges. To acknowledge development within the district boundary, the PBID Board elected to modify the assessment methodology to realign benefit zones and respond to current market conditions. The PBID will provide funding for enhanced maintenance, community ambassadors, homeless initiatives, beautification, business support and marketing programs, above and beyond those provided by the City of Pasadena. If the renewal is successful, the fifth term will commence on January 1, 2026, and end on December 31, 2035.

Renewal 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 of the approval process is a ballot phase whereby PBID renewal ballots are sent out to each property owner in the proposed renewing District.

As required by State PBID Law, prior to initiating the petition phase, the PBID developed a Management District Plan (Attachment A) which sets the PBID boundaries and guides the next renewal term's proposed PBID work plan, budget and assessment rates, and methodology. No changes are proposed to the PBID boundaries. As of May 5, 2025, the Old Pasadena Management District has collected petitions exceeding the 50% minimum threshold.

In order for the PBID renewal to proceed, it was necessary for the City Council to adopt a resolution of intention to renew the PBID. Resolution No. 10130 was adopted by City Council on May 19, 2025. In order for the district to be renewed, the Clerk must receive ballots in support, which "outweigh" those returned in opposition to the PBID based on the amount of assessment to be levied on parcels represented by returned ballots. The

City Council may then renew the assessment district by adopting a resolution of renewal.

PBID Proposal

Term, Assessment & Budget

The proposed renewal of the Old Pasadena PBID would have a ten-year term with a proposed Year 1 assessment of \$2,179,175, City Contribution of \$669,050, Contract Revenue of \$188,900 and General Benefit revenues of \$77,875 for total revenues of \$3,115,000. This is an overall increase of 15.7% from 2025. Proposed increased spending on services from 2025 include additional hours to clean and safe, and marketing programs, updated cleaning equipment, and a new staff position to assist businesses in navigating city permitting processes. Subsequent annual increases on the assessment rates are capped at a maximum of 5% per year or the Consumer Price Index (CPI) for All Urban Consumers for the Los Angeles-Long Beach-Anaheim metropolitan area, subject to approval by PBID Board of Directors. The assessment would be derived from an approximately 21-block area of downtown Pasadena. The District is generally bounded by Pasadena Avenue on the west, Walnut Street on the north, Arroyo Parkway on the east, and Del Mar Boulevard on the south.

For this renewal, it is proposed that the PBID be allocated into three benefit zones: Premium+, Premium and Standard (Attachment B):

1. Premium+ Zone: Encompasses the central retail corridor of Old Pasadena along Colorado Boulevard. The Premium+ Zone requires more services due to its high concentration of commerce, tourism, and public activity. To account for the highest level of PBID services, the Premium+ Zone will be assessed at 125% of the Premium Zone.
2. Premium Zone: Includes all parcels one block off Colorado Avenue, specifically along the Union Street and Green Street corridors. This area has less business activity and pedestrian traffic than on Colorado Boulevard, thus requiring less PBID services than that provided in the Premium+ Zone.
3. Standard Zone: Includes all other parcels not included in either the Premium+ or Premium zones. These areas have less commercial density and pedestrian traffic than either of the other two benefit zones and do not require the same level or frequency of the PBID services. To reflect the lower level of service provided by the PBID, the Standard Zone will be assessed at 75% of the Premium Zone.

The proposed budget of \$3,115,000 is to be spent as follows:

YEAR 1 – 2026 PROPOSED BUDGET SUMMARY

CLEAN, SAFE AND BEAUTIFUL	BUSINESS SUPPORT & MARKETING	ADVOCACY AND ADMINISTRATION	TOTAL
74.32%	15.41%	10.27%	100.00%
\$2,315,000	\$480,000	\$320,000	\$3,115,000

City Contribution

Since the formation of the PBID in 2000, the City of Pasadena has contributed annually to support District services and provide for several baseline and enhanced services assumed by the PBID. For the renewed PBID, three components of City participation are anticipated, including: 1) payment of assessments for City properties; 2) payment of quantified general benefits; and 3) contribution to support enhanced District services. The anticipated total City Contribution for the first year of the renewed PBID is \$1,096,774, representing an overall 26.5% increase from 2025.

1) PAYMENT OF ASSESSMENTS FOR CITY OWNED PROPERTIES	2) PAYMENT OF QUANTIFIED GENERAL BENEFITS	3) CONTRIBUTION TO SUPPORT ENHANCED DISTRICT SERVICES
\$349,849	\$77,875	\$669,050

Payment of Assessments for City-Owned Properties

Proposition 218 states that no parcel is exempt from assessments if that parcel receives benefit from the improvements and activities. This includes government and Public use parcels. The City of Pasadena owns 17 parcels within the PBID boundary, including Memorial Park, Central Park and others, and will pay its assessment on those parcels in the amount of \$349,849.

Payment of Quantified General Benefits

An Assessment Engineer's Report (Report) is required by State Law when forming or renewing a PBID. General benefits are conferred on the public at large, spillover onto parcels outside of the PBID, and on assessed parcels within the PBID. The Report determined that the General Benefit would equate to \$77,875 or 2.50% of the total PBID budget. It is recommended that the City pay the annual General Benefit amount of \$77,875.

Contribution to Support Enhanced District Services

Baseline Services are those provided by the City within the District, including police services, maintenance services, and other services which include business recruitment and retention. Enhanced services beyond the baseline level of City services are carried out by the Old Pasadena Management District and included in the Agreement for Services. The City's annual contribution to support enhanced District services totals \$669,050. These services include but are not limited to, litter removal, graffiti removal, street tree well maintenance, additional cleaning of public amenities and street sweeping and cleaning. A new Baseline Services Agreement and Agreement for Services detailing these services will be executed commensurate with the PBID term, should the ballot results be in the affirmative.

COUNCIL POLICY CONSIDERATION:

Adoption of a Resolution to Renew the Old Pasadena Management District Property-Based Business Improvement District 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. This action 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 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 renewal of the Old Pasadena Management District Property-Based Business Improvement District for an additional ten-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:

As proposed, the City's annual contribution consists of multiple components totaling \$1,096,774. The components include payment of assessments for City properties; payment of quantified general benefits; and contribution to support enhanced district services. These contributions will be paid from the Old Pasadena Parking Meter Fund (Fund 213) and Off-Street Parking Facilities Fund (Fund 407), and have been included in the City's annual operating budget. There is no impact to the General Fund.

Respectfully submitted,




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for 

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Approved by:



MIGUEL MÁRQUEZ
City Manager

Resolution to Renew
Attachment A – Management District Plan
Attachment B – District Map with Benefit Zones