

# Agenda Report

May 19, 2025

**TO:** Honorable Mayor and City Council

**THROUGH:** Economic Development and Technology Committee (April 15, 2025)

**FROM:** Office of the City Manager, Economic Development Division

**SUBJECT:** **ADOPT A RESOLUTION OF INTENTION TO RENEW THE OLD PASADENA MANAGEMENT DISTRICT PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT (PBID), AND SETTING A PUBLIC HEARING FOR JULY 14, 2025 AT 6:00PM**

## **INFORMATION:**

It is recommended that the City Council:

1. 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); and
2. Adopt a Resolution of Intention to renew the Old Pasadena Management District Property-Based Business Improvement District, and setting a Public Hearing for July 14, 2025 at 6:00 pm.

## **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 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 realign service zones, and modify the assessment methodology to 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 renewed 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 is necessary for the City Council to adopt a resolution of intention to renew the PBID. The resolution authorizes the City Clerk to mail a ballot for the renewal of the PBID to the property owners within the District and set a date for a public hearing to tabulate the ballots with no less than a 45-day public notice. 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 a total budget of \$3,115,000. This is an overall budget increase of 15.7% from 2015. Proposed increased services from 2015 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**

<b>CLEAN, SAFE AND BEAUTIFUL</b>	<b>BUSINESS SUPPORT</b>	<b>ADVOCACY AND ADMINISTRATION</b>	<b>TOTAL</b>
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. For the first year of the renewed PBID, a total of \$1,096,774 is anticipated, representing an overall 26.5% increase from 2015.

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**

The City's ongoing contribution to support enhanced District services totals \$669,050. Enhanced services beyond the baseline level of City services include, but are not limited to, litter removal, graffiti removal, street well maintenance, detailing 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 of Intention 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. Such an investment furthers the principles of the General Plan's Seven 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 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 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 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 Meter Fund (Fund 213) and Old Pasadena Garage Fund (Fund 407).

Respectfully submitted,

  
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Approved by:

  
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City Manager

Resolution of Intention to Renew and Set Public Hearing  
Attachment A – District Management Plan  
Attachment B – District Map with Benefit Zones