

Agenda Report

DATE: MARCH 15, 1999

TO: CITY COUNCIL

FROM: CYNTHIA J. KURTZ, CITY MANAGER

SUBJECT: APPROVAL OF ANNUAL REPORT OF SOUTH LAKE BUSINESS ASSOCIATION FOR THE SOUTH LAKE BUSINESS IMPROVEMENT DISTRICT AND ADOPTION OF A RESOLUTION OF INTENTION TO HOLD A PUBLIC HEARING TO LEVY ASSESSMENTS WITHIN SAID DISTRICT FOR FISCAL YEAR 1999

RECOMMENDATION:

It is recommended that the City Council of the City of Pasadena ("City Council") take the following actions:

1. Approve the annual report of the South Lake Business Association ("Association") for the South Lake Business Improvement District (the "District") for Fiscal Year 1999 in the form submitted by the Association and attached as Attachment No. 1 to this Agenda Report.
2. Adopt a resolution, in the form attached as Attachment No. 2, evidencing the intention of the City Council to hold a public hearing on **April 12, 1999 at 8:00 p.m.** on the proposed intention of the City Council to levy and collect assessments within the District for Fiscal Year 1999 commencing January 1, 1999.
3. Direct the City Clerk to give notice of the public hearing by causing the resolution to be published once in the Pasadena Star-News not less than seven days before the public hearing.

BACKGROUND:

A. General

Over ten (10) years ago and pursuant to the Parking and Business Improvement Area Law of 1979 (the "prior law") and in response to a request of the South Lake Business Association, a non-profit corporation (the "Association"), the then City

Board of Directors (the "Board") adopted Ordinance No. 6320 (effective February 5, 1988) establishing the South Lake Business Improvement District (the "District") for the primary purpose of the promotion of public events and business activities in the District. The ordinance established three classifications of businesses (retail, professional and service) and two separate benefit zones and authorized the City to collect assessments on businesses within the District. The boundaries of the District and the two benefit zones are depicted in Exhibit A to the Annual Report attached hereto.

Thereafter, the City and the Association entered into a Collection and Remittance Agreement, dated March 14, 1988, whereby the Board designated the Association as its advisory body for the purpose of recommending expenditures for those activities and programs, and in accordance with budget, approved annually by the City.

Effective January 1st of 1990, the law under which the District was formed was repealed and in its place was enacted the Parking and Business Improvement Area Law of 1989 (the "new law"), which declared every business improvement district established prior to January 1, 1990, valid and effective and unaffected by the repeal of the prior law, but, nevertheless, made the District subject to certain new procedures. Based upon the research and analysis of the City Attorney's Office, Proposition 218 does not appear to affect business-based BIDs because it is not an assessment on real property. Case law has not been established on this matter, however.

On May 4, 1990, March 26, 1991, April 21, 1992, February 9, 1993, March 8, 1994, April 10, 1995, and March 25, 1996, June 30, 1997, and March 2, 1998, by adopting Resolutions No. 6342, No. 6503, No. 6714, No. 6847, No. 7079, No. 7235, No. 7344, No. 7503 and No. 7602 respectively, the City Council confirmed the annual reports and the levying of assessment in the District for Fiscal Years 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997 and 1998. By doing so, the City conformed the existing District to the new law and applicable procedures, regulations and requirements.

B. Proposed Annual Program, Assessment Levy and Budget

On February 11, 1999 and pursuant to the law, the Association submitted its Annual Report for Program Year 1999 commencing January 1, 1999 which includes (a) a proposed list of the improvements, activities and programs for that year; (b) a budget therefor; and (c) the basis and method for levying the assessments. The City's Finance Department estimates that the aggregate amount of assessments to be levied will amount to approximately \$124,000 for Fiscal Year 1999 which commences January 1, 1999. The proposed list of improvements, activities, and programs for 1999 and the budget therefore are attached as Exhibits "C" and "D"


respectively to the Annual Report. The basis and method for levying the assessments that were adopted for Fiscal Year 1992, 1993, 1994, 1995, 1996, 1997 and 1998 are not proposed to be modified for the proposed Fiscal Year 1999. Also, the Association is preparing its annual audit for its Fiscal Year 1998; the City's Finance Department audit section will conduct a review of the audit when submitted by the Association.

The law requires the City Council to approve the Association's annual report as filed or to modify any particular contained therein and approve it as modified. Concurrently, and after approval of the annual report, the City Council is required to adopt a resolution of intention fixing a time for a public hearing to be held by the City Council on the proposed levy of the assessment for Fiscal Year 1998. Staff does not recommend that the City Council modify any of the provisions of the Annual Report and recommends that the City Council approve the report, as filed, and adopt a resolution evidencing its intent to hold a public hearing on **April 12, 1999 at 8:00 p.m.** on the levy of the proposed assessment for Fiscal Year 1999.

FISCAL IMPACT:

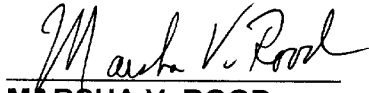
Implementation of the proposed assessment formula for Association's Fiscal Year 1998 will have no fiscal impact upon the General Fund of the City, other than the administrative cost of administering the collection of the assessments. Administration costs have been budgeted in Finance Budget Account 259507.

Respectfully submitted,


CYNTHIA J. KURTZ
City Manager

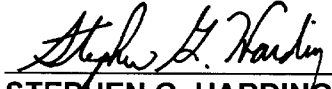
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Prepared by:



MARSHA V. ROOD
Development Administrator

Approved by:

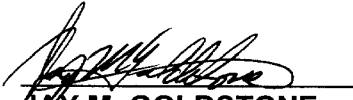


STEPHEN G. HARDING
Interim Director of Housing & Development

Concurrence:



MICHAEL ESTRADA
Assistant City Attorney



JAY M. GOLDSTONE
Director of Finance

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