

Agenda Report

DATE: MAY 11, 1998
TO: CITY COUNCIL
FROM: CYNTHIA J. KURTZ, ACTING CITY MANAGER
SUBJECT: CIVIC CENTER/MID-TOWN IMPLEMENTATION PROGRAM

RECOMMENDATIONS:

It is recommended that the City Council take the following actions:

1. Review the preliminary implementation schedule and staff team for the Civic Center/Mid-Town Implementation Effort as more particularly described in this Agenda Report.
2. Appoint members to the Mayor and Council's City Center Implementation Task Force as presented in Exhibit "A";
3. Approve an advance of up to \$750,000 from the Charter Capital Fund for environmental, design, engineering, traffic and parking consultant services associated with certain recommended public improvements in the Civic Center/Mid-Town District as contained in the Civic Center/Mid-Town Programming Effort Report for inclusion in the recommended Pasadena Community Development Commission (the "Commission")'s FY '99 Budget under the terms and conditions as more particularly described in the Agenda Report;
4. Review steps being taken to fill existing staff positions in the Housing and Development Department.

BACKGROUND:

On April 6, 1998, the City Center Task Force (the "Task Force"), led by Chair Kathryn Nack, presented the results of the Civic Center/Mid-Town Programming Effort (the "Effort") which was authorized by the City Council on July 21, 1997. The presentation included delivery of a report to the City Council entitled "Civic Center/Mid-Town Programming Effort Report" dated April 6, 1998 (the "Report"). The City Council further reviewed a set of Task Force recommendations which would allow the Effort to proceed to the implementation phase. As City Council members may recall, these recommended actions were as follows:

1. Approve the establishment of a City Center Implementation Task Force which would guide and oversee the Implementation Program and serve as a "bridge" to a more permanent organization to carry out the program. The Implementation Task Force is recommended to be comprised of nine (9) members from the existing City Center Task Force as follows: six (6) from the advisory bodies and the Pasadena Center Operating Company ("PCOC") and three (3) from the major property owners and civic institutions in the District. It is recommended that the Chair be designated by the Mayor from these nine (9) members.
2. Approve an advance of \$750,000 to fund the costs of consultant services on a multiple disciplinary team approach for streetscapes design and development and construction documents; Garfield Avenue Promenade design development and construction documents; parking and traffic design studies, and environmental analyses. It is recommended that this advance be reimbursed from applicable fees and taxes on private developments in the District as they are entitled. Direct staff to include these recommended advances in the City of Pasadena and the Pasadena Community Development Commission's recommended FY '99 Budget.
3. Fill existing vacant staff positions in the Housing and Development Department in order to dedicate a senior level Project Manager to serve as the lead staff person to ensure the implementation of the Programming Effort for the District.
4. Direct the City Manager to establish a multi-disciplinary staff team to work with property owners, developers and the Implementation Task Force to facilitate and improve the entitlement process for projects which meet the Vision and Objectives of the Programming Effort.
5. Direct staff to proceed to evaluate recommended changes to existing City-adopted plans as private developments move forward and to process any necessary changes to those plans in order to implement the recommendations as called for in the Programming Effort with respect to height, setbacks, view corridors, certain design guidelines and a change in boundary to the Civic Center Specific Plan to include the Plaza Pasadena.
6. Direct the newly-created Implementation Task Force to explore a permanent organization such as a 501(c)6 non-profit benefit corporation for funding and managing the operation and maintenance of the District.
7. Direct the newly-created Implementation Task Force to explore donor programs and foundation grants for funding District capital improvement and on-going operations and maintenance costs.

The City Council approved Recommendations No.1, No. 6, and No. 7, deferring appointments to the City Center Implementation Task Force to such time as the Mayor conferred with the City Center Task Force to review recommended members. Also, the City Council referred items 2,3,4 and 5 to the City Manger to report back at a subsequent meeting of the City Council.

In terms of the appointments to the City Center Implementation Task Force as described in Recommendation No. 1, the Mayor conferred with Task Force Chair Kathryn Nack and is recommending the appointment of nine (9) members as shown in Exhibit "A" to this Agenda Report.

The City Manager's responses to Recommendations 2, 3, 4 and 5 are as follows:

Recommendation No. 2: Staff is recommending that (a) the City Council advance up to \$750,000 from the Charter Capital Fund (the "Advance") to the Commission in FY '99 which would accrue at an interest rate of 6% as funds are drawn down for an estimated \$500,000 to \$750,000 in consultant services costs associated with public improvements recommended as part of the Civic Center/Mid-Town Implementation Effort (the "Implementation Effort"); and that (b) a project entitled "Civic Center/Mid-Town Implementation Program" (the "Implementation Program") be included in the 1999 - 2004 CIP. It is further recommended that the Advance to the Commission be repaid by the City from appropriate/eligible one-time entitlement fees and taxes paid to the City's General Fund and/or other appropriate established funds accounts from future private development projects in the Civic Center/Mid-Town District as they move forward. Once the Advance has been repaid (plus accrued interest), it is recommended that the any remaining amount from appropriate development entitlement fees and taxes up to the actual required amount less the repaid Advance be used by the Commission for implementation of public improvements in the District.

Recommendation No. 3: The Development Division of the Housing and Development Department has a significant number executive, top and professional managerial positions which are vacant either by result of long-term illness or resignation. Steps are being taken to fill these key positions by consultant services, by city service workers and/or by permanent employee hires. To date, an Enterprise Zone Manager has been hired; final qualifying interviews have been held for the Assistant Planner position; and recruitment and advertising are underway for the Business Development Project Manager (closing May 8th) and for a temporary appointment to the position of Real Estate Manager (closing May 15th). It is anticipated that these steps will ensure that the Implementation Program can be staffed by the Development Division as part of an overall inter-departmental multi-disciplinary staff team (as described below).

Recommendation No. 4: An inter-departmental staff team has been formed representing key departments to move the Implementation Program forward. This staff team is shown in Exhibit "B" to this Agenda Report.

Recommendation No. 5: As private development projects move forward, the staff team will evaluate any recommended changes in existing adopted City plans in consultation with the City Center Implementation Task Force and process changes to those plans in order to implement the recommendations as called for in the Programming Effort.

Staff has developed a preliminary schedule for the Implementation Program which will be reviewed with the Implementation Task Force at its first meeting (please see Exhibit "C" to this Agenda Report).

As previously discussed with the City Council, it is recognized that the City's General Fund does not have sufficient resources to fund the proposed public improvements program associated with the Programming Effort. The sources of capital and operations costs for the proposed publicly financed improvements is proposed to come from a number of one-time and on-going revenue sources generated by and predicated upon private development occurring within the Civic Center/Mid-Town District. It should be noted that TrizecHahn has submitted its Predevelopment Plan Review ("PPR") application to the City on April 6, 1998, and is proceeding through the entitlement process. The target date for completion of this process is May 1999. Estimated Construction Tax on the redevelopment of Plaza Pasadena would be approximately \$660,000 and would be an available source of funds to reimburse the City's Advance for the required consultant service associated with the proposed public improvements.

FISCAL IMPACT:

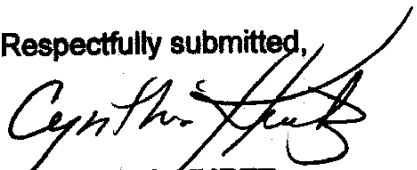
The estimated impact of the recommendations of the Programming Effort in the near-term are estimated to be in the range of \$500,000 - \$750,000 and are to include key design, streetscape, economic, traffic, parking and environmental analyses and documents which are to be funded by development fees and taxes on private projects which move forward in the Civic Center/Mid-Town District. Anticipated long-term capital costs for the recommended public improvements as contained in the Report are estimated to be \$15.6 million; estimated revenue sources to meet these costs total \$19.3 million. The revenue sources include \$2.6 million in public improvements to be funded by standard conditions of approval on private projects and \$16.7 million from one-time development fees, taxes, and public art fees as well as from capitalized Plaza Pasadena parking entitlements and garage revenue as follows:

<u>Revenue Sources</u>	<u>Estimated Amounts</u>
●Standard Conditions of Approval on Private Development	\$2,600,000
●Construction Tax	2,600,000
●New Development Impact Fees	1,800,000 ⁽¹⁾
●Parking Entitlements	5,330,000
●Garage Revenue Bonding Capacity	5,365,000
●Public Campaign and Grants	TBD
●Public Art Fees	1,510,000 ⁽²⁾
●Residential Impact (Park) Fees	<u>95,000⁽³⁾</u>
TOTAL ESTIMATED @ \$19,300,000+	

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- (1) These fees are restricted to certain street-related improvements pursuant to PMC Chapter 4.19.
 - (2) Includes both public and private development public art fees @ 1% of hard costs of construction and can only be used for public art.
 - (3) This fee can only be used for dedicated park land; in this case, Memorial Park would be the designated park.

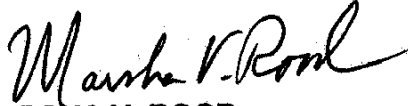
Additional estimated on-going annual revenue from the anticipated private development in the Civic Center/Mid-Town District as described in the Report is expected to be over \$800,000 in estimated Transient Occupancy Taxes and over \$1.5 million in net Sales Tax Revenues for a total of over \$2.3 million in annual revenues.

The estimated costs of outside consultant services is between \$500,000 to \$750,000 and is recommended to be advanced to the Commission in its FY'99 Budget from the Charter Capital Fund (funded at approximately \$15 million) at a 6% interest earning rate. This Advance (plus interest) is recommended to be reimbursed from appropriate one-time development entitlement fees and taxes on private projects that move forward in the Civic Center/Mid-Town District.

Respectfully submitted,

CYNTHIA J. KURTZ
 Acting City Manager

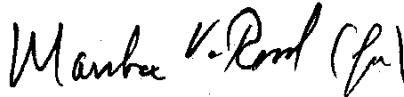
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EXHIBITS