

# **MANAGEMENT DISTRICT PLAN**

**For the renewal of the**

Old Pasadena  
Property and Business Improvement District (PBID)

Prepared pursuant to the State of California  
Property and Business Improvement District Law of 1994  
and Article XIII D of the California Constitution  
to renew a property and business improvement district (PBID)  
within the City of Pasadena, California for the period 2010 – 2015, by the  
Old Pasadena Continuation Committee

May 2010

Old Pasadena Management District  
Property and Business Improvement District  
Management District Plan  
2010 – 2015

## **Table of Contents**

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I.	EXECUTIVE SUMMARY.....	3
II.	FORMAL BOUNDARIES AND MAP.....	6
III.	BOUNDARY MAP .....	8
IV.	PROGRAMS AND BUDGET.....	9
V.	TIME AND MANNER FOR COLLECTING ASSESSMENTS .....	14
VI.	GOVERNANCE AND MANAGEMENT.....	14
VII.	APPENDIX A (ENGINEER’S REPORT) .....	16

## I. EXECUTIVE SUMMARY

### PETITION FOR THE ORGANIZATION OF THE OLD PASADENA MANAGEMENT DISTRICT PROPERTY AND BUSINESS IMPROVEMENT DISTRICT WITHIN THE CITY OF PASADENA, COUNTY OF LOS ANGELES

**Introduction:** As a result of the efforts of the Old Pasadena Continuation Committee, this Management District Plan is presented for consideration by the property owners within the District to seek their support for the organization of said District in accordance with the provisions of the Property and Business Improvement District Law of 1994, Streets and Highways Code Section 36600 *et. seq.*, hereinafter referred to as “State Law.” This is the Management District Plan required by Section 36622, and is proposed to improve and convey special benefits to properties located within the boundaries of the Old Pasadena Management District.

**Name:** The name of the proposed district shall be the Old Pasadena Property and Business Improvement District, hereinafter referred to as the “District.”

**Location:** The proposed District is located in the Old Pasadena community in the city of Pasadena. Generally, the District spans 21 blocks in the City of Pasadena bounded by Pasadena Avenue, Walnut Street, Arroyo Parkway and Del Mar Boulevard. The District currently includes four-hundred seventy (470) parcels, of which four-hundred sixty-one (461) are identified as parcels that receive special benefits from the improvements, services and activities provided by the District. Of these benefiting properties, four-hundred forty-two (442) shall be assessed on the Los Angeles County Tax Rolls with the assessments for the remaining nineteen (19) parcels (most of which are owned by the City of Pasadena) being funded from an annual City contribution to the District. A detailed map outlining the boundaries of the current District is included in the Engineer’s Report attached herein as Appendix A of this Plan.

**History:** The initial Old Pasadena Management District (OPMD) was formed in June, 2000 for a five-year term which expired in 2005. The District was successfully renewed for Calendar Years 2006-2010 (Fiscal Years 2005/2006 through 2009/2010) and a maximum assessment was approved by the property owners through an assessment ballot proceeding, conducted according to provisions of Article XIID of the California Constitution with Fiscal Year 2009/2010 being the last year of the current term of the District. The District is governed by an elected Board of Directors. The Old Pasadena Management District manages the Old Pasadena Business Improvement District under a contract with the City of Pasadena.

**Services:** The District will fund improvements and activities authorized under the Law. There are four basic categories of special benefit services that will be funded with this assessment district:

- ◆ Maintenance
  - Trash
  - Street Maintenance (Street Sweeping & Pressure Washing)
  - Day Porters
  - Special Zone Projects (Dog Walk Bag Service, Additional Pressure Washing, Rose Parade Clean-up)
  - District-wide Maintenance Services (Landscaping, Graffiti, Debris Pick-up, etc.)
- ◆ Public Safety
- ◆ Marketing
- ◆ District Management (Administration & Advocacy)
- ◆ Reserve and Contingency Fund

The following are some key aspects of the Service Plan Budget:

- The Service Plan Budget provides for the security program, Old Pasadena Ambassador Guides, who serve a number of functions. This security program continuously increases awareness of security efforts in the District, coordinates existing property owner security programs, and acts as the "eyes and ears" for the Pasadena Police Department. The program reduces street disorder and serves a lead role in crime prevention. Also the Old Pasadena Guides serve as good-will ambassadors for the District by assisting visitors.
- The maintenance program keeps the District clean. Highly visible personnel are on the streets removing trash, graffiti, and other litter. In addition, the PBID will provide sidewalk cleaning, trash/debris removal, and street sweeping.
- The marketing and promotions program continues to improve communications, build stronger working relationships with property owners and business operators, and increase exposure for the District.

Please refer to the Engineer's Report attached herein as Appendix A of this Plan for a detailed description of the services to be provided.

**City Services:** The improvements (services and activities) planned and budgeted for the District over the proposed five-year term of the District are above and beyond those currently provided by the City of Pasadena and provide special benefit only to properties within the District. Basic City services currently provided within the District will continue to be provided at the same level of service provided throughout the City of Pasadena, and are considered not included as part of the special benefit assessments levied on properties within this District. However, the City intends to annually contribute funds to the District in the amount of \$545,000. This contribution shall be used to pay the City's proportional special benefit for properties owned by the City within the District as well as other government-owned properties or qualifying properties, with the remaining funds being used to support various activities and services provide by OPMD. These remaining funds account for approximately twenty-five percent (25%) of the District's total estimated annual expenditures, which more than compensate for any measurable general benefit to properties within the District.

**Budget:** The total maximum District budget for each year of its five-year operation is a base of approximately \$1,534,590 per year with an annual CPI adjustment capped at five percent (5%). Of the total budget, property owner assessments will contribute \$909,590 for Fiscal Year 2010/2011 with the remaining balance of \$625,000 being funded by the City of Pasadena (\$545,000) and approximately \$80,000 in marketing sales revenues. The detailed District budget the Engineer's Report attached herein as Appendix of this Plan.

**Method of Financing:** The basis of funding shall be through special benefit assessments levied on real properties that will benefit within the District. The State Law and State Constitution require that assessments be levied according to the special benefit each parcel receives from the improvements. In order to match assessment rates to benefits, five zones of benefit have been created within the District. The zones of benefit have been created due to the different type and frequency of special benefits that will be delivered to each of the respective areas. In addition to allocating services costs to different Zones based on services provided, the improvement and service costs are apportioned to properties within each respective Zone based on the following property characteristics:

- Lot size; which on average comprise approximately 47 percent of the assessment total revenues.
- Ground floor square footage; which on average comprise approximately 40 percent of the total assessment revenues.
- Non-Ground floor square footage; which on average comprise approximately 13 percent of the total assessment revenues.

The assessment formula, zones of benefit and methodology are described more fully in the Engineer’s Report, which is appended to this document. However, for the first year, the maximum allowable rates per square foot will be as follows:

**Proposed Rates for Fiscal Year 2010/2011 (Calendar Year 2011)**

Rate per Sq Ft	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5
Lot Size	\$ 0.254080	\$ 0.128200	\$ 0.157330	\$ 0.075510	\$ 0.184550
Ground Floor	\$ 0.299910	\$ 0.239040	\$ 0.259040	\$ 1.940430	\$ 0.252430
Non-Ground Floor	\$ 0.149955	\$ 0.119520	\$ 0.129520	\$ 0.970215	\$ 0.126215

**Adjustments of Assessment Formula:** Subject to a decision by the Board of Directors the assessment rate and annual assessments applied to each of the property dimensions (lot size, ground floor building square footage, non-ground floor building square footage) may be adjusted by the lesser of the annual increase in the Los Angeles-Riverside-Orange County area Consumer Price Index for All Urban Consumers (CPI-U) or five percent (5%) per year commencing in the second fiscal year (Fiscal Year 2011/2012). Actual annual adjustments may range from zero percent (0%) to five percent (5%). Adjustments may be less than the allowed inflationary adjustment from year to year depending on the service needs identified by the Board of Directors.

Further, as a result of continued development, the District may experience the addition or subtraction of assessable building area and/or additional parcels being included and assessed within the PBID boundaries. The modification of parcel improvements assessed within the District may result in an increase or decrease in the amount of total assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included PBID parcels may change in accordance with the assessment methodology formula listed in the Engineer’s Report of this Management District Plan, provided the assessment formula does not increase, other than through a CPI-U adjustment, mentioned above. For example, if a new development results in the addition of additional assessable building area square footage during the lifespan of this PBID, the Board of Directors may elect to decrease the building area rate for all properties in the District.

**Bonds:** The District will not issue bonds.

**District Governance and Management:**

➤ **Old Pasadena Management District**

The affairs and corporate powers of the Old Pasadena Management District shall be exercised by, or under the direction of, the Board of Directors. The leadership for these elected representatives will continue to provide meaningful representation by assessment-paying property owners, as well as those other stakeholders who benefit from the services provided. The Board of Directors of the Old Pasadena Management District currently provides for a 23-member Board with representatives from property owners, businesses, and residents located within the PBID boundaries, a majority of whom will always be assessment paying owners. It is expected that representation for residential interests will increase proportionate to the increase in residential assessment income, and that the increase of residential representation will be in addition to the current assessment-paying owner representation on the Board.

➤ **Policies for Zones and their Related Levels of Service**

Levels of service provided for by the PBID Management District Plan are deemed the minimum levels of service and are absolute. While owners within their respective Zones may band together and petition to increase service levels and corresponding assessments within a particular Zone during the life of this PBID,

under no circumstances may the minimum service levels described in this PBID Management District Plan be reduced in any or all Zones during the life of the PBID.

**Duration:** As required by State Law, the District will have a set term. The District's term will be for a five year term (Calendar Years 2011 through 2015) and will be levied assessments for the Fiscal years 2010/2011 through 2014/2015, being July 1, 2010 through July 31, 2015. At the end of this five year period, the petition process must be repeated for the District to be reestablished (renewed).

## II. FORMAL BOUNDARIES AND MAP

The Old Pasadena PBID provides various improvements, services and activities for and within an approximately 21-block area of Pasadena. The District is bounded by Pasadena Avenue on the west, Walnut Street on the north, Arroyo Parkway on the east, and Del Mar Boulevard on the south. Because of the scope and nature of the District and level of services to be provided vary in different parts of the District, five benefit zones have been established based on these variations. The following is a description of the District Zones:

**Zone 1:** encompasses the core area of Old Pasadena, along Colorado Boulevard, the South side of Union Street and the North side of Green Street between South Raymond and Mills Alley, but excludes the parcels that comprise One Colorado (Zone 3).

Zone 1 has the highest pedestrian activity and generally has the highest demand for most of the services and activities provided by the District. Its services include but are not limited to: more frequent pressure washing; frequent attention from day porters; more trash removal; and the highest visibility of security. Collectively, approximately 39.4% of the service and activities (costs) are associated with this Zone

**Zone 2:** is comprised of two areas. The northern area of Zone 2 which includes all properties to the North of Union Street, East of Fair Oaks, and West of Arroyo Parkway (excluding Memorial Park). The southern area of Zone 2 includes the blocks north of Valley Street between Pasadena Avenue and Fair Oaks; properties facing Dayton Street between Fair Oaks and Raymond; as well as properties on Raymond from Del Mar to just south of Green Street (excluding Central Park) and as far east as the Gold Line Right of Way.

Zone 2 generally has slightly less demand than Zone 1 for most of the services and activities provided by the District, but substantially more than the remaining Zones. Because this Zone has greater street frontage (equivalent block faces) than Zone 1, this Zone requires more street sweeping and pressure washing, but because there is less pedestrian traffic than Zone 1, it generally has less demand for other services and activities such day porters, trash removal and security foot patrol. Collectively, approximately 33.9% of the service and activities (costs) are associated with this Zone.

**Zone 3:** is comprised of One Colorado properties along Colorado Blvd. between Delacey and Fair Oaks (excluding the southeast corner of Union and Delacey) as well as the South side of Union Street to Exchange Alley between Fair Oaks and Kendall Alley.

Zone 3 includes only the One Colorado properties. The One Colorado properties already provide a high level of private security and maintenance services and therefore require less support from the District for these services and activities. While these properties privately fund services that are similar to those provided by the District, the District's efforts and support to the surrounding area (other Zones) directly enhances the properties in Zone 3 by reducing potentially even higher private security and maintenance costs that might otherwise be incurred if the surrounding area lacked such services. In addition to privately funding similar services that are provided by the District, Zone 3 properties provide an aggressive schedule of special events throughout the year, as well as additional marketing efforts throughout the year that highlights all of Old

Pasadena as a destination for consumers. These overall contributions to the District are reflected in the District budget for Zone 3, which is assessed for only about 5.6% of the District's total assessed costs.

**Zone 4:** is comprised of Memorial Park and Central Park.

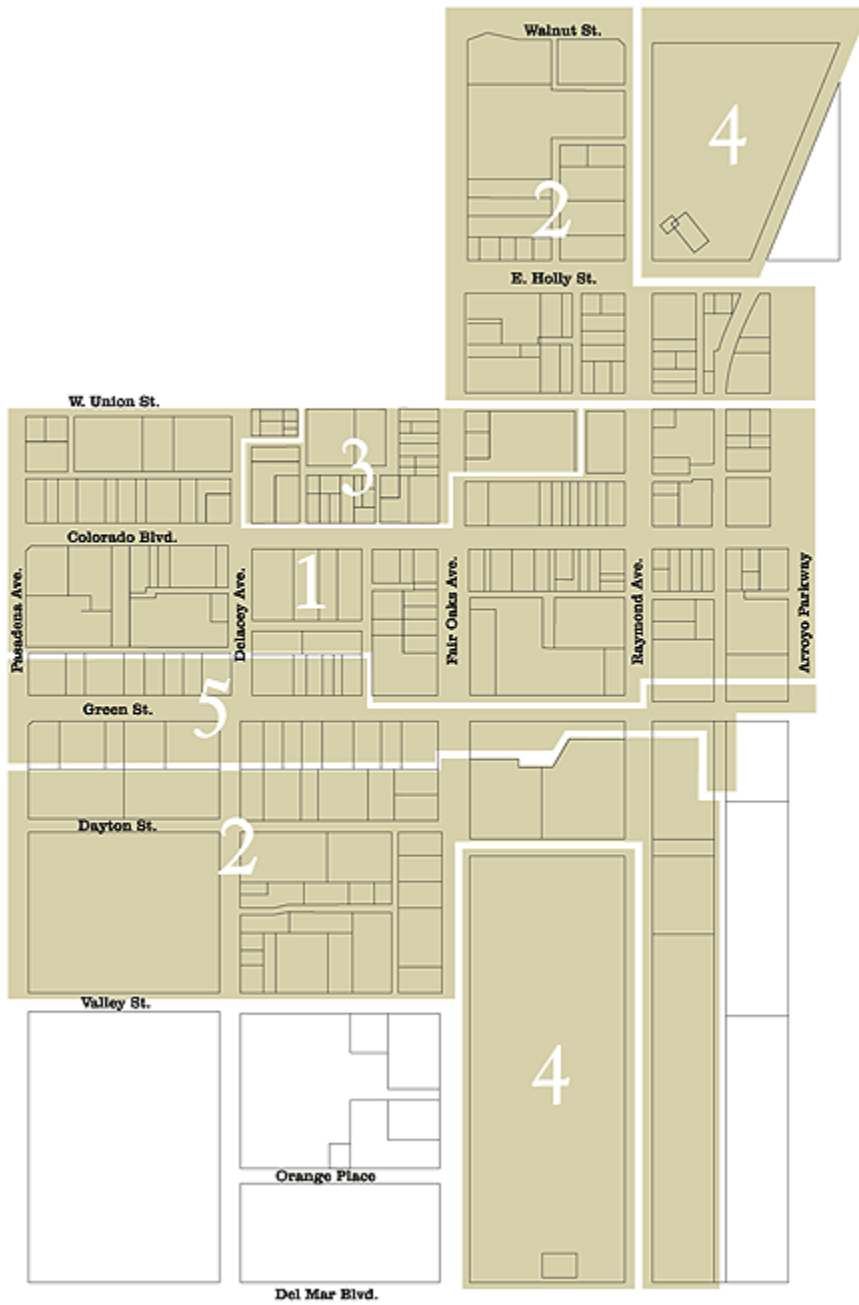
While the benefit to properties within Zone 4 may not be as great as those properties in other zones, the District does provide street sweeping, pressure washing, security as well as other activities specifically for this Zone and these properties derive special benefits from those services and activities proportionate to the District resources applied in that area. Collectively, approximately 8.5% of the service and activities provided by the District (costs) are associated with this Zone. Because the City owns all the property in this Zone, a portion of the City's annual contribution to the District is used to offset these parcels' proportional special benefit assessments, which is why this Zone is not levied assessments on the Tax Rolls.

**Zone 5:** includes properties that face or have a significant amount of frontage along the north and south sides of Green Street between Pasadena Avenue and Arroyo Parkway excluding the north side of Green Street between South Raymond and Mills Alley.

Zone 5 receives regular but less frequent or moderate levels of service as compared to Zone 1 and Zone 2. Its services include but are not limited to: less frequent pressure washing, and street sweeping due to less street frontage (equivalent block faces) than Zones 1 and 2, but similar to Zone 4. This Zone also has less attention from day porters, trash removal and security foot patrol than Zones 1 and 2; but certainly greater service levels than provided in Zone 3 or 4. Collectively, approximately 12.6% of the service and activities (costs) are associated with this Zone.

The PBID boundary is illustrated by the map on the following page. Please see the Engineer's Report for the specific assessment formulas applicable to the Zones based on a combination of lot size, ground floor building square footage and non-ground floor building square footage.

### III. BOUNDARY MAP



#### IV. PROGRAMS AND BUDGET

All benefits derived from the assessments outlined in the Management District Plan and Engineer’s Report are for services directly benefitting the property and business owners within this specialized district and support increased commerce, business attraction and retention, increased property rental income, and enhanced overall safety and image within this commercial core. All services, projects, promotions, security, maintenance, and professional and administration services are provided solely to properties within the District to enhance the image and viability of properties and businesses within the Old Pasadena Management District PBID boundaries and are designed only for the direct special benefit of the assessed properties. No services will be provided to non-assessed parcels outside the PBID boundaries.

#### Budget Categories

A brief summary of the operating budget for the Old Pasadena PBID in Calendar Year 2011 (Fiscal Year 2010/11) is provided below. The total improvement and activity plan budget for 2011 is projected at \$1,534,590. Of the total budget, property owner assessments will contribute approximately \$909,590. The balance of \$625,000 will come from the City of Pasadena and other revenue sources.

<b>2011 Allocations</b>	<b>Total Budget</b>	<b>City Contribution</b>	<b>Other Revenues</b>	<b>Special Benefit to be Assessed</b>
Trash	\$ 113,760	\$ 70,043	\$ -	\$ 43,717
Street Maintenance	234,120	144,139	-	89,981
Additional Pressure Washing	13,380	-	-	13,380
Dog Walk Bag Service	2,500	-	-	2,500
Rose Parade Clean-up	2,000	-	-	2,000
Day Porters	25,980	-	-	25,980
District-wide Maintenance Services	<u>112,143</u>	<u>69,070</u>	-	<u>43,073</u>
Total Maintenance	503,883	283,251	-	220,632
Safety	510,829	-	-	510,829
Marketing	278,174	122,048	80,000	76,126
Administration and Advocacy	181,282	-	-	181,282
Reserves and Contingency	<u>60,422</u>	-	-	<u>60,422</u>
	<b>\$ 1,534,590</b>	<b>\$ 405,299</b>	<b>\$ 80,000</b>	<b>\$ 1,049,291</b>
City Assessments		<u>139,701</u>		139,701
Total City Contribution:		<b>\$ 545,000</b>		
Balance to be Assessed on Tax Roll				909,590

**Old Pasadena Management District  
Management Plan  
Fiscal Years 2010/11 through 2014/15**

The following is the allocation of the “Special Benefit to be Assessed” shown above, allocated to the five Zones of the District.

<b>2011 Allocations</b>	<b>Zone 1 Allocation</b>	<b>Zone 2 Allocation</b>	<b>Zone 3 Allocation</b>	<b>Zone 4 Allocation</b>	<b>Zone 5 Allocation</b>
Trash	\$ 25,106	\$ 12,096	\$ 2,318	\$ 1,494	\$ 2,704
Street Maintenance	28,726	35,063	5,069	10,984	10,139
Additional Pressure Washing	8,580	-	-	-	4,800
Dog Walk Bag Service	-	1,000	-	750	750
Rose Parade Clean-up	2,000	-	-	-	-
Day Porters	10,717	7,469	1,949	1,949	3,897
District-wide Maintenance Services	<u>13,229</u>	<u>17,517</u>	<u>2,516</u>	<u>4,451</u>	<u>5,360</u>
Total Maintenance	88,359	73,145	11,852	19,627	27,649
Safety	222,211	153,249	28,096	43,420	63,854
Marketing	28,444	31,130	4,741	844	10,966
Administration and Advocacy	55,678	73,722	10,590	18,734	22,558
Reserves and Contingency	<u>18,558</u>	<u>24,572</u>	<u>3,530</u>	<u>6,244</u>	<u>7,519</u>
	<b>\$ 413,250</b>	<b>\$ 355,817</b>	<b>\$ 58,809</b>	<b>\$ 88,870</b>	<b>\$ 132,546</b>
City Assessments	33,690	17,141	-	88,870	-
Balance to be Assessed on Tax Roll	<b>\$ 379,560</b>	<b>\$ 338,676</b>	<b>\$ 58,809</b>	<b>\$ -</b>	<b>\$ 132,546</b>

Revenues for specific programs may be reallocated from year to year within a range of 15-20%. The budget forecasted for Calendar Years 2012 through 2015 is provided on the following page. This budget forecast is an estimate of future costs based on the maximum annual inflationary adjustment of 5%. Potential changes, based upon changing district needs and budgets, must be approved by the Pasadena City Council. What follows is a general description of the types of services to be delivered according to each budget category:

Old Pasadena Management District  
Five-Year Budget Projection

Budget Forecast	Year 2011		Year 2012		Year 2013	
	Total Budget (Proposed)	Special Benefit	Total Budget (Estimated)	Special Benefit (Estimated)	Total Budget (Estimated)	Special Benefit (Estimated)
Trash	\$ 113,760	\$ 43,717	\$ 114,739	\$ 45,903	\$ 115,766	\$ 48,198
Street Maintenance	234,120	89,981	236,135	94,480	238,251	99,204
Additional Pressure Washing	13,380	13,380	14,049	14,049	14,751	14,751
Dog Walk Bag Service	2,500	2,500	2,625	2,625	2,756	2,756
Rose Parade Clean-up	2,000	2,000	2,100	2,100	2,205	2,205
Day Porters	25,980	25,980	27,279	27,279	28,643	28,643
District-wide Maintenance Services	<u>112,143</u>	<u>43,073</u>	<u>113,106</u>	<u>45,227</u>	<u>114,118</u>	<u>47,488</u>
Total Maintenance	503,883	220,632	510,033	231,663	516,490	243,246
Safety	510,829	510,829	536,370	536,370	563,189	563,189
Marketing	278,174	76,126	279,877	79,932	281,665	83,929
Administration and Advocacy	181,282	181,282	190,346	190,346	199,863	199,863
Reserves and Contingency	60,422	60,422	63,443	63,443	66,615	66,615
	<b>\$ 1,534,590</b>	<b>\$ 1,049,291</b>	<b>\$ 1,580,070</b>	<b>\$ 1,101,755</b>	<b>\$ 1,627,823</b>	<b>\$ 1,156,843</b>

Budget Forecast	Year 2014		Year 2015	
	Total Budget (Estimated)	Special Benefit	Total Budget (Estimated)	Special Benefit (Estimated)
Trash	\$ 116,845	\$ 50,608	\$ 117,978	\$ 53,139
Street Maintenance	240,472	104,164	242,805	109,373
Additional Pressure Washing	15,489	15,489	16,263	16,263
Dog Walk Bag Service	2,894	2,894	3,039	3,039
Rose Parade Clean-up	2,315	2,315	2,431	2,431
Day Porters	30,075	30,075	31,579	31,579
District-wide Maintenance Services	<u>115,180</u>	<u>49,863</u>	<u>116,295</u>	<u>52,356</u>
Total Maintenance	523,271	255,409	530,390	268,179
Safety	591,348	591,348	620,916	620,916
Marketing	283,542	88,126	285,514	92,532
Administration and Advocacy	209,857	209,857	220,349	220,349
Reserves and Contingency	<u>69,946</u>	<u>69,946</u>	<u>73,443</u>	<u>73,443</u>
	<b>\$ 1,677,964</b>	<b>\$ 1,214,685</b>	<b>\$ 1,730,612</b>	<b>\$ 1,275,419</b>

## Programs and Services

### ➤ Public Safety

**General objective:** A safe District is a prerequisite to quality of life for the District stakeholders, economic vitality and future business growth. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment (e.g., cameras, lighting, etc.) and organizations which promote safety and security only for those properties within the boundaries of the District.

**Specific program and service components:** Resources will be earmarked for the operation of the Ambassador Guide team, which will patrol the entire BID and will be responsible for coordinating the District's activities with the Pasadena Police Department to deter crime, warn and advise trespassers and panhandlers, and respond to visitor inquiries. Among other services, this budget item covers deployment of officers, ambassador training, traffic control, deterrence and reporting of auto theft, illegal dumping and panhandling. The bicycle patrol security services are available throughout the entire District equally, but foot patrols will provide differential levels of coverage to the five zones of benefit.

### ➤ Maintenance

**General objective:** A clean, well maintained and attractive business district promotes safety, enhances quality of life for the District stakeholders and contributes to an improved business climate. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment and organizations which promote the cleanliness, attractiveness and aesthetic character only for those properties within the boundaries of the District.

**Specific program and service components:** Resources will be earmarked to contract with a maintenance vendor and/or hire staff that will provide services – street sweeping, sidewalk sweeping and pressure washing, graffiti removal and sticker removal, trash removal and related services only for those properties within the boundaries of the District.

Monies may be set aside each year to pay for special capital improvements, infrastructure repair (e.g., Star Trackers, palm tree lights, stage lights), new street furniture (e.g., trash receptacles, benches), holiday decorations and similar improvements. These improvements will benefit only the assessment-paying parcels in the District by improving the aesthetics of the area which attracts business and customers. These are services and or repairs that are not otherwise provided by the city of Los Angeles.

### ➤ Marketing and Communications

**General objective:** To capitalize on the identity of the District in the heart of Pasadena, and to optimize public awareness of the District, it is important to undertake activities to promote the District as a whole. It is the intent of the BID assessment payers to contribute to programs, services, initiatives, equipment, District-serving infrastructure (e.g., pedestrian amenities, street furniture and parking signage, etc.) and organizations which promote the District as a place to live, visit, shop, work, worship, invest and be entertained for the sole benefit of the properties in the District.

**Specific program and service components:** Resources may be earmarked to contract or hire professional consulting services to assist with pressing issues facing the property owners in the District. The Board of Directors, with input from the property owners, will determine each year how these funds should be allocated. The types of consulting services contemplated include: marketing, media relations, event planning, public relations guidance, economic development, retail recruitment, grant writing, and BID renewal (in the final year of the BID 2014-15).

Funds may be also utilized to match grant proceeds, or for “district branding” opportunities, such as pole banners, logos, and wall maps; promotional materials, including advertising, maps, visitors’ guides, press releases; maintenance of District website; annual economic benchmarking research, and similar projects. In the new BID, overtures may be made to potential corporate sponsors to attract new (non-assessment) revenues to leverage the marketing activities of the BID.

➤ **Advocacy and Administration**

**General Objective:** A well-managed District optimizes the use of the assessment payer funds, through effective vendor selection and contract management, excellent communications with stakeholders, valuable advocacy on behalf of property owner interest, effective board and committee coordination and sound fiscal management. District management, advocacy and administration will only benefit businesses and property within the District boundaries by attracting business and customers.

**Specific Program and Service Components:** Administrative funds are allocated to pay for the following items: office expenses, legal, telephone/internet access, accounting services, business meals, travel, insurance (workers comp, general liability and directors/officers liability), dues/subscriptions, equipment/ furniture, rent, and database maintenance. Personnel expenses are earmarked for staff persons, payroll taxes and benefits. The administrative office – in addition to coordinating all affairs of the Board of Directors and complying with all contractual obligations to the City of Pasadena in the management of a BID – also will serve as the “voice” of the property owner to the community, the media and government policymakers.

For example, staff advocacy on behalf of property owners interests on issues affecting the entire district may include, but not be limited to: municipal service levels; law enforcement and public safety; street, sidewalk and sanitation services; enforcement of existing municipal code; traffic congestion relief and related policies related to parking, valet parking, taxi and shuttle access; tax relief; protection of rights of property owners to form and guide business improvement districts, and other related matters as determined by the Board of Directors.

➤ **Reserves and Contingency Funds**

This Reserve and Contingency funding allows the District to ensure continued and appropriate service in the District. When the PBID was first established in 2000, it was recognized that funding would be need to be reserved during the life of the PBID in order to fund the costs associated with the renewal requirements under state law. In addition other established districts have found it important to set aside adequate funding to undertake one-time, task-oriented projects that benefit the District property owners as a whole or to address unforeseen costs. These funds may be used for, but not limited to the following or similar activities at the discretion of the Board of Directors:

- ◆ Additional and expanded Clean and Safe services
- ◆ Expanded holiday decorations
- ◆ Expanded trash can locations and service
- ◆ Complete website redesign and added functionality
- ◆ Enhanced programs for business recruitment and retention
- ◆ Small business assistance
- ◆ Additional special events to increase attendance

**Assessment Methodology**

Assessment law provides that the expenses of a business improvement district shall be allocated in proportion to the benefit received by each parcel. In addition, Article XIIIID of the California Constitution requires that a parcel’s assessment may not exceed the reasonable cost of proportional special benefit conferred on that

parcel. Article XIIID provides that only special benefits are assessable and that a special benefit is a particular and distinct benefit over and above general benefits conferred on real property or the public at large. The assessment methodology outlined in the Engineer's Report (Appendix A), represents the Engineer's determination of a fair and equitable system of apportioning assessments in relation to the special benefits received by parcel owners (proportional special benefits).

The cost of providing the authorized services to the properties within the boundaries of the district will be funded by the levy of assessments on those properties, and will be apportioned to them on the basis of their special benefit received, as outlined in the Engineer's Report. For a complete and detailed description of the special benefit rationale and the assessment formulas, please refer to the Engineer's Report included as Appendix A.

## V. TIME AND MANNER FOR COLLECTING ASSESSMENTS

As provided by State Law, the District assessments will appear as a separate line item on annual Property Tax bills prepared by the County of Los Angeles. Property tax bills are generally distributed in the fall, and payment is expected by lump sum or installment. The County of Los Angeles shall distribute funds collected to the City of Pasadena and then to the Management District. Existing laws for enforcement and appeal of Property Taxes apply to the District assessments.

## VI. GOVERNANCE AND MANAGEMENT

Consistent with business improvement district legislation throughout the nation, California's "Property and Business Improvement District Law of 1994" establishes a governance framework that allows property owners who pay assessments, the ability to determine how the assessments are used. This Management District Plan may be subject to changes if required by the state of California or the City of Pasadena.

(A) **Old Pasadena Management District** The affairs and corporate powers of the Old Pasadena Management District shall be exercised by, or under the direction of, the Board of Directors. The leadership for these elected representatives will continue to provide meaningful representation by assessment-paying property owners, as well as those other stakeholders who benefit from the services provided. The Board of Directors of the Old Pasadena Management District currently provides for a 23-member Board with representatives from property owners, businesses, and residents located within the PBID boundaries, a majority of whom will always be assessment paying owners. It is expected that representation for residential interests will increase proportionate to the increase in residential assessment income, and that the increase of residential representation will be in addition to the current assessment-paying owner representation on the Board.

(B) **Policies for Zones and their Related Levels of Service** Levels of service provided for by the PBID Management District Plan are deemed the minimum levels of service and are absolute. While owners within their respective Zones may band together and petition to increase service levels and corresponding assessments within a particular Zone during the life of this PBID, under no circumstances may the minimum service levels described in this PBID Management District Plan be reduced in any or all Zones during the life of the PBID.

### Disestablishment

State law provides for the disestablishment of a Business Improvement District pursuant to an annual review process. Each year that the District is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the District. This 30-day period begins each year on the anniversary day that the District was first established by City Council.

Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50 percent (50%) or more of the assessments levied, the Business Improvement District may be disestablished. The City Council will hold a public hearing on disestablishing the District prior to actually doing so.

**Termination of BID Services**

In the event the PBID ends as a result of the disestablishment process or through its natural expiration in 2015, in accordance with state law, the remaining funds of the District (existing assets) shall become the property of the City and shall be used: (1) to pay the City any amount owed to it by the District; (2) settle any outstanding debit to service providers, consultants, or staff for services provided; (3) utilize the funds to remove equipment, street furniture, trash receptacles and other elements for which there would no longer be a caretaker; and (4) to disburse the remaining assets to the owners of assessed properties.

## **VII. APPENDIX A (ENGINEER'S REPORT)**

A copy of the Engineer's Report is attached hereto as Appendix A and outlines in more detail the improvements, services, budgets and assessments proposed for the Old Pasadena Property and Business Improvement District (PBID), including the Assessment Roll for Fiscal Year 2010/2011 which is representative of the assessment amount to be balloted for each parcel.