

Old Pasadena

Property-Based Business Improvement District
City of Pasadena, California

DRAFT Management District Plan



March 2025

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*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
and Article XIID of the California Constitution
to create a property-based business improvement district.*

**OLD PASADENA
Property-Based Business Improvement District
Management District Plan**

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ATTACHMENTS

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SECTION 1: EXECUTIVE SUMMARY

The Old Pasadena Property-Based Business Improvement District (PBID) was first established in 2000 and subsequently renewed in 2005, 2010 and 2015. With the success of the PBID over the last 25 years, downtown property and business owners seek to renew the district for an additional 10 years.

To guide the PBID for the next 10 years, the Old Pasadena Management District (OPMD) 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 both within the district boundary and beyond, the OPMD Board elected to expand the PBID boundary, realign the service zones, and modify the assessment methodology to respond to current market conditions.

Since its formation in 2000, the PBID has managed a variety of programs to keep the district clean, safe, attractive, activated, and vibrant, which has elevated Old Pasadena as one of the premiere shopping destinations and mixed-use urban districts in the greater Los Angeles region. The PBID will continue to provide and expand upon these programs. Each of the funded programs is designed to meet the goals of the PBID; to improve the appearance and public safety of the area, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services.

As described in this Management District Plan, it is proposed that 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.

Summary Management Plan

Pursuant to California Streets and Highways Code, the "Property and Business Improvement District Law of 1994 as amended", the existing Old Pasadena PBID is being renewed for a ten year term. Upon receipt of petitions signed by property owners representing greater than 50% of the PBID assessment budget, the City of Pasadena will initiate a ballot procedure to officially re-establish and renew the PBID.

Location	The PBID boundary encompasses approximately 23 blocks of Old Pasadena which now includes the 2 western blocks on Fair Oaks Avenue between Union Street and Walnut Avenue. To assess the special benefit each parcel receives from the PBID activities, three benefit (service) zones are recommended.
Why Renew the PBID?	In the renewal process, the Old Pasadena Management District Board of Directors have stated the following reasons for continuing the PBID: <ul style="list-style-type: none">- Provide services that create a clean, safe and welcoming experience- Continue homeless outreach initiatives- Support unique retail businesses to strengthen Old Pasadena's competitive edge- Enhance the public realm and invest in enhancements- Support frequent programming- Improve the parking experience

<p>Services and Activities</p>	<p>The PBID will finance activities and improvements that will improve Old Pasadena's experience for property owners, residents, workers and visitors, including:</p> <p><u>Clean, Safe and Beautiful:</u></p> <ul style="list-style-type: none"> - Clean Teams that sweep streets and alleys, scrub and pressure wash sidewalks, remove litter and graffiti, increase the frequency of trash removal, and maintain landscaping. - Community Ambassadors that provide information on activities and attractions, work with local police and business and property owners to prevent crime, offer outreach to reduce homelessness and address quality of life issues. - Beautification improvements that make Old Pasadena more visually attractive, walkable, and bikeable, which may include wayfinding signage, trash cans, holiday décor, enhanced streetscape, planters, urban design plans, bicycle racks, and other facilities, etc. <p><u>Business Support and Marketing:</u></p> <ul style="list-style-type: none"> - Business Support services to advocate for businesses navigating the permitting processes. - Marketing to promote a positive image for Old Pasadena as a premier regional destination, and services aimed at attracting a diverse consumer base, quality retail and office tenants, and private investment. <p><u>Advocacy/Administration:</u></p> <ul style="list-style-type: none"> - Advocate for downtown policy issues that will improve the downtown business environment. - Provide daily management to carry out the day-to-day PBID operations. 																														
<p>Budget</p>	<p>Total PBID assessment budget for its first year of operations in the renewal term is \$3,115,000; the total PBID budget is as follows:</p> <table border="1" data-bbox="467 1260 1429 1659"> <thead> <tr> <th>EXPENDITURES</th> <th>BUDGET</th> <th>% of Budget</th> </tr> </thead> <tbody> <tr> <td>Clean, Safe and Beautiful</td> <td>\$2,315,000</td> <td>74.32%</td> </tr> <tr> <td>Business Support and Marketing</td> <td>\$480,000</td> <td>15.41%</td> </tr> <tr> <td>Advocacy and Administration</td> <td>\$320,000</td> <td>10.27%</td> </tr> <tr> <td>Total Expenditures</td> <td>\$3,115,000</td> <td>100.00%</td> </tr> <tr> <th>REVENUES</th> <th></th> <th></th> </tr> <tr> <td>PBID Assessments</td> <td>\$2,179,175</td> <td>69.96%</td> </tr> <tr> <td>City Contribution and Parking Mgmt</td> <td>\$857,950</td> <td>27.54%</td> </tr> <tr> <td>Other Revenues (1)</td> <td>\$77,875</td> <td>2.50%</td> </tr> <tr> <td>Total Assessment Revenues</td> <td>\$3,115,000</td> <td>100.00%</td> </tr> </tbody> </table> <p>(1) An allowance is made for general benefits that the PBID may provide. Any PBID services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from the PBID services accounts for \$77,875 of the estimated budget, resulting in a total assessable budget of \$2,179,175.</p>	EXPENDITURES	BUDGET	% of Budget	Clean, Safe and Beautiful	\$2,315,000	74.32%	Business Support and Marketing	\$480,000	15.41%	Advocacy and Administration	\$320,000	10.27%	Total Expenditures	\$3,115,000	100.00%	REVENUES			PBID Assessments	\$2,179,175	69.96%	City Contribution and Parking Mgmt	\$857,950	27.54%	Other Revenues (1)	\$77,875	2.50%	Total Assessment Revenues	\$3,115,000	100.00%
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Method of Financing	Levy of assessments upon real property that benefit from improvements and activities.																
Assessments	<p>Annual assessments are based upon an allocation of program costs, benefit zones, and a calculation of lot square footage, ground floor and upper floor building square footage. Estimated annual maximum assessment rates for the first year of the district follow:</p> <table border="1" data-bbox="483 506 1414 684"> <thead> <tr> <th>Assessment Rates</th> <th>Lot Assmt</th> <th>Ground SF Assmt</th> <th>Non Ground Assmt</th> </tr> </thead> <tbody> <tr> <td>Premium + Zone</td> <td>\$0.44897</td> <td>\$0.58960</td> <td>\$0.39503</td> </tr> <tr> <td>Premium Zone</td> <td>\$0.35918</td> <td>\$0.47168</td> <td>\$0.31602</td> </tr> <tr> <td>Standard Zone</td> <td>\$0.26938</td> <td>\$0.35376</td> <td>\$0.23702</td> </tr> </tbody> </table>	Assessment Rates	Lot Assmt	Ground SF Assmt	Non Ground Assmt	Premium + Zone	\$0.44897	\$0.58960	\$0.39503	Premium Zone	\$0.35918	\$0.47168	\$0.31602	Standard Zone	\$0.26938	\$0.35376	\$0.23702
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Cap	Assessments will be subject to an annual increase of up to 5.0% or the Consumer Price Index for the Los Angeles area, whichever is higher, to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the PBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the OPMD Board of Directors, which serves as the PBID Owners' Association. The OPMD Board of Directors will develop an annual report that is submitted to the City Council each year.																
City Services	The City of Pasadena has established and documented the base level of pre-existing City services. The PBID will not replace any pre-existing general City services even though the City may contract with the PBID to provide various City services, such as street sweeping and trash collection.																
Collection	PBID assessments appear as a separate line item on the annual Los Angeles County property tax bills.																
District Governance	The PBID will continue to be managed by the OPMD. OPMD, the PBID Owners' Association, comprised of a majority of district property owners, will help determine the PBID uses and budget each year.																
District Renewal	California law for PBID district formation/renewal requires the submission of petitions signed by property owners in the proposed district who will pay more than 50% of the total assessments (i.e. petitions must represent more than 50% of the \$2,179,175 to be assessed which is \$1,089,588 or greater). Petitions are submitted to the Pasadena City Council, and the City will mail ballots to all assessed property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the PBID in order for the City Council to consider approval.																
Duration	The renewed PBID term will be 10 years from January 1, 2026, through December 31, 2035. Any subsequent renewal of the PBID will require a new Management District Plan, petition, and ballot process.																

SECTION 2: PBID BOUNDARY

PBID Boundary

The Old Pasadena PBID provides various improvements, services, and activities for and within an approximately 23-block area of downtown 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.

Expansion Area

Opportunities to modify and/or expand the district boundaries are considered as part of the PBID renewal process. Based on conversations with key stakeholders, it is recommended that the district expand to include the 2 western blocks on Fair Oaks Avenue between Union Street and Walnut Avenue, formerly the Parsons property and office properties along Union Street.



Originally, the Parsons properties were not included in the PBID since they were considered a stand-alone campus that was not integrated into the rest of Old Pasadena; however, both the Parsons properties and the Old Pasadena district have changed dramatically over the past 25 years. Today, part of the Parsons property has been redeveloped as a mixed-use residential community, commanding some of the highest residential rents in the region. Furthermore, in the post-pandemic marketplace, the viability of remaining office space on the campus relies in part on the attractiveness of what Old Pasadena has become – a dynamic mixed-use district, featuring unique high-end retail and restaurants, walkable for both residents and workers, and accessible to the region's transit network.

Benefits provided to the expansion area:

- Enhanced services would be provided in public spaces for these new properties and tenants, including deployment of the community ambassador, cleaning teams, and inclusion in all destination marketing efforts.
- Strengthen the connection of the former Parsons campus properties to the Old Pasadena brand and identity, further elevating the affiliation value for all tenants and residents.
- Inclusion in all district advocacy efforts, ensuring that new property owners, businesses, and residents have a voice in setting the annual priorities and work program of the district.

Benefit Zones

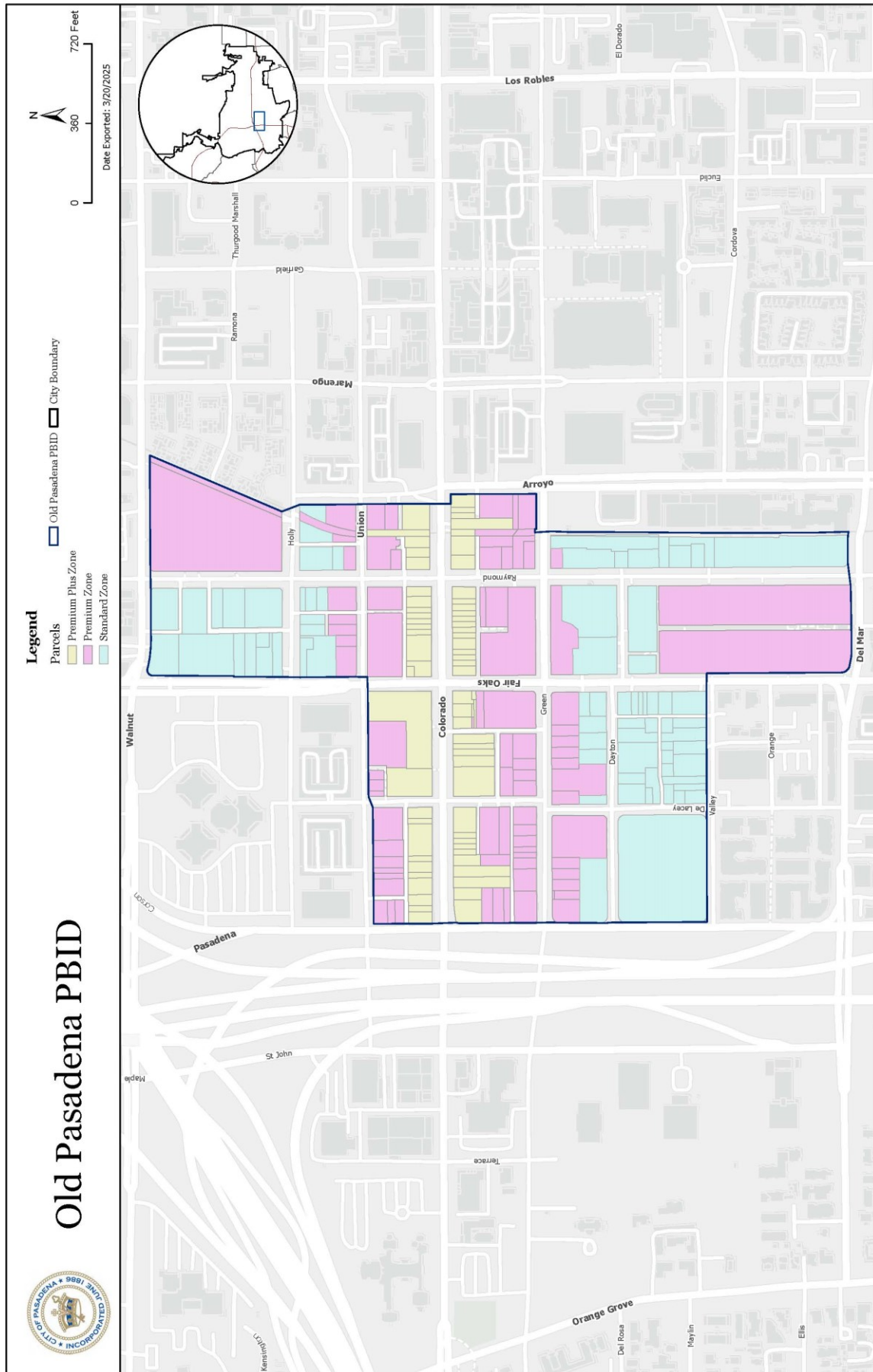
The PBID for the past 25 years has been allocated into five benefit zones that reflected the level and frequency of deployed PBID services based on downtown conditions at that time. However, downtown has changed and PBID service frequencies have become more predictable, which requires an analysis of realigning the benefit zones to better respond to current conditions in Old Pasadena. Realigning the benefit zones ensures that the PBID services are allocated based on the district's demands, challenges, and current environment. For this renewal, it is proposed that the PBID be allocated into three benefit zones: Premium+, Premium and Standard. All of which are discussed below.

Premium+ Zone: Encompasses the central retail corridor of Old Pasadena along Colorado Boulevard. It includes all parcels that front on Colorado Boulevard between Pasadena Avenue and Arroyo Parkway. The Premium+ Zone requires more services due to its high concentration of commerce, tourism, and public activity, where higher foot traffic and business density requires the highest level of PBID services. Its services include but are not limited to more coverage of the community ambassadors, frequent pressure washing; frequent attention from day porters; and more trash removal. To account for the highest level of PBID services, the Premium+ Zone will be assessed at 125% of the Premium Zone discussed below.

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. The Premium Zone also includes the two city parks (Memorial Park and Central Park). The parks are gathering spots that can lead to disruptive behaviors which require more frequent services from maintenance and community ambassadors.

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.

A map of the proposed district boundary and benefit zones is on the following page.



SECTION 3: PBID ACTIVITY AND IMPROVEMENT PLAN

Background

Through a participatory strategic planning process that included extensive outreach to the community via online surveys, meetings with property and business owners, as well as the OPMD Board of Directors, the PBID priorities for improvements and activities include:

- ◆ Clean, Safe and Beautiful
- ◆ Business Support and Marketing
- ◆ Advocacy and Administration

The specially benefitted parcels within the boundaries of the PBID are a unique mix of retail, office, services, government, non-profit, and residential. The PBID improvements and activities are designed to provide special benefits to each of the individual assessed parcels: to improve the appearance and safety of the area, to increase building occupancy and lease rates, to encourage new business development and support existing businesses, to attract visitors to venues and events. All PBID improvements and activities are over and above the City's baseline of services and are not provided by the City, and each of the services provide particular and distinct benefits to each of the individual assessed parcels within the PBID. In order to ensure that parcels outside of the PBID will not specially benefit from the improvements and services funded with the assessment, improvements and services will only be delivered to individual assessed parcels within the boundaries of the PBID and will not extend beyond.

Based upon these findings, the following narrative provides recommendations for the PBID's first year of operation. PBID activities may be amended in subsequent years within the following general categories. Final activities and budgets will be subject to the review and approval of the OPMD Board of Directors (the PBID Owners' Association) prior to City Council approval.

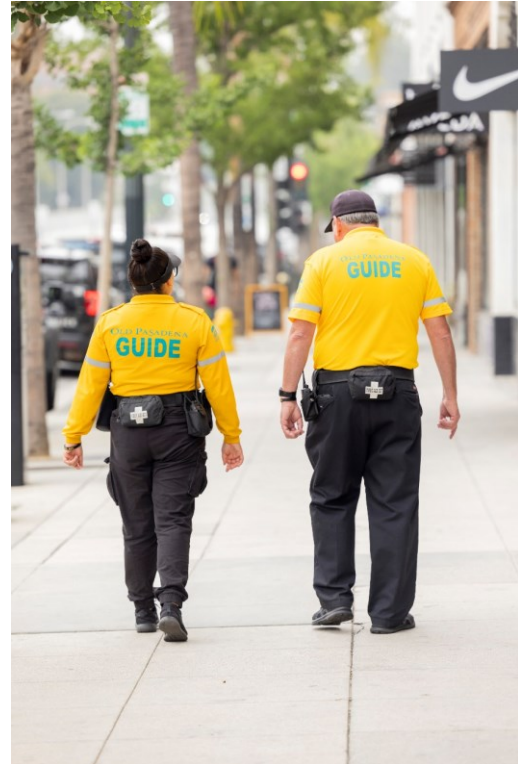
Clean, Safe and Beautiful

This area of top concern with stakeholders will focus on initiatives that aim to continue to make the Old Pasadena District secure, functional, and attractive. Safety is foundational to any urban environment – for people to visit, work or live in the district, they expect a welcoming and comfortable experience. The PBID funded Community Ambassador program and Clean Team will be strengthened moving forward. It provides for an increase in funding for both programs to allow for increases in program labor costs, including additional personnel, and a focused effort to provide outreach and resource info to the homeless population.

These activities and improvements are intended to improve commerce and the quality of life by making each individual assessed parcel safer, cleaner and more attractive which will encourage investment dollars downtown and generate additional pedestrian traffic. Clean, Safe and Beautiful activities specially benefit each individual assessed parcel, including commercial, government, parking structures, non-profits and residential. Ensuring downtown is clean, safe, and well-maintained is essential for supporting businesses, promoting economic vitality, and enhancing the overall experience for tenants, residents and visitors alike.

Community Ambassadors

The Community Ambassadors will continue to provide daily monitoring services, currently patrolling 7am – midnight Sunday through Thursday, and 7am – 3am Friday and Saturday. The Ambassadors patrol either by foot or bike in the form of regular downtown routes and service calls. The purpose of the Community Ambassadors is to provide hospitality services such as giving directions to visitors, escorting employees, helping lost people, and a variety of day-to-day problem solving, such as retrieving keys from locked cars and conducting tours. They also assist with traffic control in the event of accidents, fires or unusual occurrences. The Community Ambassadors report illegal activities including criminal activities, disruptive behaviors, and vandalism. They also report maintenance issues and perform outreach to the unsheltered homeless. The Ambassadors, who act as the “eyes and ears” on the street will supplement, not replace, other ongoing police, security, and patrol efforts within the District. The Community Ambassadors maintain communication with the Pasadena Police Department, Code Enforcement, and Public Works with the intent of reporting illegal activity or an emergency infrastructure occurrence. The Community Ambassadors will cover the entire District and communicate with businesses, visitors, residents, and employees within it.



Homeless Impact Team:

The downtown unhoused population is a priority for ratepayers. Through renewal, the PBID has an opportunity to take a more proactive approach in addressing disruptive behaviors in the district and helping people off the street and into supportive services.

To assist this program, the PBID Owners' Association may fund a multi-faceted approach that enhances the resources already provided by the business community, City, County of Los Angeles, and social service agencies. The PBID has a full-time homeless outreach manager that is a trained social worker with relevant experience and strong technical expertise. Subsequently, front line staff, i.e., outreach case managers that would be deployed on the streets, may be hired.

The OPMD will have flexibility to implement elements of the program, seek other funding sources that are available to leverage, apply for grants, integrate best practices or any other service that is needed to respond to ongoing needs. Homeless outreach services will supplement, not replace, other ongoing social services provided by the City, County, or other agencies.

Clean Team

In order to maintain consistently clean standards in the District, the Clean Team program will continue to be provided as it has for the last 25 years. The special benefit to parcels from these services is increased commercial activity, which directly relates to increases in lease rates and customer usage. Further benefits include cleaner, healthier streets, and an improved pedestrian experience. A multi-dimensional approach has been developed consisting of the following elements.



Sidewalk Maintenance: Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks and gutters of the District, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

Alley Maintenance: The Clean Team and the Community Ambassadors can each have responsibility in this area. The Community Ambassadors address owner and tenant compliance with City code issues on cleanliness of sidewalks, alleys and illegal dumping. The Clean Team crew can sweep alleys, remove graffiti and clear the alleys of debris when a responsible party cannot be found for illegal dumping or other violations.

Graffiti Removal: The Clean Team can remove graffiti using solvent and pressure washing. The District will maintain a zero-tolerance graffiti policy. All tags will aim to be removed within 48 hours of notification.

Sidewalk Pressure Washing: Pressure washers service 3-6 blocks per night, 7 nights a week. The District standard is to have all sidewalks cleaned at least twice a month. The high use areas will be cleaned more frequently.

Trash Collection

District provides for all collection of trash from sidewalk trashcans daily, or more frequently if needed. Trash receptacles are cleaned and maintained regularly.

Landscape Maintenance: Public landscape areas including; medians, tree wells, and planters will be maintained and kept free of litter and weeds and replanting dead or missing street trees. .

Paper Sign and Handbill Removal

Paper signs and handbills taped or glued on public property, utility boxes, poles and telephone poles are removed by hand or when necessary by high pressure hose.

Special Collections

District personnel will be available to collect stolen shopping carts and large bulky items illegally dumped in the District.

Maintenance Problems Requiring Third Party Intervention

Problems in the District that create blighted or unsafe conditions are monitored but are outside of the jurisdiction of the District to be repaired. Requests are made to the party responsible for repair. Types of problems include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc.



Estimated deployment of the Community Ambassadors and Clean Team is anticipated as follows, subject to actual daily district needs:

Community Ambassadors	Premium+ Zone (125%)	Premium Zone (100%)	Standard Zone (75%)
Ambassadors	125 hours per week	110 hours per week	75 hours per week
Coverage	7 days/week	7 days/week	7 days/week
Method of coverage	Foot/Bike patrols	Foot/Bike patrols	Foot/Bike patrols
Patrol rounds	3-5 rounds per shift	2-3 x per shift	2 x per shift
Business contacts	20 + per shift.	15 + per Shift	10 + Per shift.
Visitor contacts	Daily unlimited	Daily unlimited	Daily unlimited
Safety/Hospitality escorts	Daily as needed	Daily as needed	Daily as needed
Outreach with street populations	Daily as needed	Daily as needed. Parks 2 x per day	Daily as needed
Reporting	Daily unlimited	Daily unlimited	Daily unlimited
Clean Team	Premium+ Zone (125%)	Premium Zone (100%)	Standard Zone (75%)
Clean Team	85 hours per week	70 hours per week	60 hours per week
Average Weekly Coverage	7 days/week	7 days/week	7 days/week
Street sweeping	7 days/week	7 days/week	7 days/week
Litter removal/pan & broom	Twice per day	Twice per day	Twice per day
Detail cleaning of public amenities	Once per day	Once per day	Once per day
Graffiti removal	Daily as needed	Daily as needed	Daily as needed
Large object removal	As needed	As needed	As needed
Street tree well maintenance	As needed	As needed	As needed
Weed removal/spraying	Seasonal as needed	Seasonal as needed	Seasonal as needed
Pressure washing/spot cleaning	As needed	As needed	As needed
Pressure washing/scheduled cleaning	Weekly	2 x monthly	2 x monthly

Beautification

In addition to clean and safe services, the PBID budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the PBID, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Flowering planters and baskets
- Directional/wayfinding signage or themed historical downtown signage
- Street furniture and amenities, such as benches and kiosks
- Design and installation of art and decorative elements
- Public art, such as murals or statues
- Holiday décor
- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the PBID's appearance



Business Support and Marketing

These activities aim to enhance Old Pasadena as a center for unique retail and shopping while also meeting the growing needs of residents and employees. This area will focus on providing support services to help businesses thrive, such as a new advocacy and liaison role to navigate permitting processes. Advancing Old Pasadena's status as a regional destination for a unique shopping and dining experience with a blend of one-of-a-kind local and national tenants is a clear priority for the stakeholders.

Business Support

Creating a business liaison position to work collaboratively with businesses, local governments, and community stakeholders. The business liaison will help the business community navigate the bureaucratic processes and advocate for business-friendly solutions. Additionally, the liaison can help businesses connect with resources, such as grants, networking opportunities, and local initiatives, contributing to their growth and success. By facilitating partnerships, promoting positive relationships, and streamlining communication, a business liaison ultimately supports a healthier, more vibrant business environment that benefits both the companies and the community they serve.

Marketing

This program includes several tools to increase the numbers of visitors to the District, support efforts of property owners and brokers to attract and retain tenants, and to help Old Pasadena maintain its popularity in the face of increasing competition. Several types of marketing and communication elements are used to achieve this:

- Old Pasadena website www.oldpasadena.org
- Social media
- Full-color shopping, dining and business directory brochures
- Public and media relations
- Development of Old Pasadena image pieces
- Full-color Old Pasadena in-depth weekly newsletter
- Sponsorship and tenant development support packets
- Community-based events
- Event support
- Retail recruitment

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

Parking Initiatives

Parking initiatives can help manage congestion, encourage turnover, and ensure that prime parking spaces are used efficiently. Work with City staff to explore parking initiatives that may include dynamic pricing, identifying employee parking, transit options, parking promotions for consumers, or implementing technology-driven solutions, such as smart parking systems, which provide real-time availability data for users.

Advocacy, Administration and Reserve

A professional staff that requires centralized administrative support will manage the District improvements and activities. The District budget contains five budgeted positions plus costs for contracted supervision for all core services. The professional staff manages day-to-day operations of all the services and programs, under the direction and control of the Board of Directors of the Old Pasadena Management District. This professional staff represents the District’s interests in advocacy and relationship efforts with local government and media, in addition to coordinating and complying with all contractual obligations to the City of Pasadena and vendors. In support of these efforts, funding is allocated to pay for related office expenses; legal, telephone/internet access; accounting services; travel expenses; insurance (workers compensation, general liability and directors/officers’ liability); dues/subscriptions; equipment/furniture; rent; and database maintenance. Personnel expenses include salaries, benefits and payroll taxes.

Reserve: An operating reserve will be maintained for the PBID as determined annually by the Board of Directors. The operating reserve may include funding from each of the preceding categories.

SECTION 4: PBID ASSESSMENT BUDGET

2026 PBID Assessment Budget

The following table outlines the PBID maximum assessment budget for 2026.

EXPENDITURES	BUDGET	% of Budget
Clean, Safe and Beautiful	\$2,315,000	74.32%
Business Support and Marketing	\$480,000	15.41%
Advocacy, Administration and Reserve	\$320,000	10.27%
Total Expenditures	\$3,115,000	100.00%
REVENUES		
PBID Assessments	\$2,179,175	69.96%
City Contribution and Parking Mgmt	\$857,950	27.54%
Other Revenues (1)	\$77,875	2.50%
Total Assessment Revenues	\$3,115,000	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Adjustments

Assessments will be subject to an annual increase of up to 5.0% or the Consumer Price Index for the Los Angeles area, whichever is higher, to take into consideration the potential increase in program costs. Labor costs for Community Ambassadors in particular have grown dramatically in the last several years, and the District needs the capacity to raise revenue to retain and recruit quality frontline personnel. Assessment budgets may also increase based on development in the PBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the OPMD Board of Directors, serving as the PBID Owners' Association.

The table below illustrates the estimated maximum budget for each year of the PBID based on the maximum percentage increase discussed above.

	Clean, Safe and Beautiful	Business Support	Advocacy and Administration	TOTAL
Year 1	\$2,315,000	\$480,000	\$320,000	\$3,115,000
Year 2	\$2,430,750	\$504,000	\$336,000	\$3,270,750
Year 3	\$2,552,288	\$529,200	\$352,800	\$3,434,288
Year 4	\$2,679,902	\$555,660	\$370,440	\$3,606,002
Year 5	\$2,813,897	\$583,443	\$388,962	\$3,786,302
Year 6	\$2,954,592	\$612,615	\$408,410	\$3,975,617
Year 7	\$3,102,321	\$643,246	\$428,831	\$4,174,398
Year 8	\$3,257,437	\$675,408	\$450,272	\$4,383,118
Year 9	\$3,420,309	\$709,179	\$472,786	\$4,602,274
Year 10	\$3,591,325	\$744,638	\$496,425	\$4,832,387

Any accrued interest or delinquent payments will be expended in the above categories. The cost of PBID improvements and activities may vary in any given year depending on market conditions

and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 20% between them to continue the same level of service. The OPMD Board of Directors shall make such a determination. In addition, any annual budget surplus, including those created through cost saving measures, unexpected reductions in expenses or unanticipated increases in income, will be rolled into the following year's budget. The budget will be adjusted accordingly consistent with the Management District Plan to adjust for surpluses that are carried forward to ensure that the PBID is spending these funds in a timely manner and is complying with applicable State laws and City policies. Any change in line-item expenditure and/or budget surplus will be approved by the OPMD Board of Directors and submitted in the annual report, pursuant to Section 36650 of the State Law.

PBID Renewal

PBID funds may be used for renewing the district to hire a consultant and pay the city administration fees to create a new management plan, initiate a petition drive, and assessment ballot initiative.

Bond Issuance

No bonds will be issued to finance improvements.

SECTION 5: ASSESSMENT METHODOLOGY

General

This Management District Plan provides for the levy of assessments for the purpose of providing improvements and activities that specially benefit real property in the PBID. These assessments are not taxes for the general benefit of the City but are assessments that convey special benefits to each individual assessed parcel for which the improvements and activities are provided.

Assessment Factors

The method used to determine proportional special benefits are measured by each parcel's lot square footage, ground floor building square footage, plus the non-ground floor building square footage. Each parcel's proportional lot size, ground floor building square footage and non-ground floor building square footage represents each parcel's proportional special benefit compared to other parcels within each respective benefit zone. Lot square footage is relevant to the best use of a property and will reflect the long term special benefit implications of the improvement district. Ground floor and Non-ground floor square footage is relevant to the interim use of a property and is utilized to measure short and mid-term impacts.

Lot Square Footage Defined. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps. 50% of the budget is allocated to the lot square footage.

Ground Floor Building Square Footage Defined. Ground floor building square footage is defined as the first floor gross building square footage as determined by the outside measurements of a building. 50% of the budget is allocated to the total building square footage including ground floor and non-ground floor.

Non-Ground Floor Building Square Footage Defined. Non-ground floor building square footage is defined as the sum of subterranean gross building square footage plus the gross building square footage above the ground floor, as determined by the outside measurements of a building. Upper floor building square footage is assessed at 67% of the ground floor building square footage to account for the fact that lease rates for commercial upper floors are approximately 1/3 less than that of the ground floor. 50% of the budget is allocated to the total building square footage including ground floor and non-ground floor.

Benefit Units

Using the benefit zones and assessment factors described above we assign benefit units to each specially benefitted parcel. The total number of assessable benefit units in the PBID are as follows:

	Assessable Benefit Units		
Benefit Zone	Lot SqFt	Ground SqFt	Non Ground SqFt
Premium+	566,194	508,255	289,828
Premium	1,436,038	487,715	415,177
Standard	1,450,155	563,088	1,549,854
TOTALS:	3,452,387	1,559,058	2,254,859

Assessment Methodology

The proportionate special benefit each assessed parcel receives shall be determined in relationship to the entirety of the capital cost of the PBID improvements and activities. Due to the proportionate special benefits received by these individual parcels from the PBID services, these parcels will be assessed at a rate which is proportionate to the amount of special benefits received. Only special benefits are assessable, and these benefits must be separated from any general benefits. As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the PBID activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels receive. The attached Engineer's Report has calculated that 2.0% of the PBID activities may be general in nature and will be funded from sources other than special assessments, see Section E of the Engineer's Report for discussion of special and general benefits.

Calculation of Assessments

Based on the assessment budget, benefit zone and assessable benefit units, all of which are discussed above, the following table illustrates the maximum first year annual assessment per assessable benefit unit. Note, assessment rates are rounded off to the fifth decimal place and a parcel's assessment may vary slightly when calculated using the assessment rates below.

Assessment Rates	Lot Assmt	Ground SF Assmt	Non Ground Assmt
Premium + Zone	\$0.44897	\$0.58960	\$0.39503
Premium Zone	\$0.35918	\$0.47168	\$0.31602
Standard Zone	\$0.26938	\$0.35376	\$0.23702

Sample Parcel Assessment – Premium + Zone

To calculate the assessment for a parcel in the Premium + Zone with 10,000 lot square feet + 7,500 ground floor square feet + 15,000 non-ground floor square feet, its total parcel assessment is calculated as follows:

$$(10,000 \times \$0.44897) + (7,500 \times \$0.58960) + (15,000 \times \$0.39503) = \\ \$14,837.15 \text{ total parcel assessment.}$$

Sample Parcel Assessment – Premium Zone

To calculate the assessment for a parcel in the Premium Zone with 10,000 lot square feet + 7,500 ground floor square feet + 15,000 non-ground floor square feet, its total parcel assessment is calculated as follows:

$$(10,000 \times \$0.35918) + (7,500 \times \$0.47168) + (15,000 \times \$0.31602) = \\ \$11,869.70 \text{ total parcel assessment.}$$

Sample Parcel Assessment – Standard Zone

To calculate the assessment for a parcel in the Standard Zone with 10,000 lot square feet + 7,500

ground floor square feet + 15,000 non-ground floor square feet, its total parcel assessment is calculated as follows:

$$(10,000 \times \$0.26938) + (7,500 \times \$0.35376) + (15,000 \times \$0.23702) = \\ \$8,902.30 \text{ total parcel assessment.}$$

The assessment calculation is the same for every parcel in the PBID respective of each benefit zone.

Public Sector Participation

Existing City Services

The City Council, by adopting this plan, will confirm its intention to ensure an existing level of services in the district equivalent to the level that is being provided elsewhere in the City. Assessment funds will pay for services that are above and beyond those services provided by the City.

Overall Contribution to the PBID

Since the formation of the PBID in 2000, the City of Pasadena has contributed annually to support District services and provide for several baseline services that were 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) ongoing contribution to support District services that have replaced pre-existing city services. For the first year of the renewed PBID, a total of \$1,278,480 is anticipated, and allocated to the following components:

1) Payment of Assessments for City Owned Properties	2) Payment of Quantified General Benefits	3) Ongoing Contribution to Support District Services
\$342,655	\$77,875	\$857,950

The preceding amounts, i.e. 1) payment of assessments for city properties, 2) payment of quantified general benefits, and 3) ongoing contribution to support district services will be adjusted each year in the same way that all assessments are adjusted and will be subject to annual increases as determined by the Owners Association, which is the board of the Old Pasadena Management District.

Rationale for Public Property Assessments

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 and any other government owned parcels within the PBID boundary will pay their assessment based on the special benefits conferred to those parcels. All publicly owned parcels specially benefit from the PBID activities as they make each assessed parcel cleaner, safer, more attractive, and economically vibrant. Specifically, these parcels specially benefit from: removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris or trash, powerwashing the sidewalks, beautifying the public right-of-ways, and increased business development.

Therefore, government uses are assessed for the special benefits they receive from the PBID activities. The assessment methodology to allocate the cost of these improvements is consistent with all other land uses in the district: parcel square footage, ground floor building square footage, plus non-ground floor building square footage. Please see Section 6: Assessment Methodology for further discussion.

The City owns 13 parcels within the PBID boundary.

Annual Assessment Adjustments

During the 10-year term assessments will be subject to an annual increase of up to 5.0% or the Consumer Price Index for the Los Angeles area, whichever is higher, to take into consideration the potential increase in program costs. Assessment budgets may also increase based on development in the PBID. The determination of annual adjustments in assessment rates will be subject to the review and approval of the OPMD Board of Directors (i.e. the PBID Owners' Association). The OPMD Board of Directors will develop annual budgets and service programs each year. The table below illustrates the estimated maximum assessments (rounded to five decimal places) for each year of the PBID based on the estimated percentage increase as discussed above.

PBID Guidelines

Time and Manner for Collecting Assessments

As provided by State Law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The City of Pasadena and/or the OPMD may direct bill the first year's assessment for all property owners and may direct bill any property owners whose special assessment does not appear on the tax rolls for each year of the PBID term.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the first fiscal year of operation or for changes to assessments that occur during an assessment year and are prorated for a part of the year, and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the County. The City of Pasadena and/or the OPMD is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

Disestablishment

State law provides for the disestablishment of a PBID pursuant to an annual process. The 30-day

period begins each year on the anniversary day that the City Council first establishes the PBID. Within this annual 30-day period, if the owners of real property who pay more than 50% of the assessments levied submit a written petition for disestablishment, the PBID may be dissolved by the City Council. The City Council must hold a public hearing on the proposed disestablishment before voting on whether to disestablish the PBID.

Duration

The PBID will have a 10-year term commencing January 1, 2026, through December 31, 2035. Any major modifications or new or increased assessments during the term of the PBID that are not consistent with the provisions of the original Management District Plan will require a new mail ballot process.

Future Development

As a result of continued development, the PBID may experience the addition or subtraction of assessable footage for parcels included and assessed within the PBID boundaries. Parcels with a change in the building square or lot square footage need to provide notice of the change to the District by April 1st of each year. The future year's assessments will reflect the change.

Assessment Appeal Procedure

Property owners may appeal assessments that they believe are inaccurate. Appeals must be in writing, stating the grounds and providing proof of the appeal and filed with the OPMD Board of Directors, serving as the Owners' Association prior to April 1 of each year. The Owners' Association shall review the appeal and will determine if the information provided warrants an adjustment to the assessment. Appeals shall be limited to the current assessment year. Any appeal not filed by April 1 shall not be valid. In any case, appeals will only be considered for the current year and will not be considered for prior years.

Implementation Timeline

The Old Pasadena PBID is expected to be renewed by July 2025 for inclusion of parcel assessments on the County of Los Angeles 2025 tax roll with an implementation date of the Management District Plan on January 1, 2026. Consistent with State law, the PBID will have a 10-year life through December 31, 2035.

SECTION 6: PBID GOVERNANCE

City Council

Following the submission of petitions from property owners representing more than 50% of the assessments to be paid, the City Council, upon holding a public hearing on the proposed PBID, may elect to renew the PBID. The PBID is renewed by a City Council resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

PBID Governance

The PBID Law 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.

The PBID shall continue to contract with the OPMD, a nonprofit organization, that acts as the Owners' Association and governing board for the PBID. The role of the Owners' Association is consistent with similar PBIDs and management organizations throughout California and the nation. The Owners' Association determines budgets, assessment adjustments and monitors service delivery. As part of the Management Plan, the nonprofit organization oversees the delivery of day-to-day PBID activities. The PBID Owners' Association Board of Directors will represent a cross section of property owners found throughout the district.

Brown Act & Public Records Act Compliance

The Owners' Association is subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association must act as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Board of Directors of the Owners' Association and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act.

Annual Report

The Owners' Association shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650. The annual report is a prospective report for the upcoming year and must include:

1. Any proposed changes in the boundaries of the PBID or in any benefit zones or classification of property within the district;
2. The improvements, maintenance, and activities to be provided for that fiscal year;
3. The estimated cost of providing the improvements, maintenance, and activities to be provided for that fiscal year;
4. The method and basis of levying the assessment in sufficient detail to allow each real property owner to estimate the amount of the assessment to be levied against his or her property for that fiscal year;
5. The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year; and
6. The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this Plan.

SECTION 7: ASSESSMENT ROLL

The total assessment amount for FY 2025/26 is \$2,179,175 apportioned to each individual assessed parcel, as follows.

(to be attached for City Council)