OFFICE OF THE CITY MANAGER

April 13, 2017

To the Honorable City Council
of the City of Pasadena

Mayor and Councilmembers:

WEEKLY NEWSLETTER

1. Governor Brown Lifts California's Emergency Drought Status:

On April 7, 2017, Governor Edmund G. Brown Jr. issued an executive order ending California's emergency drought status. Recent rains have helped replenish the state's water sources however, as Governor Brown stated, "… the next drought could be around the corner. Conservation must remain a way of life."

Due to its climate, California has experienced many multi-year droughts on a statewide scale in the last 40 years. Pasadena Water and Power ("PWP") has key water supply and planning documents – the Urban Water Management Plan and the Water Integrated Resource Plan – that focus on creating reliability through local water supplies and ongoing conservation.

According to Gurcharan Bawa, General Manager of Water & Power, Governor Brown's actions have no immediate impact on PWP customers, as the Pasadena City Council's drought declaration and Level 1 Water Supply Emergency remain in effect. As a reminder, outdoor watering in Pasadena is allowed up to three days a week (Tuesdays, Thursdays and Saturdays before 9 a.m. and after 6 p.m.). Pasadena also has permanent water waste prohibitions in place to deter wasteful watering practices, which include watering during and 48 hours after rain, hosing off sidewalks and watering ornamental turf on public medians. To learn more, visit http://www.PasadenaSavesWater.com.

2. Quarterly Sales Tax Update:

This week the City received the quarterly update for the October – December sales tax data. This quarter is typically the biggest quarter of the year in terms of revenue since it includes the holiday period. According to Matthew Hawkesworth, Director of Finance, Pasadena's receipts on a year-over-year comparison were up 9.3% from 2015. A one-time use payment related to equipment purchased as part of the construction of the GT-5 power plant accounted for the large majority of this increase. Strong growth was realized in the fine dining, quick-service restaurant, grocery and new motor vehicle categories. Declines in department store, electronics and appliance, family apparel and home furnishing

categories were also a factor during the quarter. Additionally, the County pool continued to see strong growth directly related to the continued shift towards online sales. With the large increase in the quarter, revenues are projected to meet the fiscal year 2017 budget projection of $35.5 million. The attached report from Mr. Hawkesworth provides additional details.

3. PWP Receives $1.2 Million Grant to Expand Direct Install Program for Small Commercial Customers Located in Disadvantaged Communities

Pasadena Water and Power ("PWP") created a Water and Energy Direct Install Program ("WeDIP program") in 2013 to help small businesses be more water and energy efficient. Under the WeDIP program, customers receive a thorough site evaluation that identifies efficiency measures to reduce energy and water use, as well as save money. PWP installs a variety of energy and water-efficient devices at no cost to the business, up to $7,500. To date, the WeDIP program has completed more than 1,000 projects for more than 600 customers, resulting in a total annual savings of more than 10 million gallons of water and 3.7 million kWh in energy savings.

According to Gurcharan Bawa, General Manager of Water & Power, last month PWP was awarded a $1.2 million grant from the California Department of Water Resources ("DWR"), Water-Energy Grant Program. The funds will be used to expand the WeDIP program to further assist small commercial customers located in disadvantaged communities within Pasadena. The DWR grant funds will allow PWP to include additional offerings including commercial dishwashers, steam cookers, clothes washers, and boiler-less combination ovens. To learn more about our existing WeDIP program visit, http://www.PWPweb.com/WeDIP.

4. Rotating Public Art Exhibition Program III Request for Proposals and Community Meeting

The Cultural Affairs Division will host a Community Meeting to review the Request for Proposals for the Rotating Public Art Exhibition Program on Monday, April 17, 2017. According to David Reyes, Director of Planning & Community Development, the Rotating Program III seeks loans of existing public artworks and the creation of site specific works. Launched in 2011, this temporary public art program creates an outdoor gallery that enlivens the urban landscape by placing artwork on City-owned sites throughout Pasadena. The Rotating Program Request for Proposals invites submissions from artists, artist teams and/or galleries for a three-year exhibition period. The deadline to submit proposals is Monday, May 15, 2017.

Developed as a part of the City's Capital Public Art Program, the Rotating Program created a new model for community engagement by utilizing neighborhood advocates in the artwork selection process in addition to public art professionals.

The Community Meeting to review the Request for Proposals will be held at the Permit Center on Monday, April 17 at 6:00 p.m. (175 N. Garfield Avenue). Attendance is not mandatory for proposal submission. For more information visit: www.cityofpasadena.net/arts. For more information about Cultural Affairs programs, please contact Rochelle Branch, Cultural Affairs Manager, Planning & Community Development Department: (626) 744-7062.

5. Legal Advertisements and Public Notices:

I have attached a memorandum from Mark Jomsky, City Clerk, which provides this week's submission of upcoming legal advertisements and public notices set for publication. In addition, the webpage for posting public notices and advertisements has been updated with the attached information and can be accessed from the City's home webpage http://www.cityofpasadena.net/. If you require additional detailed information on these legal advertising and public notices, please contact Mr. Jomsky at (626) 744-4709.

Respectfully Submitted,

Julie A. Gutierrez
Assistant City Manager

/attachments

Q4 2016

City of Pasadena Sales Tax Update

First Quarter Receipts for Fourth Quarter Sales (October - December 2016)

Pasadena In Brief

Pasadena's receipts from October through December were 9.3% above the fourth sales period in 2015. Actual sales activity was up 8.5% when reporting aberrations were factored out.

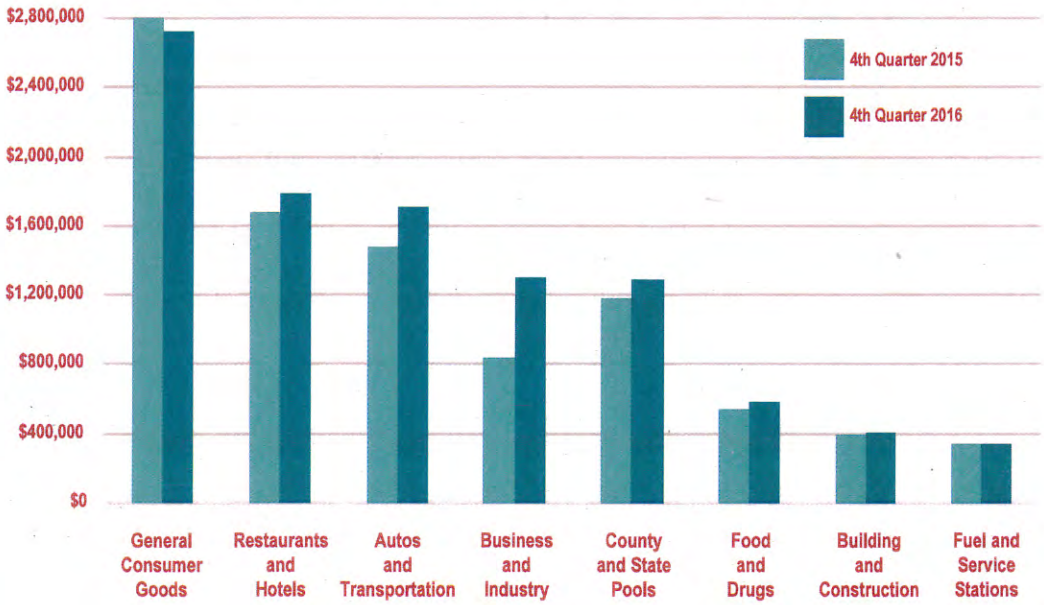
Onetime use tax payments that inflated returns from the business and industry sector were primarily responsible for the current increase. The City experienced a strong sales quarter for new motor vehicle dealers and auto leases.

Recent additions helped boost revenues from fine dining and quick-service restaurants. The City's allocation from the countywide use tax pool also added to the overall results.

The gains were partially offset by business closeouts and a decline in sales from several categories of general consumer goods.

Net of aberrations, taxable sales for all of Los Angeles County grew 1.2% over the comparable time period; the Southern California region was up 1.4%.

Sales Tax by Major Business Group



Top 25 Producers

In Alphabetical Order

- Apple
- Avon Distribution Center
- Bed Bath & Beyond
- Best Buy
- Enterprise Rent A Car
- Ganahl Lumber
- GE Packaged Power
- Honda of Pasadena
- Langham Huntington Hotel & Spa
- Macys
- Nordstrom Rack
- Ralphs Fresh Fare
- Ross
- Rusnak Maserati of Pasadena
- Samys Camera
- Sears
- Symes Cadillac
- Target
- Tesla Motors
- Thorson GMC Buick
- Tiffany & Co.
- Toyota of Pasadena
- Vons
- Vroman's Bookstore
- Whole Foods Market

Revenue Comparison

Three Quarters – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	$23,099,091	$23,738,816
County Pool	3,039,221	3,396,370
State Pool	26,103	14,245
Gross Receipts	$26,164,415	$27,149,431
Less Triple Flip*	$(6,541,104)	$0

**Reimbursed from county compensation fund*

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www.hdlcompanies.com | 888.861.0220 HdL COMPANIES

NOTES

Statewide Results

Statewide sales tax receipts for the fourth quarter rose 1.5% over 2015, when excluding reporting aberrations.

The largest gain was in the county-wide use tax allocation pools due to the acceleration in online shopping where many of the orders are placed to, or shipped from, out-of-state fulfillment centers. Restaurant and auto sales closed the calendar year with strong results while receipts from general consumer goods were flat. Off-price apparel and dollar store gains offset declines in traditional department stores and warehouse retailers.

Business and industry receipts were down due to cutbacks in major energy projects; however, huge gains in warehouse fulfillment centers that fill in-state shipments from online orders somewhat negated the decline.

On an annual basis, the statewide gain ended 2.1% higher than calendar year 2015.

The Shrinking, Disappearing Retail Store

Agencies dependent on traditional brick-and-mortar retail stores for a major portion of their sales tax will be facing new challenges in the coming year as merchants retrench and downsize to cope with a rapidly changing environment.

Generational preferences for experiences over merchandise, plus the growing costs of health care, education and housing, are reducing discretionary spending for taxable goods while time-challenged consumers are opting for the convenience of online shopping.

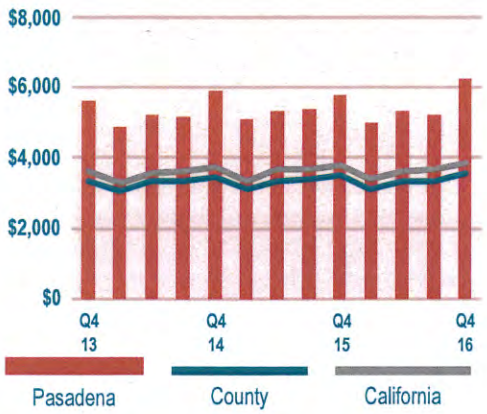
Online sales accounted for 13.0% of all general consumer goods purchased in 2016 with a 9.2% gain over calendar year 2015, while the growth in tax receipts from brick-and-mortar stores only grew 0.6%. The trend has been accelerated by the growing popularity of smart phones which Amazon estimates were used by nearly 70% of its shoppers during the most recent holiday quarter.

Retailers are responding by increasing their investment in mobile shopping platforms and delivery systems while pulling back investment on brick-and-mortar stores. Substantial closures are planned for 2017 while experiments with smaller stores, pick-up locations for online purchases, temporary "pop-up" shops and subleasing in-store space to others are on the rise.

Mall operators are turning to grocers, fitness centers, medical services and residential components to fill vacant space and attract traffic. Smaller centers and downtown areas are responding by enhancing the shopping experience with more dining and entertainment options while local governments seek voter approval for higher levies to offset shrinking tax bases.

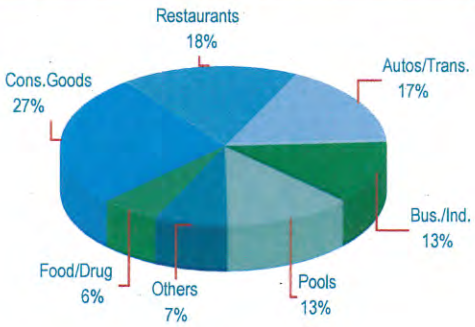
Stores are not in danger of disappearing. The ability to see, touch and feel, along with the overall shopping experience, will always be important. But evolving trends are requiring more focused economic strategies with better data and closer collaborations. The ultimate solution may be tax rates levied against today's economy rather than the one that existed when sales tax was first imposed in 1933.

Sales Per Capita



Revenue By Business Group

Pasadena This Quarter



Pasadena Top 15 Business Types

In thousands of dollars	Pasadena		County	HdL State
Business Type	**Q4 '16***	**Change**	**Change**	**Change**
Building Materials	227.5	0.3%	-1.0%	0.7%
Casual Dining	751.1	2.7%	2.8%	2.3%
Department Stores	296.6	-3.6%	-3.2%	-5.6%
Discount Dept Stores	— CONFIDENTIAL —		-0.9%	-0.6%
Electronics/Appliance Stores	512.4	-8.0%	1.6%	-1.2%
Family Apparel	344.4	-4.7%	3.9%	4.6%
Fine Dining	234.3	21.7%	11.0%	13.1%
Fulfillment Centers	— CONFIDENTIAL —		2.9%	26.1%
Grocery Stores	388.9	6.6%	6.7%	4.0%
Heavy Industrial	— CONFIDENTIAL —		22.4%	13.1%
Home Furnishings	284.8	-5.0%	1.6%	0.4%
New Motor Vehicle Dealers	1,171.5	20.3%	2.7%	5.6%
Quick-Service Restaurants	357.5	6.9%	5.5%	5.7%
Service Stations	336.1	-1.2%	-2.6%	-1.1%
Specialty Stores	225.6	0.2%	5.7%	3.8%
Total All Accounts	**8,842.1**	**9.3%**	**3.6%**	**2.4%**
County & State Pool Allocation	**1,290.5**	**9.3%**	**3.5%**	**6.9%**
Gross Receipts	**10,132.5**	**9.3%**	**3.6%**	**3.0%**

OFFICE OF THE CITY CLERK

MEMORANDUM

TO: Honorable Mayor and City Council

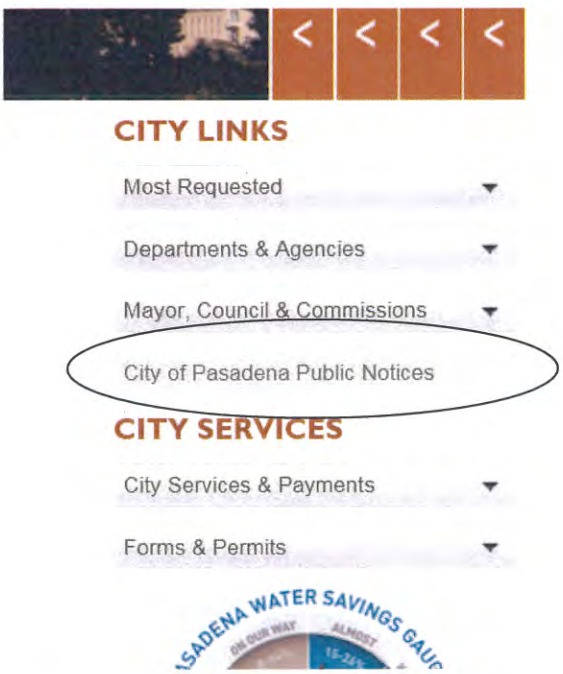
FROM: Mark Jomsky, City Clerk

DATE: April 13, 2017

RE: Legal Advertisements and Public Notices

Attached, please find this week's submission of upcoming legal advertisements and public notices set for publication.

In addition, the webpage for posting public notices and advertisement has been updated with the attached information, and can be accessed from the City's home webpage: www.cityofpasadena.net (see illustration below)



Please let me know if you have any questions.

100 North Garfield Avenue, S228 · P.O. Box 7115 · Pasadena, CA 91109-7215
(626) 744-4124 · Fax (626) 744-3921

Notice of Public Hearing

Planning Commission

Notice of Public Hearing to Amend the Hillside Overlay Zones (HD, HD-1, HD-SR)

PROJECT DESCRIPTION: The proposed project is a series of Zoning Code Amendments responding to community concerns regarding single-family residential development that is out of scale or character with existing houses and structures in the surrounding neighborhood. The proposed amendments would revise the existing development standards for new construction, additions, and alterations to single-family dwellings within Hillside Overlay areas (HD), including Upper Hastings Ranch (HD-1) and San Rafael Area (HD-SR).

PROJECT LOCATION: All properties zoned HD, HD-1, and HD-SR.

ENVIRONMENTAL DETERMINATION: The Planning Commission will consider whether adoption of the proposed Zoning Code Amendment is exempt from the California Environmental Quality Act under Class 8 §15308 - Actions by Regulatory Agencies for Protection of the Environment. Class 8 consists of action taken by regulatory agencies, as authorized by state and local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

APPROVALS NEEDED: The Planning Commission will conduct a public hearing and consider the proposed CEQA exemption and code amendments on April 26, 2017. The Planning Commission will forward its recommendation to the City Council. The City Council will make a final decision on the CEQA exemption and proposed amendments at a separately-noticed public hearing.

NOTICE IS HEREBY GIVEN that the Planning Commission will hold a public hearing to receive input from the public and provide comments on proposed revisions to Section 17.29 of the Pasadena Municipal Code, pertaining to Hillside Overlay Zones.

Date: Wednesday, April 26, 2017
Time: 6:30 p.m.
Place: City Hall
Council Chamber, Room S249
100 North Garfield Avenue

PUBLIC INFORMATION: Any interested party or their representative may appear at the meeting and comment on the project. Written comments should be sent to Martin Potter, Associate Planner, at the address listed below. If you wish to challenge this matter in court you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or written correspondence delivered to the hearing body, at or prior to the public hearing.

For more information about the project and the related environmental documentation or to schedule an appointment:

Contact Person: Martin Potter, Associate Planner
Phone: (626) 744-6710
E-mail: mpotter@cityofpasadena.net
Website: www.cityofpasadena.net/planning

Mailing Address:
Planning & Community Development Department
Planning Division, Community Planning Section
175 North Garfield Avenue, Pasadena, CA 91101

ADA: *In compliance with the American with Disabilities Act (ADA) of 1990, listening assistive devices are available with a 24-hour advance notice. Please call (626) 744-4009 or (626) 744-4371 (TDD) to request use of a listening device. Language translation services are available for this meeting by calling (626) 744-4009 at least 48 hours in advance.*