OFFICE OF THE CITY MANAGER

July 20, 2017

To the Honorable City Council
of the City of Pasadena

Mayor and Councilmembers:

WEEKLY NEWSLETTER

1. Quarterly Sales Tax Update:

This week the City received the quarterly update of the January – March 2017 sales tax data. This quarter is typically slower and lackluster following the holiday period. Pasadena's receipts on a year-over-year comparison were up 2.5% from 2016. According to Matthew Hawkesworth, Director of Finance, this slow and steady growth is positive and puts the City on track with budgeted estimates. The General Consumer Goods category continues to decline as the shift to online purchases hurts local retailers. Restaurants, hotels, autos, and transportation continue to be the City's strongest categories; however, there are some economic signals that growth in all of these categories is slowing. Auto sales and leases of new vehicles are expected to slow and decline over the next year as interest rates increase and demand decreases. In looking towards the future, online sales and the pooling of these revenues will become a real concern to cities such as Pasadena that are not likely to have large distribution centers. It is realistic that cities with large distribution centers will lobby to have the point-of-sale redirected to these centers rather than sent to the County pool, which could direct millions of dollars annually away from Pasadena. Please see the attached report for more details.

2. Status Update on Washington Theater (839-853 East Washington Boulevard):

The Washington Theater is a National Register landmark structure and an important cultural resource in the city. Through many years of neglect the theater is in poor condition; however over the past year significant progress has been made on the restoration of the structure. According to David Reyes, Director of Planning and Community Development, staff has been working closely with the property owner to facilitate the rehabilitation. The property owner is being monitored closely and compliance dates are provided regularly for work being conducted. The attached memorandum from Mr. Reyes provides a detailed summary of work completed to date and an overview of compliance activity.

3. Pasadena Assistance Fund Performance:

On March 1, 2013 the City of Pasadena transferred $1.7 million from the Human Services Endowment Fund to the Pasadena Community Foundation to create the Pasadena Assistance Fund (PAF). The Pasadena Community Foundation manages the PAF, but the City retains authority over awarding grants from earnings generated by the fund.

Bill Huang, Director of Housing and Career Services has provided a Summary Statement by the Pasadena Community Foundation for the period of January 1, 2017 to June 30, 2017. The PAF has grown to nearly $2.2 million even though it granted out $206,000 since 2013 to various Pasadena nonprofit human services organizations.

4. Human Services and Recreation Department Update on Summer Pool Schedules:

Blair High School pool will close for the season for all swim lessons and recreational swim on Friday, July 28, 2017. According to Horace Wormely, Director of Human Services and Recreation, programming at this site was scheduled to go through Friday, August 4, 2017 but, an earlier closure is required so that the Pasadena Unified School District may address maintenance issues before the school year begins. Participants will be referred to Coral and Villa-Parke pools for morning swim lessons and John Muir pool for afternoon lessons. Lifeguards and swim instructors previously assigned to the Blair High School pool will be reassigned to other pools and will continue to provide instruction to their students. Villa-Parke, Coral Center and Muir High School pools will remain open for lessons and recreational swim until Friday, August 4. Recreational swim is available at Villa-Parke pool, Monday-Friday 1:00-4:00 p.m. and Saturday, 12:00-3:00 p.m. and at Muir High School Monday-Friday 3:30-4:30 p.m. For more information, please contact the City's Aquatics Office at 626-744-7300.

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,

7/20/17

Nicholas G. Rodriguez
Assistant City Manager

/attachments

Q1 2017

City of Pasadena Sales Tax *Update*

Second Quarter Receipts for First Quarter Sales (January - March 2017)

Pasadena In Brief

Pasadena's allocation of sales and use tax from its January through March sales was 2.5% higher than the same quarter of 2016.

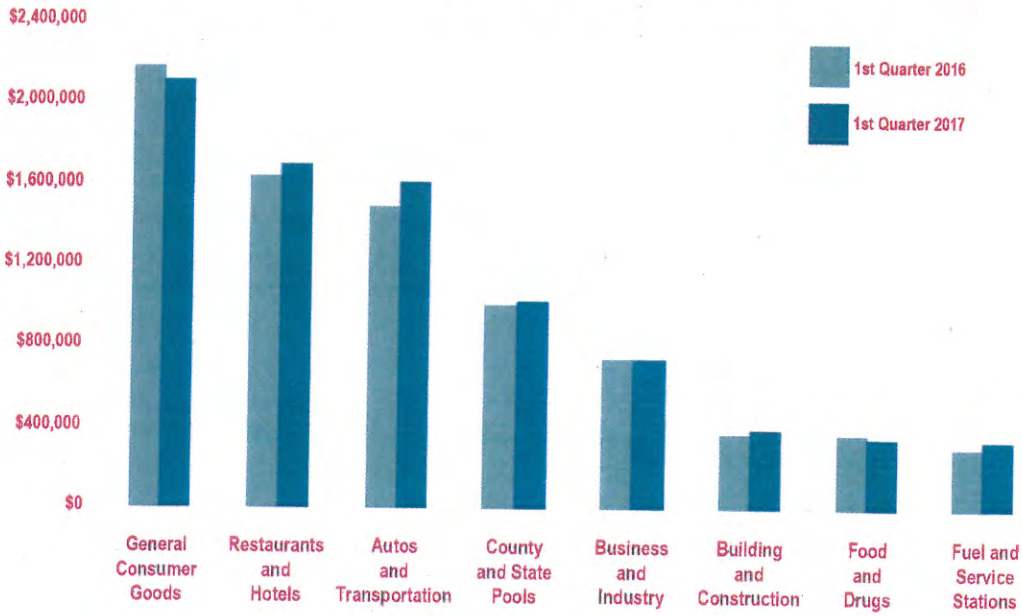
A solid quarter for autos and plumbing/electrical supplies were the primary contributors to the overall increase. Recent additions to the restaurant group and higher fuel prices were also factors.

The gains were partially offset by a decrease in receipts from grocers and most general consumer goods categories including apparel, electronics and department stores. Onetime purchases offset what would have otherwise, been a decline in business-industrial sales.

Receipts from the countywide allocation pool which is composed of use tax from private party vehicle transactions registered at the DMV, out-of-state purchases, leases and on-site installation sales were relatively flat. Pasadena generated 2.2% of countywide taxable sales during the quarter and therefore, received 2.2% of the pool revenue.

Adjusted for reporting anomalies, sales and use tax revenues for all of Los Angeles County grew 2.1% over the comparable time period while Southern California as a whole, was up 2.0%.

Sales Tax by Major Business Group



Top 25 Producers

In Alphabetical Order

- Apple
- Audi & Bentley Leasing
- Avon Distribution Center
- Bed Bath & Beyond
- Best Buy
- California Institute of Technology
- Enterprise Rent A Car
- FEI Company
- Ganahl Lumber
- Hertz Rent A Car
- Honda of Pasadena
- Langham Huntington Hotel & Spa
- Macys
- Nordstrom Rack
- Porsche Leasing
- Ross
- Rusnak Luxury Autos
- Sears
- Symes Cadillac/ Land Rover
- Target
- Tesla Motors
- Thorson GMC Buick
- Toyota of Pasadena
- Vons
- Whole Foods Market

Revenue Comparison

Four Quarters – Fiscal Year To Date

	2015-16	2016-17
Point-of-Sale	$30,152,902	$30,966,294
County Pool	4,043,686	4,410,678
State Pool	21,541	24,437
Gross Receipts	**$34,218,128**	**$35,401,409**
Less Triple Flip*	$(6,541,104)	$0

**Reimbursed from county compensation fund*

Published by HdL Companies in Summer 2017
www.hdlcompanies.com | 888.861.0220 HdL COMPANIES

Statewide Results

Local tax receipts from January through March sales were 2.1% higher than the first quarter of 2016 after factoring for accounting anomalies.

Rising fuel prices, auto sales, county use tax pool allocations and dining out added most to the overall gain. Some general consumer goods and B2B sales were flat or down.

This quarter reflects the start of an anticipated leveling off of future tax revenues. After seven years of recovery, analysts are reporting an end to the previous pent-up demand for autos. Demand for new cars will ease due to more buyers tied to long-term loans and a glut of used cars coming off lease.

Price competition and store closures have reduced tax receipts from consumer goods. Business investment remains strong but much of the growth is for non-taxable items such as cloud computing and large data solutions. Declines in foreign tourist visits and lower costs of eating at home are expected to slow the growth in restaurant sales.

New Sales Tax Organization

As of July 1, the operating divisions responsible for allocation of tax revenues other than property, insurance and alcoholic beverages will shift from the State Board of Equalization (BOE) to the Governor's new Department of Tax and Fee Administration.

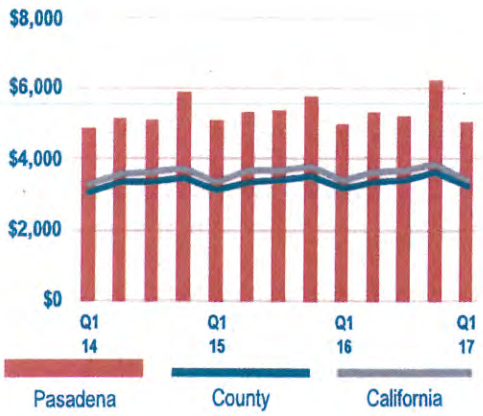
The BOE was first established by constitutional amendment in 1879 to oversee property tax assessment practices by all counties in the state. It eventually became responsible for other tax revenues including sales, insurance, corporate franchise and special fees.

In 2011, HdL detected discrepancies in the BOE's allocation of public safety revenues which led to the recovery of over $124 million in revenues for counties. Subsequent audits by the State Controller and State Department of Finance revealed further shortcomings. The result was the passage of budget trailer bill SB86/AB102 that reduces the BOE to its previous constitutionally defined functions.

The BOE is also empowered to hear appeals and disputes over tax assessments including sales/use, personal income and corporate taxes and is the only elected Tax Board in the United States that hears tax disputes. Effective January 1, 2018, that function will be turned over to a new Office of Tax Appeals (OTA) composed of panels of administrative law judges appointed by the Governor with locations in Sacramento, Fresno and Los Angeles.

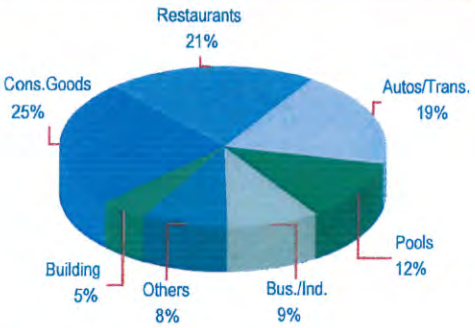
For functions other than the appeal process, this is primarily a reshuffling of existing personnel so the change will have little impact on local agencies. However, the issue of local government's ability to provide input regarding future policy and regulation changes that impact revenues remains under discussion. HdL will share more about the BOE transition as details become available in the weeks ahead.

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	**Q1 '17***	**Change**	**Change**	**Change**
Auto Lease	214.6	16.9%	1.6%	1.7%
Building Materials	211.9	-1.1%	7.2%	3.2%
Casual Dining	727.8	-0.4%	0.6%	0.3%
Department Stores	200.0	-2.4%	-4.1%	-6.5%
Discount Dept Stores	— CONFIDENTIAL —		2.5%	1.6%
Electronics/Appliance Stores	372.4	-8.5%	0.2%	-0.2%
Family Apparel	242.0	-6.1%	-0.7%	0.8%
Fine Dining	221.1	21.3%	14.3%	13.6%
Fulfillment Centers	— CONFIDENTIAL —		6.8%	1.6%
Grocery Stores	196.0	-8.0%	1.2%	0.5%
Home Furnishings	260.1	2.4%	-0.4%	-1.9%
New Motor Vehicle Dealers	1,036.3	8.8%	0.9%	4.4%
Quick-Service Restaurants	362.6	10.7%	5.0%	4.6%
Service Stations	337.9	12.3%	6.8%	9.9%
Specialty Stores	198.2	-2.9%	2.1%	0.2%
Total All Accounts	**7,227.5**	**2.5%**	**2.6%**	**1.8%**
County & State Pool Allocation	**1,024.5**	**2.5%**	**2.6%**	**2.9%**
Gross Receipts	**8,252.0**	**2.5%**	**2.6%**	**1.9%**

MEMORANDUM

TO: Steve Mermell, City Manager

FROM: David M. Reyes, Director of Planning & Community Development Department

DATE: July 20, 2017

SUBJECT: Status Update on Washington Theater (839-853 East Washington Boulevard)

The Washington Theater is a National Register landmark structure and an important cultural resource in the city. Through many years of neglect the theater is in poor condition; however over the past year significant progress has been made on the restoration of the structure. Planning and Community Development staff has been working closely with the property owner to facilitate the rehabilitation. The property owner is being monitored closely and compliance dates are provided regularly for work being conducted. The following provides a summary of work completed to date and an overview of compliance activity.

Seismic Retrofit

The property owner has now completed the seismic retrofit of the structure's foundation, exterior west, east and south walls. Related work currently in progress includes the seismic retrofit of the exterior north wall, interior south and interior east walls.

Plans and structural specifications for outstanding wall retrofits were received on June 1, 2017. Corrections were provided on June 15, 2017 and picked up by the applicant on June 22, 2017. Revised plans addressing the corrections are due by July 31, 2017.

Interior Improvements

The property owner has completed the interior temporary bracing of roof structure, framing of the residential units and framing of the elevator.

Façade Improvements

Revised plans were submitted on June 15, 2017 for the replacement of the façade windows, roof repair/replacement, and façade renovations. Design and Historic Preservation staff completed a preliminary review to ensure the plans are in compliance with the approved Certificate of Appropriateness. The plans are in compliance and the property owner is required to submit a Building Permit Application and fees for the respective revisions by July 24, 2017. Work on the façade will be required to commence by July 31, 2017.

The following outlines recent staff efforts and progress at the site:

- August 17, 2016 - Staff conducted a comprehensive inspection to assess progress of permitted construction activity. A Compliance Order was issued requiring substantial

progress be demonstrated immediately. A series of weekly inspections revealed significant progress had been made, including near completion of seismic retrofit work to the non-theater portion of the building and framing of residential units.

- September 1, 2016 - Staff met with the property owner and provided requested clarifications on proposed changes to retrofit methodology. A Compliance Order was issued requiring revised plans be submitted by September 15, 2016. Partial revised plans for a shotcrete application to the walls was received on September 14, 2016 and approved on September 22, 2016.

- September 26, 2016 - Compliance Order was issued requiring completion of the wall repairs by November 9, 2016. Staff also required plans for the proposed truss reinforcements and roof repairs be submitted by November 1, 2016.

- October 3, 2016 – The property owner requested and was provided clarifications regarding the project; primarily that the entirety of the exterior of the building is historic and the possible requirement for a new Certificate of Appropriateness for reconstruction of the north facing (rear) wall.

- November 21, 2016 – Compliance Order issued acknowledging unforeseen setbacks related to the existing footings and granted an extension for wall retrofits from November 1, 2016 to January 25, 2017 to allow re-engineering. Plan submittal for truss reinforcements and roof repairs were noted as still outstanding.

- December 22, 2016 – Compliance Order was issued outlining the following:

    - Due December 29, 2016 - Certificate of Appropriateness application for reconstruction of north-facing wall.
        - Application was received on January 3, 2017, approved on February 28, 2017 and became effective March 11, 2017.

    - Due January 6, 2017 – Completion of west wall seismic retrofit and submittal of revised plans for proposed repairs to the north, east (interior) and south (interior) walls, trusses and roof repairs.
        - Retrofit of west wall was completed in January, 2017. An extension was granted until March 20, 2017 for resubmittal of revised plans respective to remaining walls, trusses and roof repairs based on required engineering changes.

    - Due January 31, 2017 – Submittal of window inventory for proposed window replacement plan.
        - Window inventory was received on January 31, 2017

- February 28, 2017 – After DHP staff inspection, a Compliance Order was issued for resubmittal of a complete window inventory by March 20, 2017. In addition a compliance date of March 20, 2017 was required for submittal of revised façade plans.

- May 30, 2017 - Follow-up Compliance order was issued in reference outstanding submittals for remaining wall retrofits and roof repair/replacement providing a submittal deadline of June 5, 2017.
    - On June 1, 2017 plans were received for the wall retrofit and roof repair/replacement. Corrections issued on June 15, 2017 and picked up on June 22,

2017. Compliance order was issued on July 20, 2017 requiring resubmittal by July 31, 2017.

- May 30, 2017 an additional Compliance Order was issued related to façade improvements. Revised façade plans were required to be submitted by June 16, 2017.
    - On June 15, 2017 plans were submitted. Design and Historic Preservation staff completed the preliminary review and authorized the property owner to submit the building permit application.
    - Compliance order issued on July 20, 2017 requiring the submittal of the building permit application for respective revisions by July 24, 2017 and requiring that work commence by July 31, 2017.

Considering that the building has been in severe disrepair for over a decade, staff remains optimistic that the theater will be fully rehabilitated in the near future. The process requires continual and constant monitoring and significant financial expenditure by the property owner. The department will continue to use all available resources to ensure that progress continues.

Pasadena Community Foundation

SUMMARY STATEMENT

Pasadena Assistance Fund

Fund Number: 286

Summary of Activity 1/1/2017 - 6/30/2017

Beginning Fund Balance:	**$2,011,439.29**
Revenue	
Contributions	$456.00
Dividend & Interest	$17,564.50
Unrealized Gain/(Loss)	$192,725.49
Realized Gain/(Loss)	$3,306.38
Total Revenue	**$214,052.37**
Expense	
Grants Expense	($25,000.00)
Investment Fees	($932.53)
PCF Management Fee	($10,523.32)
Total Expense	**($36,455.85)**
Total Change in Fund Balance	$177,596.52
Ending Fund Balance:	**$2,189,035.81**

If you have questions about this statement, please contact the Pasadena Community Foundation at 626-796-2097.

OFFICE OF THE CITY CLERK

MEMORANDUM

TO: Honorable Mayor and City Council

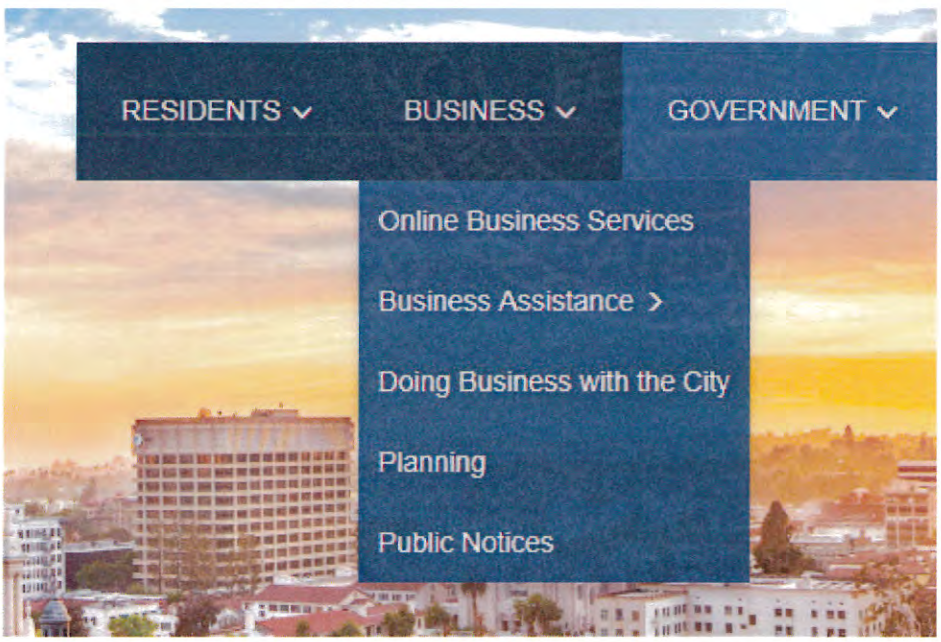
FROM: Mark Jomsky, City Clerk

DATE: July 20, 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 INVITING BIDS

FOR

SUPPLY AND DELIVERY OF DRINKING WATER FOR THE FIRE DEPARTMENT

Bids will be received electronically through Planet Bids (www.planetbids.com). A bid received after the time set for the bid opening shall not be considered. Bids will be received prior to **3:00P.M. August 1, 2017,** and will be opened online at that time. The bids shall be clearly titled:

SUPPLY AND DELIVERY OF DRINKING WATER FOR THE FIRE DEPARTMENT

Copies of the Specifications may be obtained by mail or in person from the Purchasing Division, 100 N. Garfield Ave., Room S-349, Pasadena, CA 91109, Telephone No. (626) 744-6755.

Refer to the Specifications for complete details and bidding requirements. The Specification and this Notice shall be considered a part of any contract made pursuant thereunder.

DATED: **JULY 20, 2017**

Steve Mermell
City Manager

NOTICE INVITING BIDS
for
EAST ARROYO NEIGHBORHOOD CONNECTOR TRAIL IMPROVEMENTS
In the City of Pasadena, California

Sealed bids will be received until 2:00 p.m., August 11, 2017, by the City Clerk of Pasadena, 100 N. Garfield Ave. 2nd Floor Room 228, Pasadena, for **East Arroyo Neighborhood Connector Trail Improvements**, in the City of Pasadena, California.
Plans and Specifications are available on the City website at: https://www.planetbids.com/portal/portal.cfm?CompanyID=14770. The Pasadena Supplements and Modifications to the Standard Specifications for Public Works Construction ("Greenbook") is available, if needed, online at: http://cityofpasadena.net/PublicWorks/Engineering Division/ A CD of the Plans and Specifications, and Pasadena Supplements and Modifications to the Greenbook is available upon the payment of $5.00, and can be requested by calling (626) 744-4195, fax (626) 396-8999, or email pw-permits@cityofpasadena.net.

From time to time, the City finds it necessary to issue addendum(a) to bid specifications after those bid specifications have been released. Only those parties that have registered with the City as a plan holder on a particular project will receive the addendum(a) for that project. The City is not responsible for notifications to those parties who do not directly register as a plan holder on the City's database. It is the responsibility of all perspective bidders to register on the City's database to ensure receipt of any addendum(a) prior to bid submittals. Additionally, information on any addendum(a) issued for any bid specifications for any project will be available on the City website at: https://www.planetbids.com/portal/portal.cfm?CompanyID=14770 The City reserves the right to reject as nonresponsive any bid that fails to include the information required by any addendum(a) posted on the City website.

A pre-bid meeting is scheduled for August 1, 2017 at 10:00 a.m. in the Public Works Fair Oaks Conference Room, Pasadena City Hall, 100 N. Garfield Ave, Floor S039, Pasadena, California. This meeting is to answer any questions regarding the project plans and specifications.

ATTENDANCE IS NOT MANDATORY

Each Bidder must hold an active Class A License at the time of bid submission, except as to joint venture Bidders, who shall be licensed as provided in Business and Professions Code §§ 7029.1 and 7028.15(c).

Pursuant to the provisions of Section 1770 to 1782 of the California Labor Code, the California Department of Industrial Relations has ascertained the general prevailing rate of wages in the county in which work is to be done. A copy of the general prevailing rate of wages is on file with the City Engineer and is available for inspection and reference during regular business hours.

A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of this public works project unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. It is not a violation of Labor Code Section 1771.1 for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

The Contractor must post job site notices prescribed by regulation (See e.g. 8 Cal. Code Reg. Section 16451(d).

Contractors and Subcontractors must furnish electronic certified payroll records directly to the California Labor Commissioner (aka Division of Labor Standards Enforcement).

All bids must be accompanied by bid security in the amount of five percent (5%) of the bid price, in the form of cash, cashier's check, money order, or surety bond.

Bids are to be signed and submitted in DUPLICATE. Bidder must submit bids with one ORIGINAL and one COPY, marked as such.

Refer to the Specifications for complete details and bid requirements. Specifications and this notice shall be considered a part of any contract made pursuant thereto.

STEVE MERMELL
City Manager

Dated: July 10, 2017 (Authorized by City Attorney)

PROPOSED
SUBSTANTIAL AMENDMENT
TO
ANNUAL ACTION PLAN - PROGRAM YEAR 2017-2018
FOR HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDS

The Pasadena City Council will hold a public hearing on August 21, 2017 to receive testimony, oral and written notice, and take action on a proposed Substantial Amendment to the Program Year 2017-2018 Annual Action Plan ("Annual Action Plan") for HOME Investment Partnerships Program (HOME) funds. As proposed, the Annual Action Plan will be amended by allocating HOME funds to the affordable housing projects as described in the following table:

Project Name **Location** **Description**	**Amendment Action**	**HOME Funding Amount**
Decker Court 1661 N. Fair Oaks Ave, Pasadena Development of a 9-unit homeownership development, including 8 units for low income families. Relocation/rehabilitation of the Decker House will provide two (2) of the units.	Allocate additional HOME funds. This project is currently in the HUD Program Year 2017-2018 Annual Action Plan with an allocation of $435,476.	$952,254 Not-to-exceed total of HOME entitlement and IU/program income funds
Gill Court 1669 N. Fair Oaks Ave, Pasadena Development of a 7-unit homeownership project for low income families.	Allocate additional HOME funds. This project is currently in the HUD Program Year 2017-2018 Annual Action Plan with an allocation of $837,210.	$1,830,727 Not-to-exceed total of HOME entitlement and IU/program income funds
Centennial Place Interior Rehabilitation Project 235 E. Holly St, Pasadena Provision of loan assistance to low income homeowners for repair/rehabilitation of owner-occupied single-family residential units.	Allocate additional Community Housing Development Organization ("CHDO") Reserve funds. This project is currently in the HUD Program Year 2017-2018 Annual Action Plan with an allocation of $74,962	$314,200 Not-to-exceed total of CHDO Reserve funds
Property Acquisition for Homeownership	Not in current 2017-2018 Annual Action Plan	$726,000 Not-to-exceed total of HOME funds

The public hearing is scheduled for:

Date: Monday, August 21, 2017
Time: 7:00 p.m.
Place: Pasadena City Hall
Council Chamber, Room S249
100 North Garfield Avenue,
Pasadena, CA 91109

ENVIRONMENTAL DETERMINATION: Exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines per Section 15061 (b) (3), the General Rule that CEQA only applies to projects that may have an effect on the environment.

PUBLIC INFORMATION: Any interested party or their representative may appear at the meeting and comment on the proposed Substantial Amendment. Written comments may also be mailed to the City Clerk's office (100 N. Garfield Avenue, Room S228, Pasadena CA 91101) for transmittal to the City Council. 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. Copies of the draft Substantial Amendment to the Annual Action Plan are available for public review from July 20, 2017 to August 21, 2017, at the following location(s):

Housing & Career Services Department
649 N. Fair Oaks Ave. Suite 202
Pasadena, CA 91103
Office Hours: Monday and Tuesday: 8:00 a.m. – 12:00 p.m.
Wednesday and Thursday: 12:00 p.m. – 5:00 p.m.
Friday, Saturday and Sunday: Closed

For more information about the proposed action, or to schedule an appointment:

Contact Person: James Wong, Senior Project Manager
Phone: (626) 744-8316
E-mail: jwong@cityofpasadena.net
Website: http://ww5.cityofpasadena.net/housing/
Mailing Address: Housing & Career Services Department
P. O. Box 7115
Pasadena, CA 91109-7215