

MEMORANDUM - CITY OF PASADENA
DEPARTMENT OF TRANSPORTATION

DATE: January 31, 2013
TO: South Lake Avenue Parking Place Commission
FROM: Frederick C. Dock, Director *F.C. Dock*
RE: Item VIII – A: A. Shoppers Lane Property Tax Issues for Parcels

RECOMMENDATION:

It is recommended that the South Lake Avenue Parking Place Commission (SLPPC) establish a subcommittee to address options for resolving the deficit in Fund 217 – South Lake Parking Meter Fund.

BACKGROUND:

Fund 217, the South Lake Parking Meter Fund, is currently in a deficit because of an increase in property tax liability for the Parking District. The fund is projected to remain in a deficit unless structural changes are made to the fund to either increase revenue or decrease/stabilize expenses.

Fund 217 tracks the activities of the South Lake Avenue Parking District and the South Lake Avenue Parking and Business Improvement Area, two entities established in 1977 by the City of Pasadena under the auspices of the California Streets and Highway Code for the purpose of consolidating off-street parking in the Shoppers Lane area. The SLPPC was established by City Council under the requirements of the Streets and Highway Code to administer the interests of the parking district in businesslike manner.

As such, the SLPPC was provided with three instruments to raise revenue in the Parking District for purposes of keeping the District solvent and the parking in good operating order. These instruments are the following:

- A business license tax intended to address the aggregate tax liability of the parking district,
- A parking space rental fee to be charged for parking spaces allocated to the parcels that make up the parking district, and
- The parking fees charged to transient parkers (both monthly and hourly).

The City Council, in the charter for the SLPPC, retained the right to approve the rates recommended by the SLPPC.

Recent sales of property in the District have triggered a change in assessed value, which, in turn, has raised the amount of tax levied on the parcels in the parking district. Attempts to have the Los Angeles County Assessor adjust the increases to reflect the status of the affected parcels in the parking district to reduce the assessed value have been unsuccessful and, barring a shift to public ownership, the amount of property tax liability to be incurred by the parking district can be expected to increase whenever parcels in the District change ownership.

OPTIONS FOR RESOLVING DEFICIT IN FUND 217:

There are several avenues available to address fund deficit that range from raising one or more of the rates/fees that the SLPPC is empowered to raise to affecting a transfer of ownership of the affected parcels to the District, which would place the parking in the public domain and resolve the tax liability issue in perpetuity. The nature and scale of the available options require careful study and ultimately the consent of a majority of the property owners in the District. For this reason, staff recommends that a subcommittee of the SLPPC be formed to explore the options. The subcommittee would work with staff and report back to the SLPPC.

Issues that staff recommends exploring include, but are not limited to, the following:

- Increasing the business license tax
 - Increasing the space rental fee
 - Modifying the rate structure charged to transient parkers including modifying the free period currently in effect
 - Changing the equipment used to pay for parking
 - Acquiring title to the property in Shoppers Lane
 - Via a transfer by property owners
 - Via the District's power of eminent domain
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