



CITY OF SIERRA MADRE

CITY COUNCIL REGULAR MEETING AGENDA

**Mayor Kristine Lowe | Mayor Pro Tem Gene Goss
Council Member Edward Garcia | Council Member Kelly Kriebs | Council Member Robert Parkhurst**

Tuesday, February 10, 2026, 5:30 P.M.

City Council Chambers, 232 W. Sierra Madre Blvd.

AMERICANS WITH DISABILITIES ACT

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

PUBLIC COMMENT & ACCESS

The Brown Act provides the public with an opportunity to make public comments at any public meeting. As an alternative, public comment may be submitted by e-mail to publiccomment@sierramadrecal.gov by 3:00PM on the day of the meeting. Emails will be acknowledged at the City Council meeting, filed into public record, and scanned onto the City website for public review.

A copy of the posted agenda and a live video stream of the meeting can be found on the City's website at sierramadrecal.gov, on Foothills Media website at foothillsmedia.org/sierramadre, and broadcast on Government Access Channel 3 (Spectrum).

If you require special assistance to participate in this meeting, please contact the City Clerk's Office at (626) 355-7135 at least 48 hours prior to the meeting.

CODE OF CONDUCT

The purpose of a City Council meeting is to conduct City business. Members of the public that behave in a manner that interrupts or obstructs the City Council's ability to conduct City business may be asked to leave the meeting. Any and all demonstrations which disrupt, interrupt, or obstruct the City Council's ability to conduct City business are prohibited. No signs, posters, or other large objects shall be brought into the Council Chambers or other meeting place if doing so would disrupt, disturb, or otherwise impede the orderly course of the meeting.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE AND INSPIRATION

Council Member Garcia

3. ROLL CALL OF CITY COUNCIL MEMBERS

Kristine Lowe, Mayor

Gene Goss, Mayor Pro Tem

Edward Garcia, Council Member

Kelly Kriebs, Council Member

Robert Parkhurst, Council Member

4. SUPPLEMENTAL INFORMATION FROM CITY CLERK REGARDING AGENDA ITEMS

5. REPORTS FROM MAYOR AND CITY COUNCIL (including reports from City Council related to meetings attended at City expense per AB 1234)

6. REPORTS FROM CITY STAFF

7. PRESENTATIONS

A. Presentation by Los Angeles County Sanitation District on rate increases

B. Presentation of Mayor's Certificates to the Ad Hoc Revenue Committee

C. Presentation by Holly Human Resources: AI-Powered Class and Compensation for Governments

8. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Any person wishing to speak before the City Council is asked to complete a Speaker Card and provide it to the City Clerk prior to the start of the meeting. Speakers are generally limited to three (3) minutes per person and time may not be delegated; any changes to the allotted time will be announced prior to the Public Comment period. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

Addressing the City Council from the audience is not permitted; all comments addressing the Council must be made from the podium. Only public comment made from the podium will be recognized by the City Council and entered into public record.

9. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless a member of the City Council requests that a specific item be removed from the Consent Calendar for separate discussion and action.

A. Regular Meeting Minutes of January 27, 2026

CEQA: Not a Project

Recommended Action: Approve

B. Resolution No. 26-11 Approving Certain Demands for Payment

CEQA: Not a Project

Recommended Action: Approve

C. Resolution No. 26-12 Authorizing the Application for Grant Funds for the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy's Wildfire Prevention Program for the Sierra Madre Community Wildfire Prevention and Restoration Plan

CEQA: Not a Project

Recommended Action: Adopt

D. Second Reading of Ordinance No. 1489 Amending Chapter 10.52 (Parking Prohibitions on Yellow and Red Flag Alert Days) of Title 10 (Vehicles and Traffic) of the Sierra Madre Municipal Code

CEQA: Not a Project

Recommended Action: Adopt

E. Scheduling of a Public Hearing on February 24, 2026 for an Appeal of the Planning Commission's Decision to Approve a Design Review Permit (DRP 25-02) for The Meadows at Bailey Canyon Project

CEQA: Not a Project

Recommended Action: Approve

10. DISCUSSION ITEMS

A. Presentation by Uber Transit for Citywide On Demand Transportation Services

CEQA: Not a Project

Recommended Action: Provide Direction

B. Resolution No. 26-13 Adopting Midyear Adjustments to the Fiscal Year 2025-2026 Budget and Appropriating the Amounts Projected Therein and Report, Discussion, and Direction on Fiscal Year 2026-27 Budget Strategy and Related Policy Direction

CEQA: Not a Project

Recommended Action: Adopt

C. First Reading of Ordinance No. 1490 Amending Section 3.08.040 of the Sierra Madre Municipal Code Related to Purchasing for Non-Public Projects

CEQA: Not a Project

Recommended Action: Approve

D. Report, Discussion, and Direction on Potential Economic Development Programs

CEQA: Not a Project

Recommended Action: Receive and File

11. ITEMS FOR FUTURE AGENDAS

12. ADJOURNMENT

The City Council will adjourn to its next regular meeting on Tuesday, February 24, 2026.

The City Council will adjourn to its next regular meeting on N/A.

Date Posted: February 12, 2026



CITY OF SIERRA MADRE

STAFF REPORT

HUMAN RESOURCES

DATE: February 10, 2026
TO: Honorable Mayor and City Council
FROM: Miguel Hernandez, Assistant City Manager
SUBJECT: **Presentation by Holly: AI-Powered Class and Comp for Governments**

RECOMMENDATION

It is recommended that the City Council receive and file this presentation. This report is intended to provide background information on Holly as an alternative to the traditional classification and compensation study process approved by the City Council, for which \$80,000 in funding was included in the FY 2025–26 adopted budget. Although no City Council direction is required, should the City Council wish to proceed with Holly, Human Resources will serve as the lead department for implementation.

SUMMARY

Holly is a GovTech platform that automates classification analysis, compensation benchmarking, and MOU interpretation for public-sector Human Resources and Finance teams. The platform is designed to modernize job specifications, provide comparator-specific market benchmarking refreshed quarterly, produce total compensation tables with direct MOU citations, and maintain a version-controlled system of record to support recruitment, retention, internal equity, and labor negotiations.

DISCUSSION & ANALYSIS

The City of Sierra Madre’s workforce, approximately 100 FTEs across a range of job classifications, relies on numerous job specifications that will require a meaningful update to reflect current duties, competencies, and labor market expectations. Modernizing these job specifications can help the City strengthen recruitment and retention, address internal equity and alignment concerns, and support clearer career development, particularly for single-function classifications that may lack viable advancement pathways or structured job series opportunities. Holly’s platform is designed to address these issues through a structured, data-informed modernization approach that includes:

- Ongoing compensation benchmarking tied to City-selected comparator agencies, supported by quarterly market data refreshes to help maintain alignment with current conditions.
- Automated modernization of job specifications, including rewriting for clarity and consistency, and development of job series to establish internal career development opportunities.
- Qualification standards analysis to identify opportunities to broaden qualified applicant pools while strengthening the City's ability to defend classification and minimum qualification decisions.
- MOU provision extraction with traceable citations, enabling production of transparent total compensation tables to support labor discussions and negotiations.

Given the City's size, workforce composition, and the scope of needed classification updates, a one-year pilot use of Holly would allow the City to evaluate the platform's effectiveness, data quality, and practical value before committing to a longer-term approach. A limited trial period would enable Human Resources to assess how well Holly supports job specification modernization, market benchmarking, internal alignment, and labor-related analyses within the City's operational context. This pilot approach would also provide the City Council with tangible results and staff feedback to inform any future decisions regarding continuation, expansion, or integration of the platform into the City's broader classification and compensation practices.

STRATEGIC PLAN RELATIONSHIP

This action aligns with the strategic objective to build an organization that is innovative, financially stable and consistently delivers a high level of service, and responds to Strategy OS 1.1 Improve Recruitment Potential, Strategy OS 1.2 Create a "Staff Development Plan", and OS 1.3 Enhance Staff Retention Efforts.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

The City Council previously approved an \$80,000 allocation for a comprehensive classification and compensation study in the FY 2025-26 adopted budget. Staff's recommended phased, cost-effective approach would begin with a one-year, AI-enabled platform subscription at a cost not to exceed \$8,500 in FY 2025-26, allowing the City to advance key elements of classification modernization and compensation analysis at a fraction of the originally anticipated cost. Any additional phases or ongoing costs would be evaluated and funded through the normal annual budget and appropriation process.

Approved by:

A handwritten signature in black ink, appearing to read "Mike", written in a cursive style.

Michael Bruckner
City Manager



CITY OF SIERRA MADRE

CITY COUNCIL REGULAR MEETING AGENDA

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CEQA: Not a Project
Recommended Action: Approve

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CEQA: Not a Project
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12. ADJOURNMENT

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CITY OF SIERRA MADRE

CITY COUNCIL REGULAR MEETING MINUTES

Mayor Kristine Lowe | Mayor Pro Tem Gene Goss
Council Member Edward Garcia | Council Member Kelly Kriebs | Council Member Robert Parkhurst

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1. CALL TO ORDER

Mayor Lowe called the meeting to order at 5:43 pm.

2. PLEDGE OF ALLEGIANCE AND INSPIRATION

Mayor Pro Tem Goss led the audience in the Pledge of Allegiance. Afterwards he spoke about being out of the drought for the first time in many years. The current fire risk is very low.

3. ROLL CALL OF CITY COUNCIL MEMBERS

City Clerk Aguilar called the roll:

Kristine Lowe, Mayor

Gene Goss, Mayor Pro Tem

Edward Garcia, Council Member

Kelly Kriebs, Council Member

Robert Parkhurst, Council Member

Also Present: Michael Bruckner, City Manager
Aleks Giragosian, City Attorney
Laura Aguilar, City Clerk
Leila Regan, Library Services Director
Clare Lin, Director of Planning and Community Preservation
Joshua Wolf, Senior Planner
Brent Bartlett, Fire Chief
Karen Bustillos, Fire Captain
Brian Dickinson, Public Works Project Manager
James Carlson, Public Works Senior Analyst

4. CLOSED SESSION

City Attorney Giragosian reported that the City Council met in an agendaized closed session to discuss the following:

- a. Conference with Legal Counsel; Existing Litigation (Gov. Code § 54956.9(d)(1)).6
The City Council finds, based on advice from legal counsel, that discussion in open session will prejudice the position of the local agency in the litigation.
Name of Case: *Gursey v. Southern California Edison Company et al*
Name of Parties: Southern California Edison Company
Case No: 25STCV00731

- b. Public Employee Performance Evaluation (Gov. Code § 54957)
Title: City Attorney

c. Public Employee Performance Evaluation (Gov. Code § 54957)

Title: City Manager

City Attorney Giragosian noted, for the record, that no reportable action was taken on any of the three discussion items.

5. SUPPLEMENTAL INFORMATION FROM CITY CLERK REGARDING AGENDA ITEMS

6. REPORTS FROM MAYOR AND CITY COUNCIL (including reports from City Council related to meetings attended at City expense per AB 1234)

Council Member Kriebs:

Reported that she attended the meeting of the Library Board of Trustees on January 26. The Board discussed progress on the Library Meaningful Improvement Project.

Council Member Garcia:

Reported that he attended the Planning Commission meeting on January 15. The Commission discussed Design Review for the Meadows proposed development. He also reported that he was invited to the Speech, Debate, and Service Club at Sierra Madre Middle School. On January 21, the Natural Resources Commission met and discussed a grant offered by Los Angeles County. Although he was unable to attend the meeting, he subsequently met with Chair Nelsen to receive an update.

Council Member Parkhurst:

Reported that he attended two meetings of the Clean Power Alliance on January 15. He reported that the CPA will roll out new electricity rates on February 1st, which are lower than the rates from Southern California Edison. Council Member Parkhurst also reported that he attended a Cal Cities round table meeting on E-Bikes on January 20.

Mayor Pro Tem Goss:

Reported that he attended a meeting on January 15 in Monrovia for the San Gabriel Valley Council of Governments. No reportable action. On January 21 he attended a meeting of the Community Services Commission meeting at the Kensington.

Mayor Lowe:

Reported that she attended the January 16 installation luncheon for Arcadia Association of Realtors.

7. REPORTS FROM CITY STAFF

1. Fire Captain Karen Bustillos announced that the Fire Department will be participating in a new EMS pilot program.
2. Library Services Director Leila Regan provided an update on the move from the temporary library location to the permanent location. The grand opening ribbon cutting event is scheduled for Saturday, June 6, 2026.

8. PRESENTATIONS

- a. Presentation by The Vertex Companies on the Library Improvement Project
- b. Presentation by Southern California Association of Governments on Programs and Services

9. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

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City Clerk announced for the record that two e-mails had been received and forwarded to the City Council for review and consideration. All e-mails were uploaded to the City's website for transparency and public inspection.

1. Christie Kederian: requested soil testing results for post-fire and a pause on further site-disturbing activity.
2. Amy Wasson: expressed concerns with excavation at the monastery property.

Six speaker cards were submitted for public comment:

1. Nancy Beckham, 337 N. Lima St
2. Deb Sheridan, 635 Valle Vista
3. Caroline Brown, Alta Vista
4. Sharil Fukuzaki, 501 N. Sunnyside
5. Philip Yao, 513 Sierra Keys Dr.
6. Christie Kederian

7. Joachim Kederian, 615 Edgeview Dr.

Seeing no one else come forward, Mayor Lowe closed public comment for items not on the agenda.

10. PUBLIC HEARING

Any person wishing to speak before the City Council on a public hearing item is asked to complete a Speaker Card noting the agenda item number and provide it to the City Clerk prior to the start of the public hearing. Separate and apart from the applicant (who may speak longer in the discretion of the City Council) speakers are generally limited to three (3) minutes per person; any changes to the allotted time will be announced prior to the Public Comment period. Under the Brown Act, the City Council is prohibited from discussing or acting on any item not listed on the posted agenda. The applicant may additionally submit rebuttal comments, at the discretion of the City Council.

- a. Public Hearing to Adopt Resolution No. 26-09 certifying an Environmental Impact Report, Approving Tentative Tract Map No. 65348, and approving a Mitigation Monitoring and Reporting Program for the Ginkgo Stonehouse Residential Project located at 935 and 965 East Grand View Avenue

CEQA: Pursuant to California Public Resources Code Section 21100, state law requires the preparation of an EIR for proposed projects that may have a significant effect on the environment. The EIR is an informational document intended for use by the City of Sierra Madre as the lead agency, other public agencies, and members of the public. 14 CCR Section 15090 requires a lead agency to certify the final EIR prior to approving a proposed project.

Recommended Action: Adopt

At the conclusion of Senior Planner Wolf's report, Mayor Lowe brought the matter to Council for questions.

Chad Stadnicki, Development Manager for Ginkgo Stonehouse, LLC (applicant) was recognized by Mayor Lowe. He requested the Council's approval of the original development plan and noted that Project Engineer Steve Austin was also present to answer questions.

Mayor Lowe opened the podium for public comment. City Clerk Aguilar noted for the record that one e-mail had been received prior to the City Council meeting. That e-mail was forwarded to the City Council for consideration and uploaded onto the City's website for transparency and public access. The e-mail was from:

1. Jean Pfaffinger requested that the City Council adopt the recommendation of the Planning Department, over that of the Developer and Planning Commission.

Additionally, two speaker cards were submitted from:

1. Caroline Brown, Alta Vista Dr.
2. Deb Sheridan, 635 Valle Vista

Seeing no one else come forward, Mayor Lowe closed Public Comment and brought the matter back to the City Council for further discussion.

At this time, City Attorney Giragosian requested a brief recess to review the history of the One Carter lot splits for applicability to the proposed Ginko Stonehouse project.

8:30 pm Mayor Lowe called for a brief recess.

8:44 pm the City Council reconvened their meeting.

City Attorney Giragosian advised that during the recess there was agreement between the City and the applicant to the proposed condition:

If the portions of Lots 4 or 5 that are restricted as open-space are ever sub-divided from the remainder of Lots 4 or 5, respectively, a concurrent lot-tie will be recorded, and their respected sub-divided portions to prevent them from being separately transferrable.

Mayor Lowe asked the Council for a motion.

Council Member Parkhurst made a motion to approve Resolution 26-09 with the proposed conditions.

Council Member Garcia seconded the motion.

Mayor Lowe called for a vote of the Council:

Ayes:	Mayor Lowe, Mayor Pro Tem Goss, Council Members Garcia, Kriebs, and Parkhurst
Noes:	None.
Absent:	None.
Abstain:	None.

The motion to approve Resolution 26-09, as amended, was approved by unanimous voice vote.

11. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one vote. There will be no separate discussion of these items unless a member of the City Council requests that a specific item be removed from the Consent Calendar for separate discussion and action.

- a. Regular Meeting Minutes of January 13, 2026
CEQA: Not a Project
Recommended Action: Approve

- b. Resolution No. 26-08 Approving Certain Demands for Payment
CEQA: Not a Project
Recommended Action: Adopt

- c. San Gabriel Valley Municipal Water District Grant and Implementation of an Acoustic Leak Detection Program
CEQA: Not a Project
Recommended Action: Approve

- d. Professional Services Agreement with Willdan, Civiltec Engineering, Transtech Engineers, and IMEG for On-Call Engineering Services for the remainder of Fiscal Year 2025/2026 and for Fiscal Year 2026/2027 through Fiscal year 2028/2029
CEQA: Not a Project
Recommended Action: Approve

- e. Amendment No. 2 to the Professional Services Agreement for Consultant Services with GeoCon West, Inc., in the amount of \$49,000 for a total not-to-exceed contract amount of \$101,600.
CEQA: Not a Project
Recommended Action: Approve

- f. Revised Amendment No. 1 to the Professional Services Agreement with Vertex Companies, LLC for construction management and oversight services for the Library Remodel and Construction Expansion Project
CEQA: Exempt
Recommended Action: Approve

- g. Resolution No. 26-10 Adopting the 2025 City of Sierra Madre Local Hazard Mitigation Plan
CEQA: Not a Project
Recommended Action: Adopt

The City Council asked questions for clarification on Consent Items B, D, F, and G. Staff provided responses for clarity.

Mayor Lowe opened the podium for public comment. City Clerk Aguilar noted for the record that one e-mail had been received prior to the City Council meeting from:

Catherine Adde - Consent item F: expressed frustration with AMG's lack of communication to the City.

Seeing no one come forward, Mayor Lowe closed Public Comment and brought the matter back to the City Council.

Mayor Lowe asked the Council for a motion.

Council Member Kriebs made a motion to approve Consent A-G, as presented.

Mayor Pro Tem Goss seconded the motion.

Mayor Lowe called for a vote of the Council:

Ayes: Mayor Lowe, Mayor Pro Tem Goss, Council Members Garcia, Kriebs, and Parkhurst
Noes: None.
Absent: None.
Abstain: None.

Consent Items A-G were approved by unanimous voice vote.

12. DISCUSSION ITEMS

- a. First Reading of Ordinance No. 1489 Amending Chapter 10.52 (Parking Prohibitions on Yellow and Red Flag Alert Days) of Title 10 (Vehicles and Traffic) of the Sierra Madre Municipal Code
CEQA: Not a Project
Recommended Action: Approve

Fire Chief Bartlett presented the report.

Mayor Lowe opened the podium for public comment. City Clerk Aguilar noted for the record that no e-mails had been received prior to the City Council meeting.

Seeing no one come forward, Mayor Lowe closed Public Comment and brought the matter back to the City Council for further discussion.

Mayor Lowe asked the Council for a motion.

Council Member Parkhurst made a motion to add Alta Vista to the list and approve first reading of Ordinance 1489.

Mayor Pro Tem Goss seconded the motion.

Mayor Lowe called for a vote of the Council:

Ayes: Mayor Lowe, Mayor Pro Tem Goss, Council Members Garcia, Kriebs, and Parkhurst
Noes: None.
Absent: None.

The motion to approve first reading of Ordinance 1489, as amended, was approved by unanimous voice vote.

b. Report, Discussion, and Direction on a proposed GANN Appropriations Limit Increase Ballot Measure at the June 2, 2026 Statewide Primary Election

CEQA: Not a Project

Recommended Action: Provide Direction

City Manager Bruckner presented the report.

Mayor Lowe opened the podium for public comment. City Clerk Aguilar noted for the record that no e-mails had been received prior to the City Council meeting.

Seeing no one come forward, Mayor Lowe closed Public Comment and brought the matter back to the City Council for further discussion.

Mayor Lowe asked the Council for a motion.

Mayor Pro Tem Goss moved to approve a ballot measure to increase GANN appropriation limits.

Council Member Kriebs seconded the motion.

Mayor Lowe called for a vote of the Council:

Ayes: Mayor Lowe, Mayor Pro Tem Goss, Council Members Garcia, Kriebs, and Parkhurst

Noes: None.

Absent: None.

The motion was approved by unanimous voice vote.

13. ITEMS FOR FUTURE AGENDAS

Garcia – Red Flag Evacuation and Notification plan

Parkhurst- SCAG e-bike program

Lowe- Community communications regarding housing developments

14. ADJOURNMENT

Council Member Garcia made a motion to adjourn the meeting.

Mayor Pro Tem Goss seconded the motion.

The City Council meeting adjourned at 9:35 to its next regular meeting on Tuesday, February 10, 2026.

Minutes taken and typed by:

Laura M. Aguilar

City Clerk



CITY OF SIERRA MADRE

STAFF REPORT

FIRE DEPARTMENT

DATE: February 10, 2026

TO: Honorable Mayor and City Council

FROM: Brent Bartlett, Fire Chief

SUBJECT: **Resolution No. 26-12 Authorizing the Application for Grant Funds from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) Wildfire Prevention Program for the Sierra Madre Community Wildfire Prevention and Restoration Plan**

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 26-12 authorizing the City Manager or their designee to apply for grant funds from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) Wildfire Prevention Program for the development of the Sierra Madre Community Wildfire Prevention and Restoration Plan (the Plan), and to execute and submit all related documents.

SUMMARY

The Sierra Madre Fire Department is requesting authorization to apply for grant funds from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) Wildfire Prevention Program. The grant application seeks funding to develop the Sierra Madre Community Wildfire Prevention and Restoration Plan.

The proposed planning effort will assess wildfire hazards and community vulnerabilities, identify and prioritize wildfire prevention and restoration strategies, and strengthen coordination with partner agencies and the community. Adoption of a resolution is required by RMC prior to submission of the grant application and certifies consistency with applicable local and regional plans, program goals, and grant requirements.

DISCUSSION & ANALYSIS

Sierra Madre is located within the wildland–urban interface along the foothills of the San Gabriel Mountains and faces ongoing wildfire risks due to steep topography, dense vegetation, climate-driven weather conditions, and proximity to open space and sensitive habitat areas. Recent

wildfire events have highlighted the need for a coordinated, data-driven planning framework to guide wildfire prevention, preparedness, and long-term resilience.

The proposed Community Wildfire Prevention and Restoration Plan will serve as the City's foundational planning document to:

- Evaluate wildfire hazards and community vulnerabilities;
- Identify and prioritize fuel reduction, vegetation management, and restoration projects;
- Enhance community outreach and preparedness efforts;
- Strengthen collaboration with local, regional, state, and federal partners; and
- Position the City to pursue future state and federal implementation funding opportunities.

The RMC Wildfire Prevention Program supports planning projects that provide multi-benefit outcomes, including community safety, watershed protection, and ecosystem resilience. As part of the application requirements, RMC requires the applicant's governing body to adopt a resolution authorizing the grant application, certifying consistency with applicable plans, and designating an authorized agent.

Adoption of the proposed resolution does not obligate the City to accept grant funding if awarded, nor does it commit the City to future implementation projects. It authorizes submission of the application and, if successful, allows the Fire Department to proceed with the planning effort in accordance with grant requirements.

STRATEGIC PLAN RELATIONSHIP

The proposed action supports the City's Strategic Plan goals related to public safety, emergency preparedness, environmental stewardship, and community resilience, by advancing proactive wildfire prevention planning and strengthening coordination among agencies and the community.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action. If grant funding is awarded, the planning project would be funded by the RMC Wildfire Prevention Program, with

any required City contributions addressed through the grant agreement and future City Council actions as needed.

Approved by:



Michael Bruckner
City Manager

Attachment(s):

1. Resolution No. 26-12
2. RMC Concept Proposal Grant Application

RESOLUTION NO. 26-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE AUTHORIZING THE APPLICATION FOR GRANT FUNDS FOR THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY'S WILDFIRE PREVENTION PROGRAM FOR THE SIERRA MADRE COMMUNITY WILDFIRE PREVENTION AND RESTORATION PLAN

WHEREAS, the State of California has authorized the expenditure of General Funds by the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) for the Wildfire Prevention Early Action Budget Plan pursuant to Section 14 of the Budget Act of 2020 and the Wildfire and Forest Resilience Package pursuant to Section 68 of the Budget Act of 2021; and

WHEREAS, the RMC has been delegated responsibility for the administration of the grant program within its jurisdiction and for establishing the necessary procedures; and

WHEREAS, the procedures established by the RMC require the City Council to adopt this Resolution prior to submission of the application to the State; and

WHEREAS, if awarded, the City will enter into a contract with the State of California for the proposed project;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby finds and declares that the foregoing recitals are true and correct and are incorporated herein by reference.

SECTION 2. Authorization to Apply for Grant Funds. The City Council hereby authorizes the City of Sierra Madre to apply for grant funds from the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy's Wildfire Prevention Program for the development of the Sierra Madre Community Wildfire Prevention and Restoration Plan.

SECTION 3. Plan Implementation and use. The City Council certifies that the Community Wildfire Prevention and Restoration Plan is consistent with applicable local and regional land use plans and with the goals and objectives of the Wildfire Prevention Program, including multi-beneficial and multi-jurisdictional ecosystem and watershed protection projects, in accordance with statewide priorities. The City further certifies that the Plan, once developed, will be used to guide wildfire prevention planning, community outreach, interagency coordination, and future implementation efforts.

SECTION 4. Administrative Findings and Program Compliance. The City Council certifies that the City has, or will have, sufficient resources to operate, maintain, and administer the Plan submitted for funding consideration, and that the City has reviewed and understands the General Requirements and General Policies of the RMC Grant Program Guidelines.

SECTION 5. Authorization to Submit Documentation. Appoints the City Manager, or an authorized representative, as agent to conduct all negotiations and to

execute and submit all documents, including but not limited to applications, agreements, and payment requests, that may be necessary for completion of the Plan.

SECTION 6. CEQA. Authorizing the application for grant funds for the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy's Wildfire Prevention Program for the Sierra Madre Community Wildfire Prevention and Restoration Plan does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment.

SECTION 7. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Resolution or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Resolution or any part thereof or exhibit thereto. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 8. Certification. Pursuant to Government Code Section 36932, the City Clerk shall certify the passage, approval, and adoption of this Resolution by the City Council.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED AND ADOPTED on the 10th day of February, 2026.

Kristine Lowe, Mayor
City of Sierra Madre

I HEREBY CERTIFY the foregoing Resolution 26-12 was duly passed, approved, and adopted by the City Council of the City of Sierra Madre, California, at a meeting held on the 10th day of February by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Laura Aguilar, City Clerk
City of Sierra Madre

7. BRIEF PROJECT DESCRIPTION: In 400 words, describe the proposed project and project need. Please explain the project’s goal(s), expected outcome(s), and the major tasks involved in the project.

Attach a map of the project location and photos and briefly describe the project location.

For acquisitions, the current status must be included (i.e., willing seller letter, appraisal status)

(Enter 400 word project description here)

The City of Sierra Madre seeks assistance for the development of a comprehensive Community Wildfire Protection Plan (CWPP) to address high and very high wildland-urban interface (WUI), impacting the San Gabriel Mountains and Foothills. The plan will be dedicated to enhancement of community wildfire resilience, improving preparedness, and reducing risks to life, property, sensitive conservation/wildlife habitat, and critical infrastructure, that provides multiple benefits countywide and regionally. Proactive wildfire prevention will help protect the Gabrielino-Tongva Tribal culture embedded in the mountain trails. There is a sense of urgency in our request due to the increasing climatic changes that have substantially affected communities along the San Gabriel foothill areas.

Local Conditions and Vulnerability, the city faces significant wildfire risks from steep topography, vegetation and seasonal weather conditions, and has history in fire prevention, vegetation management and public outreach efforts. The city does not have a comprehensive wildfire protection planning strategy to prioritize critical projects and to enhance collaboration with inter and intra agency partners. The city experienced significant impacts from the Eaton Fire with portions of the community devastated, including the Sierra madre Historical Wilderness Area and Mount Wilson Trail severely affected. This has heightened the risk of post-fire erosion and environmental damage. Additionally, the Sierra Madre Fire Department (SMFD) entered unified command with CAL Fire, the U.S. Forest Service, and the Pasadena Fire Department for containment. Project involves community-led outreach and engagement reaching all stakeholders, residents, non-profit entities and businesses with targeted goals and tasks designed to educate, equip, protect and manage open local spaces and recreational areas with significant historic value, enjoyed by thousands of visitors annually. Plan goals:

- Decrease wildfire risk to homes, business, infrastructure, tribal resources, regional conservation/wildlife habitat
- Prioritize fuel reduction and vegetation management projects short-term and long-term
- Funding strategy and timeline for prioritized projects
- Expand community outreach and education using FEMA approved CERT training and volunteers
- Strengthen interagency collaboration (e.g. CalFire, Los Angeles County Fire Department, U.S. Urban Forestry Program)

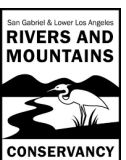
Task 1 Procurement of contractor	Field expert planning/engagement
Task 2 Kick-off Meeting and CWPP Team Formation	Core Team Established
Task 2 Community Outreach and Stakeholder Engagement	3 Core Team Meetings/2 Workshops
Task 3 Data Collection and Analysis	ESRI GIS Data Integration
Task 4 Development of Baseline Map	Community Baseline Map
Task 5 Community Risk Assessment	Risk Assessment
Task 6 Draft CWPP, Engagement and Consultations	Fire-Adapted Community-Action Plan Matrix*
Task 7 Develop Final CWPP	Adopted CWPP for Implementation
Task 8 Creation of Story Map	Interactive ArcGIS Story Map

*To include High Priority Items- Sierra Madre Eaton Fire Response-After-Action Report/Improvement Planning

8. TRIBAL CONSULTATION: How will/has your project engaged with tribal groups?

(Enter description here)

The City will continue coordination and public outreach engagement to ensure the protection of the original Gabrielino-Tongva cultural resources located within the mountain trail areas, including expansion of conservation efforts in the trails with advocacy groups and non-profit organizations.





9. ENVIRONMENTAL COMPLIANCE AND PERMITTING (check all that apply):

What is the status of the environmental documentation for this project, check the most appropriate box?
Please provide documentation of environmental compliance if applicable. N/A

- No CEQA/NEPA work initiated
- Initial Study Completed, date of completion: _____
- Negative Declaration, date of certification: _____
- Categorically Exempt, date of certification: _____
- CEQA/NEPA in process, expected date of completion: _____
- CEQA/NEPA completed, date of completion: _____

<u>AGENCY</u> <u>identify permits necessary for project implementation</u>	<u>YES</u>	<u>NO</u>	<u>DATE OF APPROVAL/PENDING</u>
California Fish and Wildlife			
State Water Control Resources Board			
US Army Corp of Engineers			
US Fish and Wildlife			
Los Angeles County Flood Control District			
City/County Construction Permits			
Coastal Commission			
Other			

10. WORKFORCE DEVELOPMENT (check only one):

- YES, this project will involve the California Conservation Corp or another local Conservation Corp.
- YES, this project will implement a youth employment or job training program.
- NO, this project will not involve a workforce development component.
- Not applicable, this project is a planning only project.

11. SIGNATURES:

Signed by: Brent Bartlett
 Signature of Applicant: _____ Date: 12/17/2025
73D65181B532A73
 Name and Title: Brent Bartlett, Fire Chief

Signed by: Michael Bruckner
 Signature of Authorized Official: _____ Date: 12/18/2025
B49E227ED62A47D...
 Name and Title: Michael Bruckner, City Manager

Exhibits attached:
 Project Area Map(s)
 Photos- Post-Eaton Fire Impact



CITY OF SIERRA MADRE

STAFF REPORT

FIRE DEPARTMENT

DATE: February 10, 2026
TO: Honorable Mayor and City Council
FROM: Brent Bartlett, Fire Chief
SUBJECT: **Second Reading of Ordinance No. 1489 Amending Chapter 10.52 – Parking Prohibitions on Red Flag Alert Days**

RECOMMENDATION

It is recommended that the City Council conduct a second reading of Ordinance No. 1489, amending Chapter 10.52 (Parking Prohibitions on Red Flag Alert Days) of Title 10 (Vehicles and Traffic) of the Sierra Madre Municipal Code, and adopt Ordinance 1489.

SUMMARY

The City Council conducting a first reading at its meeting on January 27, 2026, and unanimously approved the introduction of Ordinance No. 1489. The second reading of Ordinance No. 1489 is hereby presented before the City Council for consideration and adoption.

For additional information regarding Ordinance No. 1489, please see Attachment 1.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act (“CEQA”), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action.

Approved by:

A handwritten signature in black ink, appearing to read "Mike", is positioned above a horizontal line.

Michael Bruckner
City Manager

Attachment(s):

1. First Reading Agenda Report
2. Ordinance No. 1489



ATTACHMENT

DATE: January 27, 2026
TO: Honorable Mayor and City Council
FROM: Brent Bartlett, Fire Chief
SUBJECT: Adoption of Ordinance No. 1489 Amending Chapter 10.52 – Parking Prohibitions on Red Flag Alert Days

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 1489, amending Chapter 10.52 (Parking Prohibitions on Red Flag Alert Days) of Title 10 (Vehicles and Traffic) of the Sierra Madre Municipal Code.

SUMMARY

Chapter 10.52 of the Sierra Madre Municipal Code regulates on-street parking during periods of elevated fire danger, debris flow, and mudflow risk in order to ensure emergency vehicle access and protect public safety. Ordinance No. 1489 repeals and replaces Chapter 10.52 in its entirety to remove outdated references to Yellow Flag Alert Days, consolidate Red Flag conditions into a single standard, and update the list of designated streets based on current Fire Department operational planning in the City's Upper and Lower Canyon areas. These amendments improve clarity for residents, enhance enforceability, and maintain public safety during Red Flag Alert Days.

DISCUSSION & ANALYSIS

California Vehicle Code Section 22507 authorizes cities to adopt ordinances prohibiting or restricting parking on City streets. Chapter 10.52 was originally adopted following significant wildfire and debris flow threats affecting Sierra Madre's hillside and canyon neighborhoods and has been amended over time to ensure emergency access during hazardous conditions.

Ordinance No. 1489 represents a comprehensive update to Chapter 10.52 and reflects current Fire Department emergency response practices. Key elements of Ordinance No. 1489 include:

- Removal of all references to Yellow Flag Alert Days to simplify public messaging and reduce confusion during emergency conditions.

- Establishment of a single, clearly defined Red Flag Alert Day standard encompassing fire weather, debris flow, and mudflow hazards.
- Updated and reorganized lists of designated streets, grouped by Upper Canyon, Lower Canyon, Upper and Lower Canyon, and Non-Canyon Specific areas, based on current Fire Department response and access planning.

The ordinance does not expand enforcement authority or introduce new penalties. Existing towing authority and misdemeanor provisions remain unchanged. Instead, Ordinance No. 1489 improves clarity, consistency, and operational effectiveness during declared Red Flag Alert Days, ensuring timely emergency vehicle access and supporting resident evacuation when necessary.

STRATEGIC PLAN RELATIONSHIP

Adoption of Ordinance No. 1489 supports the City’s Strategic Plan goal of Public Safety by improving emergency response access, enhancing evacuation readiness, and reducing confusion during high-risk fire weather and debris flow events.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act (“CEQA”), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of adopting Ordinance No. 1489.

Approved by:



Michael Bruckner
City Manager

Attachment(s):

Adoption of Ordinance No. 1489 Amending Chapter 10.52 – Parking Prohibitions on Red Flag
Alert Days

January 27, 2026

Page 3 of 3

1. 2026-01-22 CC SR re Red Flag Alert Days Ordinance 1489
2. Chapter 10.52 PARKING PROHIBITIONS ON RED FLAG ALERT DAYS Rev 1-15-26

ORDINANCE NO. 1489

**AN ORDINANCE OF THE CITY OF SIERRA MADRE,
CALIFORNIA, AMENDING CHAPTER 10.52 (PARKING
PROHIBITIONS ON YELLOW AND RED FLAG ALERT
DAYS) OF TITLE 10 (VEHICLES AND TRAFFIC) OF THE
SIERRA MADRE MUNICIPAL CODE**

RECITALS

WHEREAS, under Vehicle Code section 22507, the City is authorized to adopt an ordinance prohibiting or restricting parking vehicles on City streets;

WHEREAS, Chapter 10.52 of the Sierra Madre Municipal Code was adopted to protect health, safety, and the general welfare by regulating on-street parking on designated City streets during Red Flag Alert Days; and

WHEREAS, the City desires to update Chapter 10.52 to remove the reference to Yellow Flag Alert Days and update the list of designated City streets.

**THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE,
CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Amendment. Chapter 10.52 (Parking Prohibitions on Yellow and Red Flag Alert Days) of the Sierra Madre Municipal Code is repealed in its entirety and replaced with the following:

Chapter 10.52 – PARKING PROHIBITIONS ON RED FLAG ALERT DAYS

10.52.010 Purpose of this chapter.

The purpose of this chapter is to protect the health, safety, and general welfare of the citizens of Sierra Madre by regulating on-street parking on designated city streets during days with weather conditions that pose a risk of debris, mudflows, or fire hazards.

10.52.020 Definitions.

A. On-street parking.

The stopping, standing, or parking of any vehicle on designated city streets as specified in Section 10.52.030.

B. Red Flag Alert Day.

A condition declared by the Fire Department when weather conditions pose a heightened risk to life or property due to fire danger, debris flow, or mudflow potential. Such conditions may include, but are not limited to:

1. Extreme burning conditions are expected or ongoing; or
2. Moderate debris and mudflows may occur in multiple areas of the City; or
3. There is potential for significant debris and mudflows in specific high-risk areas.

A Los Angeles County Public Works Phase II or Phase III forecast may prompt debris and/or mudflow alerts. Authorization to declare a Red Flag Alert Day is by the Fire Chief or designee.

10.52.030 Parking prohibitions.

A. General Prohibitions.

Whenever the Fire Department determines that on-street parking on designated city streets would pose a hazard to life or property by interfering with emergency vehicle access or resident evacuation during a Red Flag Alert Day, on-street parking is prohibited.

Signs shall be installed and maintained to give notice of these prohibitions. Such signs shall include a warning that vehicles parked in violation may be removed at the owner's expense.

B. Designated Streets.

The following streets, or portions thereof, are subject to the parking prohibitions of this chapter:

Lower Canyon*

- Alta Vista Drive
- Audubon Way
- Brookside Lane
- Holly Trail
- Oakdale Drive
- Sierra Court
- Sturtevant Drive
- Sunnyside Lane
- Vista Circle Drive
- Woodland Drive
- Yucca Trail

Upper Canyon*

- Canyon Crest Drive
- Casey Road
- Churchill Glen Street
- Churchill Road
- Fern Drive
- Fern Glen
- Idlehour Lane
- Madre Lane
- Old Ranch Road
- Orange Drive
- Skyland Drive

Upper and Lower Canyon*

- Forest Lane
- Pleasant Hill Lane

Non-Canyon Specific*

- Elm Avenue
- Mount Wilson Trail

*The canyon area headings are provided for organizational purposes and do not limit the applicability of this section to the full length of any listed street.

10.52.040 Violations/penalties.

A. Removal of Vehicles.

Vehicles parked in violation of this chapter may be removed by the City. The owner is liable for the expense of removal, which constitutes a collectible debt to the City.

B. Misdemeanor Violation.

Violating this chapter is a misdemeanor punishable as set forth in Chapter 1.12 of the Sierra Madre Municipal Code.

SECTION 3. CEQA. This Ordinance does not meet the definition of a “Project” for purposes of the California Environmental Quality Act because, under 15 CCR 15378(a), a project does not include an action that does not have a direct or indirect physical change of the environment.

SECTION 4. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Ordinance or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance or any part thereof or exhibit thereto. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 5. Certification. Pursuant to Government Code Section 36932, the City Clerk shall certify the passage, approval, and adoption of this Ordinance by the City Council.

SECTION 6. Publication. Pursuant to Government Code Section 36933, the City Clerk shall cause this Ordinance to be published or posted.

SECTION 7. Records. Pursuant to Government Code Section 40801, proof of certification and publication shall be entered in the book of Ordinances of the City Council.

SECTION 8. Effective Date. Pursuant to Government Code Section 36937, this Ordinance shall take effect thirty days after its adoption.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2026.

Kristine Lowe, Mayor

I HEREBY CERTIFY that the foregoing Ordinance was introduced by first reading on the 27th day of January, 2026, and duly adopted at a regular meeting held on the ____ day of _____ 2026, by the City Council of the City of Sierra Madre, California, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Laura Aguilar, City Clerk



CITY OF SIERRA MADRE

STAFF REPORT

PLANNING & COMMUNITY PRESERVATION

DATE: February 10, 2026

TO: Honorable Mayor and City Council

FROM: Clare Lin, Planning & Community Preservation Director
By: Joshua Wolf, Senior Planner

SUBJECT: **Scheduling of a Public Hearing for an Appeal of the Planning Commission's Decision to Approve a Design Review Permit (DRP 25-02) for The Meadows at Bailey Canyon Project**

RECOMMENDATION

It is recommended that the City Council schedule a public hearing on February 24, 2026, regarding an appeal of the Planning Commission's decision approving a Design Review Permit (DRP 25-02) for The Meadows at Bailey Canyon project.

SUMMARY

On January 15, 2026, the Planning Commission approved a Design Review Permit (DRP 25-02) for The Meadows at Bailey Canyon Project, pursuant to Planning Commission Resolution 26-01. In accordance with Sierra Madre Municipal Code section 17.60.120, the resolution of the Planning Commission shall become effective on the tenth business day, or February 2, 2026, unless within such time an appeal is filed in writing or the City Council makes a call for review. On January 29, 2026, non-applicant appellant Philip Yao filed an appeal of the Planning Commission's decision.

PROCEDURE

Sierra Madre Municipal Code Section 17.66.070 provides procedures for appeals. Upon the filing of an appeal and within thirty (30) days of the Planning Commission's decision, or no later than February 14, 2026, the City Council shall schedule the appeal for hearing and decision and give notice of the date, time, and place thereof to the applicant and appellant. The hearing shall be held within sixty (60) days of the Planning Commission's decision, or no later than March 16, 2026. The first available regular meeting of the City Council, when the hearing of the appeal may be scheduled, is February 24, 2026.

Notice of the Public Hearing shall be provided in the same manner that was required for the design review permit: signage posted at the property and postcards mailed to property owners within a 300-foot radius of the project site. In addition, information on the City's website will be updated.

The hearing shall be conducted de novo. At the hearing, the City Council shall consider all pertinent materials, including all documents constituting the administrative record. At the hearing, all exhibits, notices, petitions and other papers and documents on file with the Planning Commission will be presented. At the hearing, any party or person may appear in person or by agent or attorney to provide testimony.

Following an appeal hearing, the City Council may remand the matter to the Planning Commission for further consideration or may affirm in whole or in part, modify, or reverse the decision appealed. If the City Council does not remand the matter to the Planning Commission, it shall make the findings prescribed for a design review permit. The City Council decision shall be made within thirty (30) days of the hearing date. The City Clerk shall mail notice of the City Council decision to the applicant and to the appellant within five business days after the date of the decision.

STRATEGIC PLAN RELATIONSHIP

Appeals of decisions are not specifically addressed within the City of Sierra Madre Strategic Plan.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action.

Approved by:



Michael Bruckner
City Manager

Attachment(s):

1. Planning Commission Resolution 26-01
2. Filed Application for Appeal of Decisions

**PLANNING COMMISSION
RESOLUTION 26-01**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SIERRA MADRE CONDITIONALLY APPROVING A DESIGN REVIEW PERMIT (DRP 25-02) FOR THE CONSTRUCTION OF 42-SINGLE FAMILY RESIDENTIAL DWELLINGS, LANDSCAPING IN 6 OPEN SPACE LOTS AND LANDSCAPING OF ONE CITY PUBLIC PARK AT 700 NORTH SUNNYSIDE AVENUE

RECITALS

WHEREAS, on September 20, 2022, the City Council adopted Resolution 22-58, certifying the Meadows at Bailey Canyon Specific Plan Final Environmental Impact Report (Final EIR) was completed in compliance with CEQA, approved General Plan Land Use Map Amendment to Residential Low Density; and

WHEREAS, on September 27, 2022, the City Council adopted Ordinance 1461 approving Zoning Map Amendment to Residential Single Family, The Meadows at Bailey Canyon Specific Plan ("Specific Plan"), and the Development Agreement at 700 North Sunnyside Avenue; and

WHEREAS, Tentative Tract Map 22-01, including Vesting Tentative Tract Map No. 83966, was approved by City Council on February 27, 2024, granting the subdivision of a 17-acre site to 42 single-family residential lots, 6 open space lots, and one city public park and providing approximately 3.68 acres of land as dedicated public right-of-way.

WHEREAS, an application for a Design Review Permit was filed by:

**NUWI-Sierra Madre, LLC
2001 Wilshire Boulevard
Santa Monica, CA 90403**

WHEREAS, on November 19, 2025, the City approved an Assignment and Assumption of Development Agreement between NUWI-Sierra Madre, LLC and Toll West Coast LLC.

WHEREAS, the new applicant for purposes of this Design Review Permit is:

**Toll West Coast LLC
1140 Virginia Road
Fort Washington, PA 19034**

WHEREAS, the Design Review Permit can be described as:

Implementation of the Specific Plan: a request for the construction of 42 single-family dwellings, a 3-acre city public park, and landscaping within 6 open space lots (“Project”);

WHEREAS, the Applicant submitted the Design Review Permit application on May 8, 2025, the Applicant provided revisions to the original submittal on October 2 and December 10, 2025, and the City deemed the application complete on December 22, 2025; and

WHEREAS, on January 15, 2026, the Planning Commission received the report and recommendations of staff; and

WHEREAS, following public notice, a public hearing was held before the Planning Commission on January 15, 2026, with all testimony being received being made part of the public record; and

WHEREAS, at said public hearing, the Planning Commission received written and oral evidence, all of which evidence is deemed to be part of the record of this proceeding.

NOW THEREFORE, in consideration of the evidence received at the hearing, and for the reasons discussed by the Planning Commission at said hearing, Planning Commission now finds as follows:

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by reference.

SECTION 2. Findings for approval of a Design Review Permit. Specific Plan Section 6.2.2 states that the proposed development of the Specific Plan shall be subject to the City’s Design Review process. Sierra Madre Municipal Code Section 17.60.041 provides the process and findings required for the approval of a Design Review Permit. In accordance, the Planning Commission finds substantial basis for approval of the Design Review Permit based on the following facts.

1. The proposed project is consistent with the general plan, zoning code and any applicable design standards.

The Project is consistent with the City’s General Plan, the Zoning Code, and all applicable design standards, including the Meadows at Bailey Canyon Specific Plan and its adopted architectural design guidelines. The Specific Plan establishes the zoning and design guidelines for the site, including the requirement that each

home's style be selected from one of four approved styles. Conditions of Approval nos. 2.4.2 through 2.4.4 ensure that development of the Project remains consistent with the design standards of the Specific Plan. The Project's Park improvements and landscaping adhere to the development and design standards of the Specific Plan and are uses permitted by and consistent with the General Plan and Specific Plan. Condition of Approval no. 2.4.1 ensures that the Project's landscaping remain consistent with the development and design standards of the Specific Plan and comply with the Sierra Madre Water Efficient Landscape Ordinance. Therefore, the Project satisfies all applicable land-use, development, and design requirements established in the General Plan, Zoning Code, and The Meadows at Bailey Canyon Specific Plan and its design guidelines. For architecture, the Project adheres to the Specific Plan's design standards and the intent of the City's design review criteria through the following characteristics:

- **Building Mass, Form, Scale, and Articulation.** The Specific Plan requires that building mass and form be consistent with the chosen architectural style. Each house design employs forms and roof heights appropriate to its style, and no two adjacent homes use identical façades. Roof massing is varied through parapets, hips, and gables, and most elevations break up larger volumes into smaller components. Primary façades include articulation and fenestration to avoid monotony; many homes incorporate second-story setbacks, intermediate roof offsets, and wall plane changes. These design strategies fulfill the Specific Plan's articulation requirements of applying multiple listed techniques per façade, while oversized or disproportional elements such as two-story faux columns are generally avoided.
- **Roof Treatment.** Roof forms vary within each architectural style and are articulated with changes in height, slope direction, and multiple roof planes. For example, Modern homes use flat roofs with parapets and clerestory bands; Craftsman homes have low gabled roofs; Spanish homes employ low hip roofs; and Farmhouse homes feature front gables with overhanging eaves. Materials including cementitious wood shakes, standing-seam metal, and concrete tile are matched to each style, with eave lines, fascia, and dormers applied consistently on all elevations. Collectively, these roof design elements provide variation and interest and reinforce separation of masses, consistent with the Specific Plan's roof design standards.
- **Windows and Doors.** Window placement and proportions have been tailored to each style, with frames, shutters, and hardware proportionate and consistent across all elevations. The plans contain balanced window groupings and sizes appropriate to the style. Primary entry doors are prominent on front façades and typically sheltered by porches or overhangs. Door surrounds and hardware reflect the selected style, and entry openings are scaled to the building, avoiding oversized portals. These treatments fulfill the Specific Plan's standards for balanced and style-appropriate window and door design.
- **Exterior Materials and Colors.** The Project's material palette follows the guideline limiting façades to no more than two primary materials per façade. Wall claddings include stucco, wood or fiber-cement lap siding, stone veneer,

- and board-and-batten siding, with trim and accents in complementary colors. No prohibited materials such as plain plywood, corrugated metal, or reflective surfaces are used. Color palettes are subdued and appropriate to each style. All finishes are non-reflective and durable, and transitions in materials generally occur at inside corners or changes in plane, consistent with design guidelines. The selected materials and colors are compatible with both the individual home styles and the neighborhood context.
- Utilities and Equipment. Visible mechanical equipment and utility fixtures have been designed to minimize visual impact, in accordance with the Specific Plan. Mechanical equipment, meters, and similar items are located in side or rear yards where feasible or are screened with enclosures or landscaping. All exposed conduit, outlets, and hardware are finished to blend with adjacent wall colors. Gutters and downspouts are integrated with trim elements and are painted to match building colors to avoid a visually “tacked on” appearance. These measures satisfy the Specific Plan’s requirements for utility integration and screening.
 - Balconies, Porches, and Porticos. Covered entries, porches, or balconies are incorporated consistent with each architectural style and are scaled appropriately to the building mass. Craftsman homes include tapered columns on stone bases; Farmhouse homes have simple square posts and open porches; and Modern homes use flat metal canopies. Porch and balcony elements are integrated into façades through roof overhangs and railings, providing articulation and contributing to a pedestrian-oriented streetscape in accordance with design standards.
- 2. The proposed project will not unreasonably interfere with the use, possession and enjoyment of surrounding and adjacent properties.**

The homes are designed and sited so as not to unreasonably interfere with the use, possession or enjoyment of surrounding properties. The 42 detached homes are of single-family scale and are separated by private drives and open space. The development transitions to adjacent neighborhoods at modest heights and densities, and landscaping (including fuel-modification planting) further buffers views between properties. The Project conforms with the Good Neighbor Plan contained within the Specific Plan as demonstrated through an additional 20-foot buffer distance provided between homes on the west side of Sunnyside Avenue and homes adjacent to the west of the development site. No evidence shows undue loss of privacy, overshadowing, or noise beyond that normally expected in a residential community.

- 3. The height, bulk, scale, mass and siting of the proposed project is compatible with the existing neighborhood, landforms and surroundings.**

The massing, form and height of each proposed home have been designed to be compatible with the existing foothill village context. All homes are limited in height per the Specific Plan, and building articulations, such as second-story step-backs and roof variations, help reduce the visual bulk. The overall site is a gently graded

former institutional site; homes generally step down the natural slope. The spacing of buildings, varied rooflines, and modest floor-to-floor heights help the Project reflect the scale of Sierra Madre's neighborhoods. No building is so large or tall as to visually dominate the site or the skyline; thus the project "does not visually overpower or dominate the neighborhood."

- 4. The proposed project reflects the scale of the neighborhood in which it is proposed and it does not visually overpower or dominate the neighborhood and is not ill-proportioned so as to produce either architecture or design that detracts from the foothill village setting.**

The design respects Sierra Madre's "foothill village" setting. The Specific Plan vision emphasizes a "distinctly Sierra Madre" character achieved through variety of styles that reflect the community's "eclectic charm." The proposed Modern, Spanish, Craftsman and Farmhouse homes collectively present a cohesive yet varied streetscape in a traditional grid pattern, fully avoiding the construction of a cul-de-sac. By avoiding excessive scale or overly monumental forms, the architecture avoids detracting from the hillside context. Elements such as shallow hipped or gabled rooflines (in Spanish and Farmhouse styles) and articulated roof planes (in Modern and Craftsman styles) help relate the buildings to the low hillsides and the backdrop of mature trees.

- 5. The proposed project neither unreasonably interferes with public views or the views and privacy of neighbors, produces unreasonable noise levels, nor causes material adverse impacts.**

The project preserves key public views toward the mountains and does not unduly impair existing sightlines. Because homes are modest in height and set back or step-down from the ridgeline, public vistas across open space and through the site to Bailey Canyon Park remain largely intact. Likewise, the privacy of neighboring residents is respected by orienting balconies and windows away from proximate existing homes, as guided by the Specific Plan. The project does not introduce noise or lighting impacts beyond standard residential use, which are mitigated through strategic placement of structural or plant screening techniques.

- 6. The proposed project exhibits a coherent project-wide design, and each structure or portion thereof (especially additions) on the site is compatible with other portions of the project, regardless of whether the same are publicly visible.**

Although the development includes multiple styles, it exhibits a unified, "coherent project-wide" design. The Specific Plan expressly encourages a "diversity of design, styles, and character" while requiring that each home on its lot adhere to one of the approved styles. Consistent with Chapter 5 of the Specific Plan, each floor plan is offered in several style options (e.g. Plan 1A Modern, 1B Spanish, etc.), and each style is applied consistently on each individual home's elevations. Common features such as similar porch depths, column profiles, and material palettes (e.g. use of painted wood trim and stucco or siding) tie the neighborhoods together. The grid layout and uniform setbacks further harmonize the varied

architecture. Thus, the mix of Contemporary Modern, Spanish, Craftsman and Farmhouse homes is compatible with itself and with the adjacent retreat center and neighborhoods, as the Specific Plan envisions.

7. **For proposed projects seeking relief from development standards, where allowed, to accommodate characteristics of an identifiable architectural style (such as additional height pursuant to subsection 17.20.027(A)), the proposed project adheres to the norms of such identifiable architectural style and that such style is consistently carried through on all elevations of the building, regardless of whether the same are publicly visible.**

The project is not seeking additional height beyond standards, but each style is represented faithfully per Specific development and design standards and guidelines. All elevations of each home use consistent details appropriate to the style. For example, Spanish Revival homes feature stucco walls and low-pitched clay tile roofs; Craftsman homes have gabled porches, tapered wood columns, and horizontal lap siding; Farmhouse homes show board-and-batten or clapboard siding with simple gables; and Modern homes use streamlined forms, flat or shallow roofs, and large fixed windows. These elements implement the character-defining features of each style. Thus, the project “adheres to the norms” of the selected styles and carries them through on all elevations.

8. **For proposed projects that require discretionary review due to exceeding size thresholds (pursuant to subsections 17.20.027(C), 17.30.045(B), 17.28.070(A)1 or similar), that the proposed is a superior project that would enhance its neighborhood and exhibit exceptional design through a combination of most, if not all, of the following:**

This finding does not apply because the Project does not exceed any size threshold established by the Specific Plan.

SECTION 3. Environmental Exemption. The proposed project is categorically exempt from environmental review, pursuant to Section 15182(c) Residential Projects Implementing Specific Plans of the California Environmental Quality Act (CEQA). Where a public agency has prepared an EIR on a specific plan after January 1, 1980, a residential project undertaken pursuant to and in conformity to that specific plan is exempt from CEQA if the project meets the requirements of this section. The Project including residential planned unit developments that are undertaken consistent with the Specific Plan are exempt from CEQA, regardless of their location. However, the exemption requires review to ensure that the project would not create any new impacts or increase the severity of impacts previously disclosed in the original environmental document, as described in Guidelines §15162.

SECTION 4. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Resolution or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Resolution or any part thereof or exhibit thereto. The Planning Commission hereby declares that it would have passed each section, subsection,

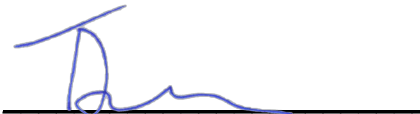
subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 5. Certification. The Director of Planning and Community Preservation shall attest to the passage and adoption of this Resolution by the Planning Commission and shall cause the same to be listed in the records of the City.

SECTION 6. The Planning Commission conditionally grants approval and issues DESIGN REVIEW PERMIT 25-02, subject to the attached conditions included in this resolution as Exhibit A.

PASSED, APPROVED, AND ADOPTED the 15th day of January 2026, by the following vote:

- AYES: Chair Denison, Vice Chair Simcock, and Commissioners Brennan and Yoo
- NOES:
- ABSTAIN:
- ABSENT: Commissioner Moran



Thomas Denison, Chair
Sierra Madre Planning Commission

I HEREBY CERTIFY the foregoing Resolution was duly adopted by the Planning Commission of the City of Sierra Madre, California, at a regular meeting held on the 15th day of January 2026.



Clare Lin, Director
Planning and Community Preservation Department

EXHIBIT A

CONDITIONS OF APPROVAL DESIGN REVIEW PERMIT 25-02 (DRP 25-02)

The applicant, property owner, or successor(s) in interest shall meet the following conditions:

1.0 General Conditions:

- 1.1 Comply with all applicable provisions of The Meadows at Bailey Canyon Specific Plan and the Sierra Madre Municipal Code, including but not limited to those Chapters pertaining to Zoning, Building and Construction, Vehicles and Traffic, and Health and Safety, and including all such provisions which may be contained in Uniform Codes which have been incorporated by reference within the Sierra Madre Municipal Code.
- 1.2 Comply with all applicable provisions of Federal, State, and Los Angeles County law and regulations, including but not limited to the California Environmental Quality Act.
- 1.3 Execute and deliver to the City's Department of Planning & Community Preservation an Affidavit of Acceptance of Conditions on a form to be provided by such Department before submitting either (a) construction plans for 1st Plan Check to the City, or (b) application for a building permit for the work involved in the subject project, but under no circumstance more than one (1) year following the date of this approval. This approval shall not be effective for any purpose until the Applicant complies with this condition.
- 1.4 In accordance with Development Agreement section 4(n), developer shall pay the City \$250,000 to be used for public safety purposes.
- 1.5 To the full extent permitted by law, the applicant and property owner shall defend, indemnify, and hold harmless the City, its employees, agents, and officials, from and against any liability, claims, suits, actions, arbitration proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, but not limited to, actual attorneys' fees, litigation expenses and court costs of any kind without restriction or limitation, incurred in relation to, as a consequence of, arising out of or in any way attributable to, actually, allegedly or impliedly, in whole or in part, the issuance of this approval, or the activities conducted pursuant to this approval. Applicant and property owner shall pay such obligations as they are incurred by City, its employees, agents, and officials, and in the event of any claim or lawsuit, shall submit a deposit in such amount as the City reasonably determines necessary to protect the City from exposure to fees, costs or liability with respect to such claim or lawsuit.

- 1.6 Maintain a signed copy of this record (Planning Commission Resolution 26-01 with this Exhibit A), a letter from the Planning and Community Preservation Department of the notice of approval of the Design Review Permit (DRP 25-02), and a copy of the executed Affidavit of Acceptance of Conditions required by Condition of Approval no. 1.3 that together grant the following entitlement(s):

Design Review Permit (DRP 25-02):

- Pursuant to the provisions under section 17.60.041 (Design Review Permit) of the Sierra Madre Municipal Code effective as of the date the application for Design Review Permit (DRP 25-02) was received (May 8, 2025), the Design Review Permit (DRP 25-02) is issued for the construction of 42 single-family dwellings, a 3-acre city public park, and landscaping within 6 open space lots as presented to and approved by the Planning Commission at its regular meeting of January 15, 2026.

Failure to provide valid, clean, and legible records whenever may be necessary, or as reasonably requested by the City, and under circumstances of force majeure causing loss of city records may nullify and void any grant of entitlement, approval of a discretionary permit, or issuance of a certificate described herein.

2.0 Planning Conditions:

- 2.1 Unless otherwise required by these conditions, the applicant, property owner, or successor(s) in interest shall construct the project in substantial conformance with all applications and supporting materials presented to the Planning Commission and as may be modified by condition of approval on January 15, 2026. Inaccuracies and misrepresentations will be grounds for immediate revocation of the Design Review Permit (DRP 25-02).
- 2.2 In general, modifications to the project and supporting materials presented to and approved by the Planning Commission by this resolution shall be subject to the granting of minor conditional use permit pursuant to Section 6.4 of The Meadows at Bailey Canyon Specific Plan.

2.3.0 Plan Check or Application for Building Permit Submittal

- 2.3.1 Submit an application for a building permit and/or construction plans for 1st Plan Check within one (1) year of the date of this approval, or within one (1) year of, and only under circumstances due to force majeure more than eighteen (18) months following, the date of this approval submit a request to extend approval of this entitlement. Failure to do so will automatically (and may be without notice to the applicant, owner, or successor(s) in interest) constitute an abandonment of the entitlement, and shall render this approval null and void.

2.3.2 This Resolution signed by both the Planning Commission Chair and Director of Planning and Community Preservation and conditions of approval, a letter of approval from the Planning and Community Preservation Department, and a copy of the executed Affidavit of Acceptance of Conditions, as specified under Condition of Approval no. 1.3, shall be included in the submitted construction plans on an individual sheet or, when submittal of construction plans for review is not deemed necessary by the Building Official, shall be submitted together with the application for building permit. Failure to do so shall deem the review automatically incomplete and noncompliant and may be remedied by providing within or following the 2nd Plan Check Submittal compliance with this condition.

2.4.0 Conformance with The Meadows at Bailey Canyon Specific Plan

2.4.1 Landscaping: The applicant shall include within the Rules and Regulations of the Homeowners Association and within Covenants, Conditions & Restrictions requirements to plant and maintain one (1) shade tree within the front yard of each home, intended to shade the front of the home and the sidewalk. This condition shall be in addition to the parkway tree planting plan as presented and approved by the Planning Commission.

2.4.2 Materials, Colors, and Paint: Exterior cladding materials shall be limited to the approved materials for each style as shown on the approved plans, with no more than two major wall materials per façade. Final color selections shall be non-reflective and complementary as approved. All exposed metal fixtures shall be painted or finished to match the wall or trim color to the extent permitted by public utility providers. Materials changes shall occur at inside corners or clear visual breaks per Specific Plan §5.5.7(e–f).

2.4.3 Mechanical and Utility Screening: All mechanical equipment (condensers, pool heaters, etc.) shall be screened from view by walls or plantings. Utility meters and outlet panels shall be grouped and painted to blend with adjacent surfaces. Gutters, downspouts, and scuppers shall be integrated into the architecture and painted to match the building.

2.4.4 Porch and Balcony Details: Covered entries and balconies shall be incorporated on street-facing elevations as shown; columns or pergolas must appear structurally supportive (no two-story faux columns). Porch depths and balcony setbacks shall meet or exceed the minimum dimensions in Specific Plan §5.5.9 to ensure pedestrian-friendly facades.

2.4.5 Fire Prevention: The applicant shall prepare, submit for City review and approval Covenants, Conditions, and Restrictions (CC&Rs) applicable to all residential lots within the subdivision that require ongoing compliance with California law and regulations governing Zone 0 defensible space, as amended from time to time,

including but not limited to Public Resources Code Section 4291 and any applicable regulations adopted by the State Board of Forestry and Fire Protection. The homeowners' association Rules and Regulations shall incorporate these Zone 0 requirements and establish procedures for inspection, notice of violation, corrective action, and enforcement. The CC&Rs and Rules and Regulations shall not be amended in any manner that would conflict with or reduce compliance with state Zone 0 defensible space requirements without prior City review and approval.

- 2.4.6 Lot 1 and Lot 9 Building Elevation Differentiation: The same exterior materials and colors scheme shall not be used on Lot 1 and Lot 9. Prior to the issuance of a building permit for the construction of Lot 1 and Lot 9, the applicant shall clearly identify on the construction plans the selected exterior materials and colors scheme consistent with the approved design review permit application materials.

(end of conditions)



CITY OF SIERRA MADRE

Planning & Community Preservation Department
232 W. Sierra Madre Blvd. Sierra Madre, CA 91024

APPEAL OF DECISIONS

APPELLANT INFORMATION

Name of Appellant: Philip Yao
Address: [REDACTED]
Phone: [REDACTED] Email: [REDACTED]


APPEAL INFORMATION

Planning Case No.: DRP 25-02 Appeal of : Staff Decision
Decision Date: January 15, 2026 Planning Commission

The Municipal Code provision for appeals is provided in Chapter 17.66 - "Appeals and Calls for Review". Please note that, pursuant to Code Section 17.66.050.A.1, appellate review under this code is de novo. An Appeal of Decisions will be refunded the appeal filing fee to the appellant only if the decision is overturned.

Please describe the specific decision being appealed and state the reasons for this appeal. If additional sheets are necessary, please attach them to this form.

See attached 2 pages titled Appeal of Decisions – Planning Case No. DRP 25-02 / Decision Date 15

Appellant's Signature:  Date: 01/29/2026

APPEAL FILING FEES

An appeal shall be accompanied by a filing fee and noticing fee in an amount determined from Fee Schedule by City Council Resolution.

\$ 1,155.⁰⁰ Paid

Received By: Krysta Elias Date: 1-29-2026

I, Philip Yao, residing at [REDACTED] hereby appeal the Sierra Madre Planning Commission's approval of DRP 25-02 for the Meadows Project.

1. Grounds:

a. The Eaton Canyon fire of 2025 substantially altered site soils, hydrology, and fire behavior within a VHFHSZ (Very High Fire Hazard Severity Zone), and the CEQA Environmental Review is inadequate due to the changed circumstances.

The Environmental Impact Report and CEQA analysis relied upon for the project predate the 2025 Eaton Canyon Fire. Post-fire soil investigations conducted for the project identified dioxins and heavy metals as contaminants of concern, documented that soil at sample location FS-2 exceeded applicable residential screening levels for dioxin TEQ, and required spot excavation, confirmation sampling, and implementation of a Soil Management Plan to manage potentially impacted soils during grading and excavation.

These findings demonstrate that site environmental conditions differ from those assumed prior to the fire and that soil characterization remains ongoing. Work on the site has begun and continued prior to these protocols of toxic soil removal were implemented or enforced. The administrative record contains no documented evaluation or finding addressing whether these post-fire conditions and soil contamination findings constitute changed circumstances or new information requiring supplemental environmental review under CEQA, including CEQA Guidelines §15162 and Public Resources Code §21166.

Proceeding on the basis of pre-fire analysis without making such a determination constitutes a failure to evaluate changed circumstances and renders the CEQA review inadequate.

b. The Planning Commission's finding that the project's height, bulk, scale, mass, and siting are compatible with the existing neighborhood, landforms, and surroundings is not supported by substantial evidence in the record and is therefore erroneous and an abuse of discretion.

c. The finding fails to adequately address consistency with the Sierra Madre General Plan and design review standards emphasizing preservation of neighborhood character, open space, and visual harmony.

d. The CEQA analysis of aesthetic and visual impacts (including potential effects on historical or character-defining resources) is inadequate, rendering the compatibility finding unsupported.

e. I was denied proper notice, in violation of applicable open-meeting and procedural requirements.

2. Requested Action:

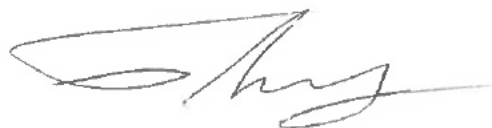
For the foregoing reasons, I respectfully request that the Sierra Madre City Council:

 29 JAN 2026

a. Reverse the Planning Commission’s approval of DRP 25-02 and deny the application; or, in the alternative,

b. Remand the matter to the Planning Commission for further proceedings, including preparation of additional or corrected environmental review under CEQA to address the identified inadequacies (including fire-altered site conditions, post-fire soil contamination findings, historical or character resources under PRC §21084.1, and visual/aesthetic impacts), revised findings supported by substantial evidence, and full reconsideration of the project’s compatibility and consistency with the General Plan and design standards; and

c. Request that implementation of the approval be suspended, including issuance of any grading, demolition, tree removal, or other site-disturbing permits or entitlements, until the City Council has rendered a final decision on this appeal.

A handwritten signature in black ink, appearing to be 'Shing', written in a cursive style.



CITY OF SIERRA MADRE

STAFF REPORT

PUBLIC WORKS SERVICES

DATE: February 10, 2026

TO: Honorable Mayor and City Council

FROM: Brian Dickinson, Public Works Project Manager
By: James Carlson, Senior Management Analyst

SUBJECT: Presentation by Uber Transit for Citywide On Demand Transportation Services

RECOMMENDATION

It is recommended that the City Council receive and file the presentation and provide direction on proceeding with a pilot program with Uber Transit.

SUMMARY

Uber Transit contacted the City of Sierra Madre to offer on-demand transit services as a flexible solution to current transportation challenges, including the end of previous services. Public Works met with Uber representatives in December 2025 to discuss the program, which uses a pay-for-performance model ideal for low-ridership areas, and also discussed this program with the Transportation Subcommittee.

DISCUSSION & ANALYSIS

Uber Transit provides customizable on-demand rides via the Uber app, complementing fixed-route services with options like first/last-mile connections, late-night rides, paratransit overflow, and service for transit deserts or low-demand areas. The program allows cities to set geographic boundaries, subsidies, user restrictions (e.g., seniors, low-income), and integrates dedicated fleets with non-dedicated rideshare for better supply-demand matching, potentially reducing costs by 17-22% per trip and increasing fulfillment rates, as shown in case studies like DART Dallas (200% ridership growth, \$15.80 blended cost/trip) and Bloomington Transit (12k trips, 5-min waits).

In Sierra Madre's context, this addresses ridership gaps without fixed infrastructure costs, using variable pay-per-trip pricing (e.g., rider pays first \$2, subsidy covers rest up to cap) and real-time data for optimization, enhancing resilience against driver shortages. It is recommended that the City Council receive and file the presentation and consider next steps such as a pilot program.

STRATEGIC PLAN RELATIONSHIP

Not applicable.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action. A citywide transportation pilot program with Uber Transit would be funded using Proposition A resources. Sufficient funding is available in the FY 2025-26 budget for a pilot program.

Approved by:



Michael Bruckner
City Manager

Attachment(s):

1. Uber Transit PPT – December 2025

An aerial, top-down view of a city street grid. The streets are dark grey, and the buildings are various shades of grey and white. There are many cars and some yellow taxis visible on the roads. The overall scene is a dense urban environment.

Uber Transit

Uber Transit and Sierra Madre

Wednesday December 17 2025

Transit agencies use Uber products to complement their networks

Complement paratransit
(Overflow/rescue)



Same-day paratransit
(On demand)



Late-night rides



Community-based programs
(i.e. working parents, low-income, senior, etc.)



How public agencies have leveraged Uber Transit to enhance mobility in their communities

First-mile/last-mile rides



Augment fixed route services



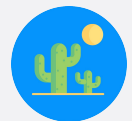
Supplement microtransit



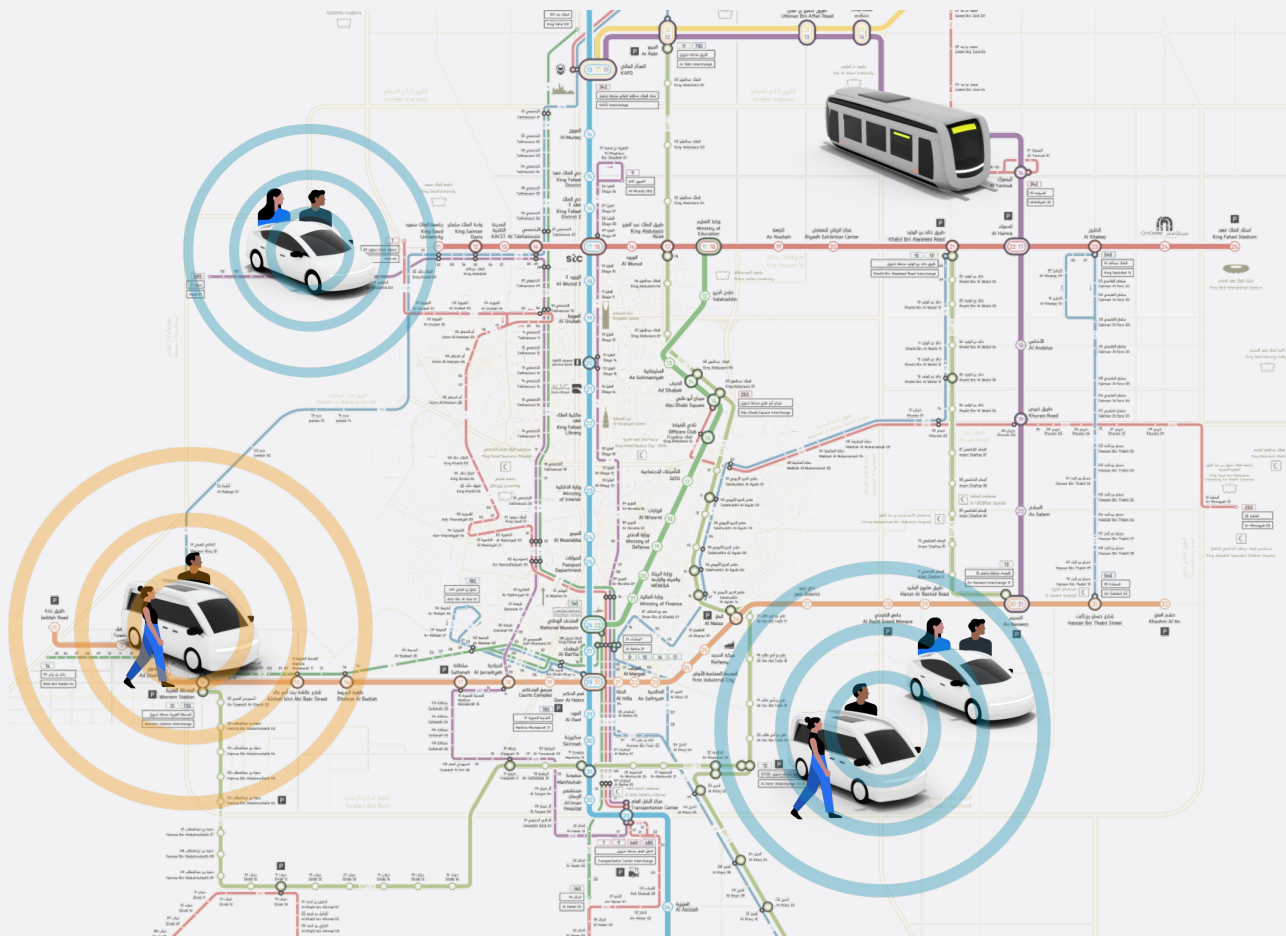
Service disruptions & rescue rides



Serve transit deserts



Complementing bus & rail service with flexible solutions



>20

PAX/vehicle revenue hour

Rail and bus

- The backbone of mobility
- Journey planning / ticketing

10-20

PAX/vehicle revenue hour

Dedicated microtransit

- Your own drivers and vehicles
- 3rd party operators
- Uber API to app

<10

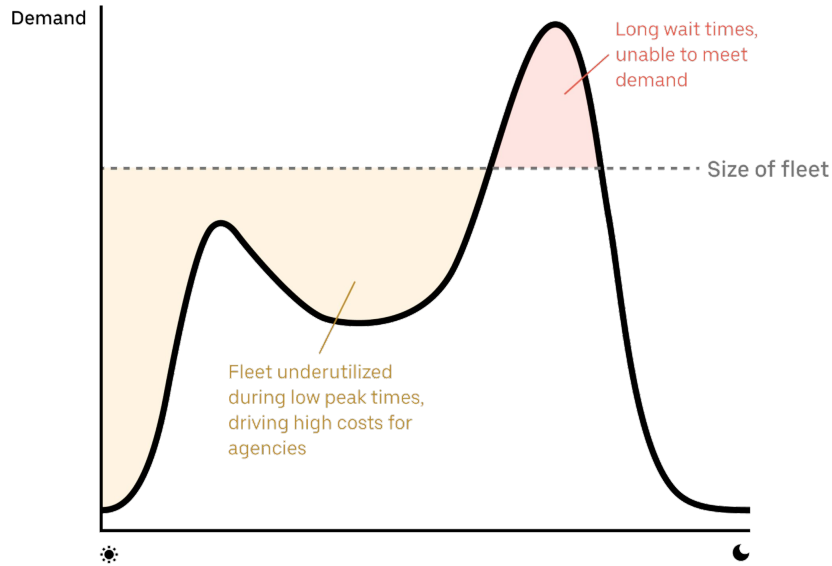
PAX/vehicle revenue hour

TNC FLM and or microtransit

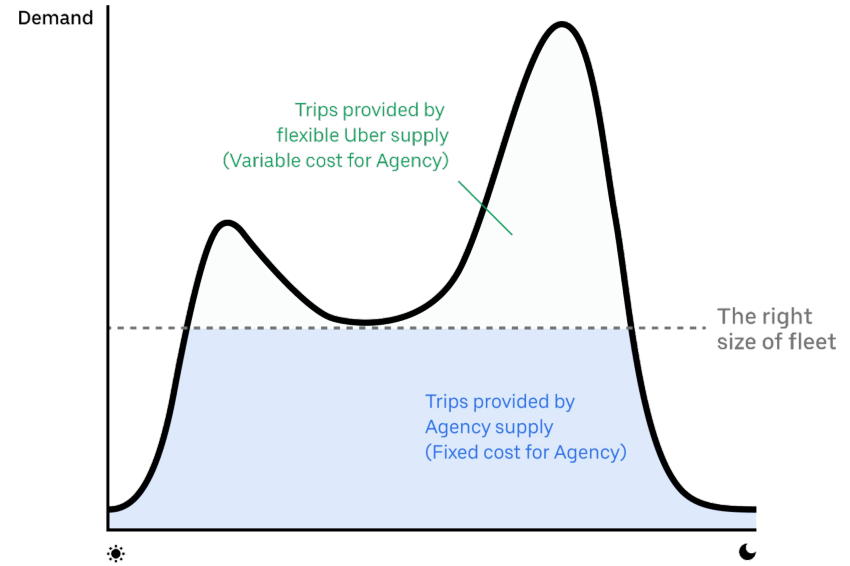
- First-mile/last-mile
- Transit deserts (no bus service)
- Low demand areas and times (i.e. late night)
- Hybrid microtransit

Right size DRT fleet sizing

Option 1: Dedicated fleet model with a fixed number of fleet vehicles

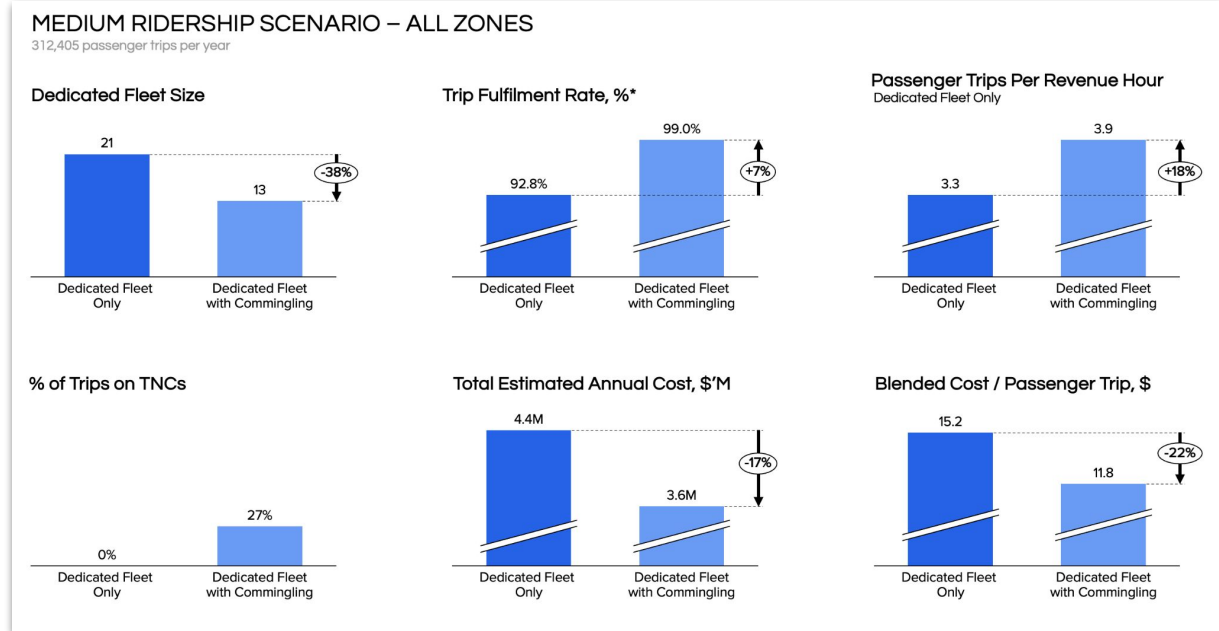


Option 2: Supplementing/complementing dedicated fleet model with the ability to broker excess trips to non-dedicated alternatives (i.e. Uber)



Case study: Benefits of adding TNCs to your supply

- Better matching of supply and demand
- Absorb more ridership growth
- Higher fulfillment on dedicated resources
- Increase utilization of dedicated resources
- Lower overall operational costs
- Greater resilience, both financially and operationally (e.g., managing driver shortages)
- Improvements in customer experience & satisfaction
- Quickly expand service zones with no incremental capital costs



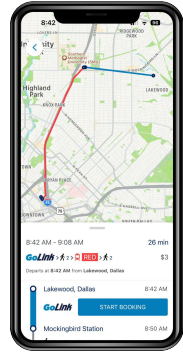
Sample of a simulation report we did for a client shows the potential benefits of commingling dedicated and non-dedicated resources

Transit and City Partnerships

DART (Dallas) MaaS Story

DART launched GoPass MaaS App & 6 GoLink FLM & Microtransit Zones with Dedicated Vehicles and DART branded Microbuses

High cost per trip during low demand periods / high ETAs during busy periods



DART completes a fixed route network redesign: elimination of 30% of fixed route infrastructure and expansion of GoLink to 32 Microtransit & First/Last mile zones across 232 sq. miles



+200%
Ridership Increase



10.9 min
Average travel time



\$15.80
Blended cost per trip (USD)

2016

2019

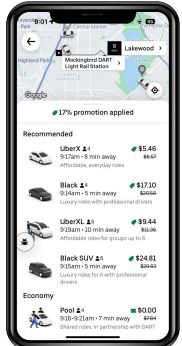
2022

2023

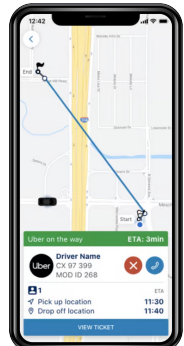
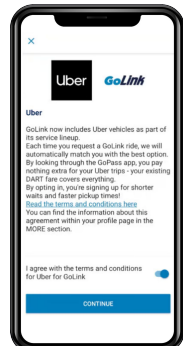
DART partners with Uber Transit to complement GoLink FLM / Microtransit zones with subsidized UberPool rides to and from train stations and expands to 9 zones

Trips are accessed through the Uber app

ETAs and cost per trip drop significantly

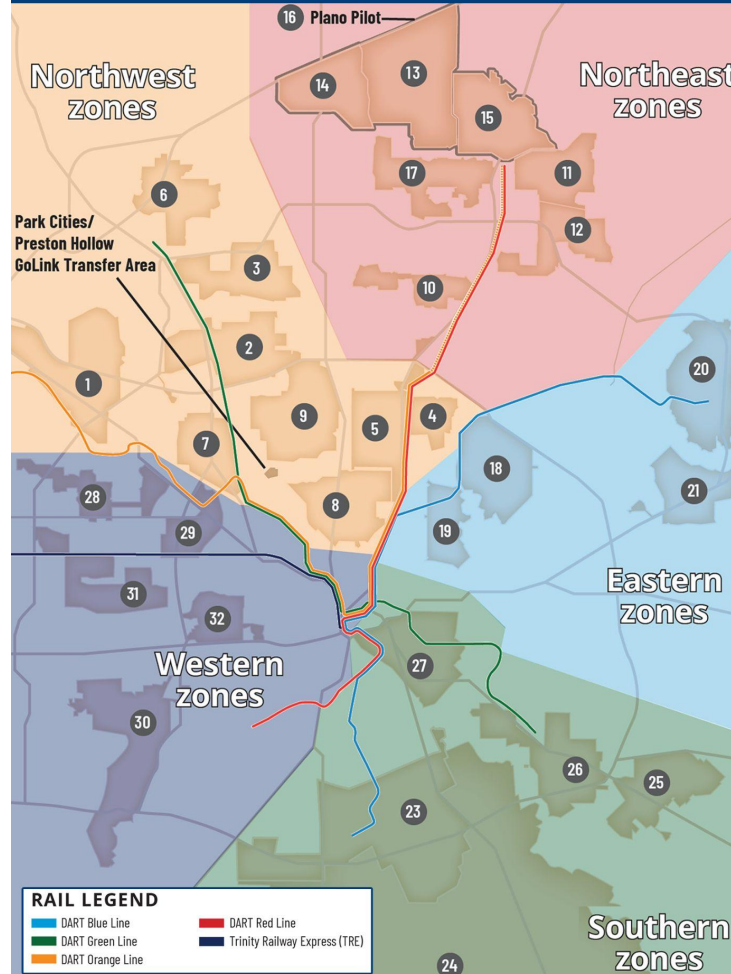


Go Pass MaaS app full integration



*Including light rail, bus, paratransit, microtransit, commuter rail, and streetcar

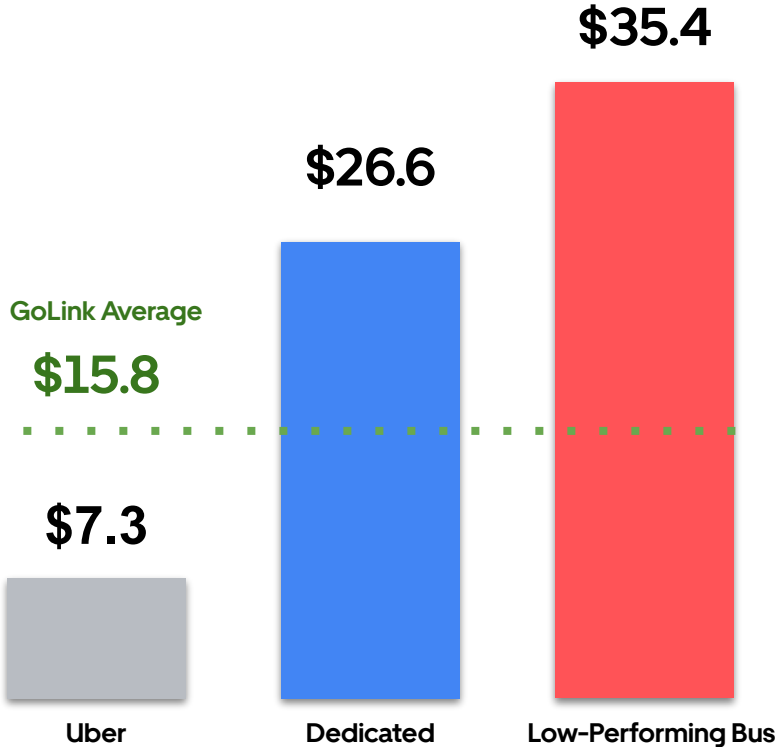
GoLink Overview Map





DART Cost Effectiveness Comparison

Subsidy/Rider (\$)*



Uber

Trip cost based on travel distance, time and fee. Pay only when used.



Dedicated Microbus

Trip cost based on revenue hours and admin cost. Right sizing to maximize cost effectiveness.



Low-Performing Bus

Productivity did not warrant fixed route operation thus was converted to demand responsive service

*March 2023 data



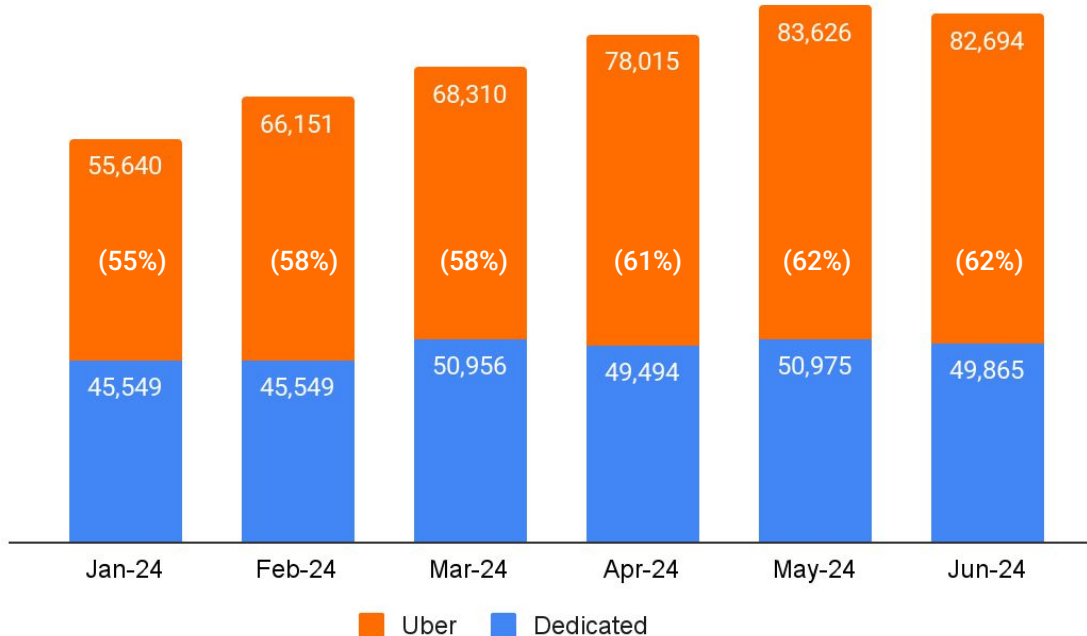
GoLink Growth and Uber's Increased Role

GoLink Ridership Growth

- Ongoing ridership recovery post pandemic
- Expanded days/hours since Jan 23, 2023

Usage Shifting from Dedicated to Uber

- Uber API integration with GoPass mobile app since Jan 23, 2023
- Uber XShare went live in April, 2024



Meeting service gaps with on-demand rideshare

Agency: Bloomington Transit

Service: BT Late Night on Demand

Challenge: Driver shortages and low-performing routes led to service gaps during late-night hours and emergencies

Solution:

- Replaces late-night fixed-route bus service with on-demand with rideshare service
- Operates across 16 zones, each with a 0.5-mile buffer around the corresponding bus route, from 9pm – 11:59pm
- Trips are subsidized by BT with Uber Voucher
 - Riders pay the first \$2 of the fare, plus any amount exceeding \$12
- The program also includes Lyft and local WAV providers as an alternative

Key performance indicators



12k

Completed trips



5 min

Average waiting time



2.4

Average trip distance (miles)



\$9.85

Average trip fare

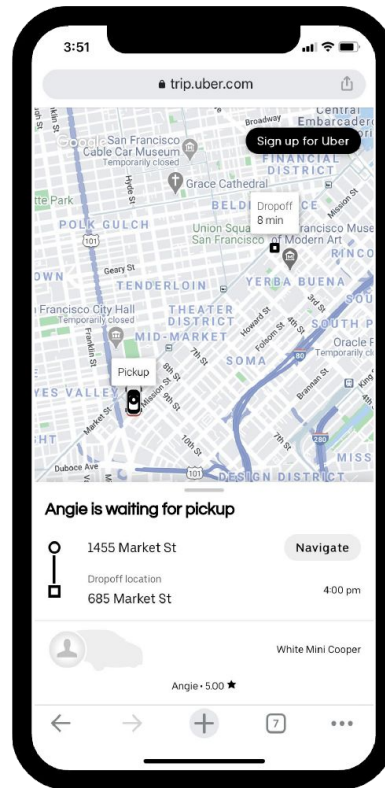
Agency benefits

- Service continuity despite driver shortages
- ~\$9–\$11/trip vs. \$12.1m on bus service fixed-route coverage in 2025
- Access to detailed trip data including origin/destination, fare, distance, ETA, and performance metrics for ongoing optimization.
- Leverages Uber's Voucher tools to connect riders to rides only when needed—no upfront cost to the agency unless the service is used.

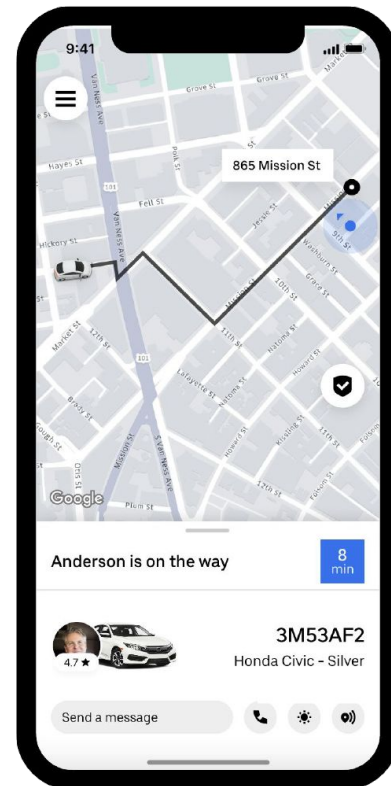
Rider benefits

- Provides a consistent and flexible alternative off-peak hours, and canceled or suspended routes for transit dependent riders.
- Supports non-smartphone riders via Uber's call center.

Web link trip tracking



App trip tracking



Grab a ride.

Catch the bus.



Uber

Do your thing.



Program Details:

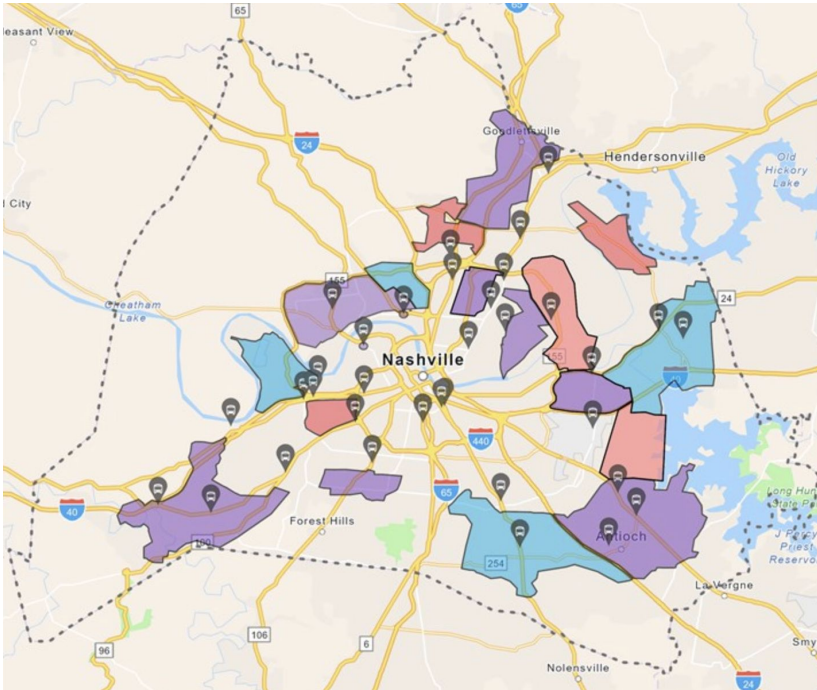
- Rider pays first \$2
- Subsidy covers \$8 off a trip fare x 2 trips/day
- Rider covers any balance above voucher, and/or driver tips
- Riders may ride at any time or day from/to enabled locations

Program Highlights:

Avg. Waiting Time 9.5 min

Avg. Trip Fare \$15.25

Completed Trips 44.4K



Thank You



CITY OF SIERRA MADRE

STAFF REPORT

FINANCE

DATE: February 10, 2026

TO: Honorable Mayor and City Council

FROM: Michael Bruckner, City Manager
By: Hue C. Quach, Finance Project Manager/Consultant

SUBJECT: **Resolution No. 26-13 Adopting Midyear Adjustments to the Fiscal Year 2025-26 Budget and Appropriating the Amounts Projected Therein and Report, Discussion, and Direction on Fiscal Year 2026-27 Budget Strategy and Related Policy Direction**

RECOMMENDATION

It is recommended that the City Council:

1. Adopt Resolution No. 26-13 approving Fiscal Year 2025-26 budget adjustments and appropriating the amounts projected therein;
2. Provide direction on executive compensation market adjustments;
3. Provide direction on the recommendations from the Ad Hoc Revenue Committee; and
4. Provide direction on the development of the FY 2026-27 budget.

SUMMARY

Midyear Budget Review

As part of the midyear budget process, departments were asked to analyze year-to-date activity, operating changes, capital projects, and revenue projections, and to propose adjustments to the General, Internal Service, Water, and Sewer Funds, excluding self-regulating Special Revenue Funds. The City Manager is seeking approval of Resolution No. 26-13 (Attachment 1) for FY 2025-26 budget adjustments to these funds as follows:

General Fund: General Fund revenues increase by \$935,500 and expenditures by \$881,490—including previously adopted appropriations during the year—yielding a \$12.6 million projected ending funding balance.

Enterprise Funds (Water & Sewer): No midyear changes proposed. The Water Fund's net position increased by \$1.3 million to \$11.7 million, while the Sewer Fund's net position decreased by \$43,000 to \$2.4 million. These adjustments result from fiscal year-end closing and audited FY 2024-25 financial actuals, which established each fund's beginning net position.

Internal Service Funds: A \$325,000 budget increase is requested for Internal Service Funds, which provide centralized services like fleet maintenance, facilities, IT, and personnel to City departments. These funds fully recover all costs through a cost allocation plan that charges user departments—such as the General Fund—based on actual usage. The increase covers emergency generator rental, labor and personnel consulting, net personnel needs (after savings), and General Plan updates.

Executive Compensation Market Review

Following City Council direction from October 28, 2025, Human Resources completed an executive compensation market review to evaluate executive pay competitiveness and internal equity, building on earlier adjustments already approved for certain director classifications. The salary survey indicates Sierra Madre’s executive salaries are materially below the peer-city median—ranging from 16.5 percent to 96.2 percent below the survey median by classification. If the City Council wishes to align compensation closer to market, simplifying the structure into two pay bands and recalibrating steps using Step 1 averages with 2.5 percent increases between steps is recommended. The estimated ongoing cost of the market and equity adjustments is approximately \$167,800 fully burdened (about 93 percent or \$156,000 to the General Fund). Should the City Council recommend the adjustment, the City Manager recommends adoption with the FY 2026-27 budget (effective July 1, 2026), with merit increases deferred in FY 2026-27 and evaluation cycles aligned for consistency.

General Fund 10-Year Outlook & FY 2027 Budget Direction

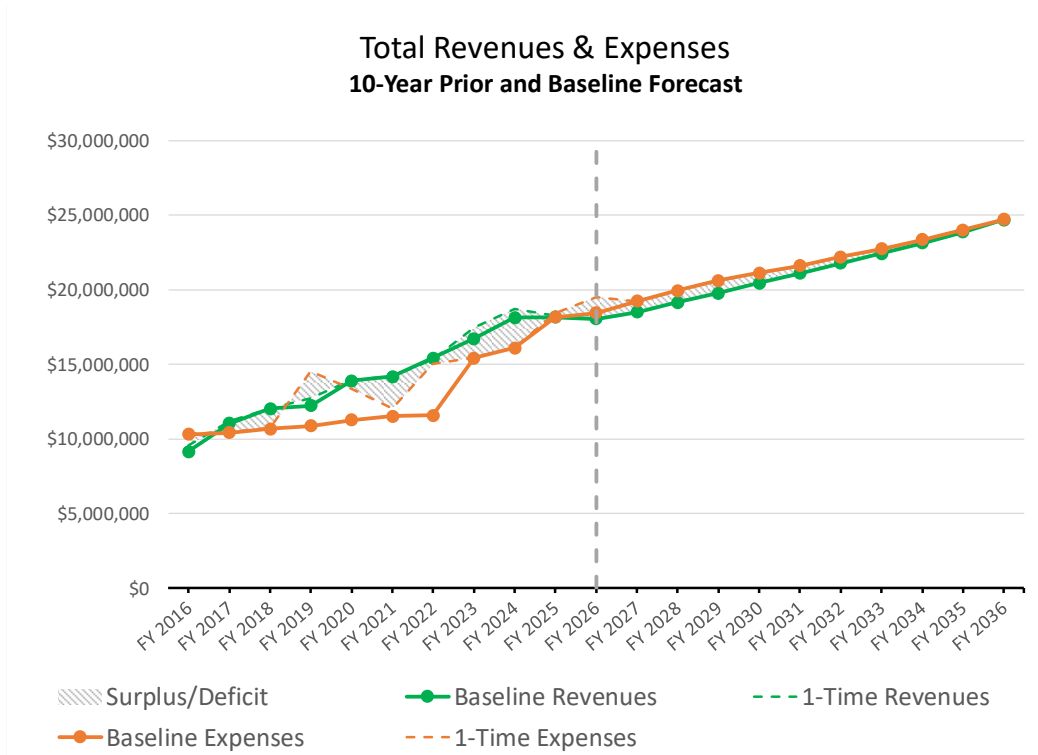
The City’s 10-year General Fund forecast projects baseline revenues growing at 3.2 percent annually (driven by 4.1 percent property tax increases) and expenditures at 3.0 percent, resulting in persistent but narrowing operating deficits. This gradually draws down undesignated reserves—the portion of the General Fund balance available for any lawful purpose without restrictions—from the current \$12.6 million total. After setting aside the 25 percent Emergency Reserve requirement of \$5.0 million, the remaining undesignated reserve stands at \$7.6 million, projected to decline to \$1.6 million by FY 2036 without policy changes. Given this trajectory—coupled with community survey priorities like fire safety and infrastructure improvements—City Council direction is essential now for the FY 2026-27 budget development process. City Council guidance on pursuing a Status Quo budget (maintaining services), Service Enhancements (targeted expansions), or Deficit Reduction (via cuts to non-essential spending, hiring controls, and deferrals) to align with fiscal sustainability goals is requested.

DISCUSSION & ANALYSIS

General Fund Forecast

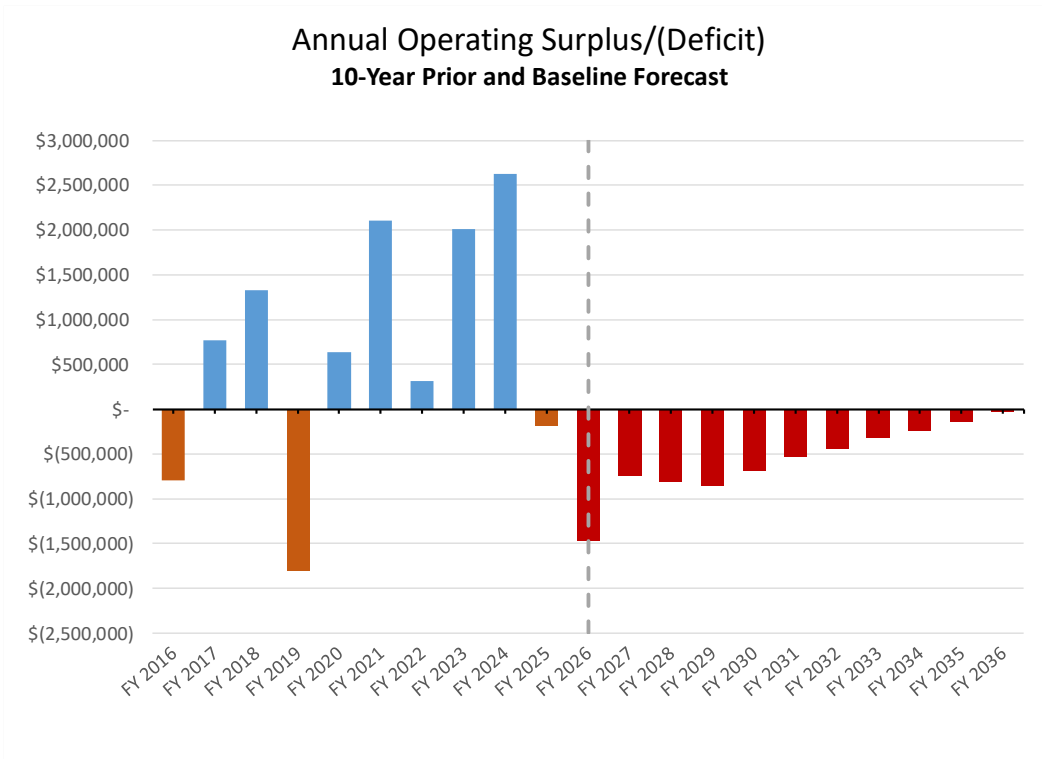
Earlier this year, the City contracted with Urban Futures Inc. (UFI) to develop a long-range General Fund forecast model for the City. UFI is a long-established municipal consulting firm based in California that has been serving public sector clients since 1972. UFI builds customized

long term financial forecast models for local governments, including General Fund baseline forecasts that project revenues, expenditures, deficits/surpluses, and fund balance over a multi-year period (commonly 10 years). These models are designed to help agencies understand their future fiscal condition under current assumptions and to assess the impacts of policy options or economic changes.



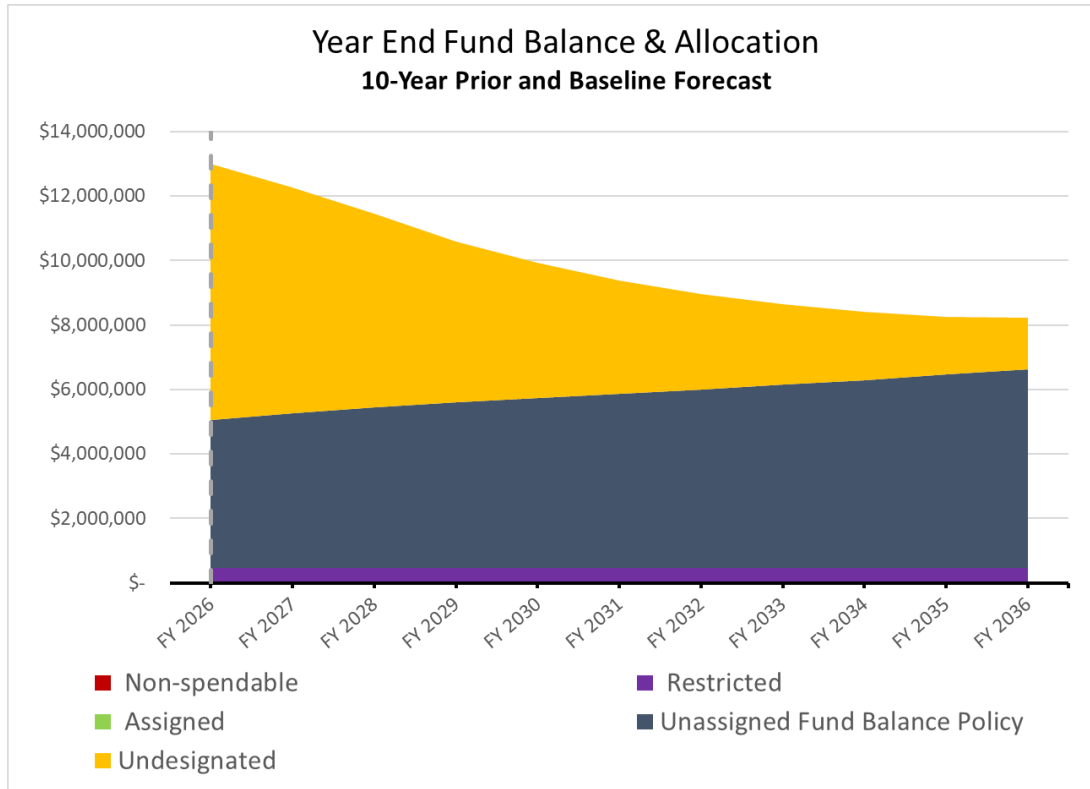
For Sierra Madre, the General Fund baseline over the 10-year forecast period reflects slow, steady growth in both revenues and expenditures, persistent but gradually diminishing operating deficits, and a gradual draw-down of the City’s undesignated fund balance through approximately FY 2036. For context, according to the forecast, in FY 2026, the ending undesignated fund balance is projected to be approximately \$7.9 million and ends at \$1.6 million in FY 2036.

Baseline revenues are projected to increase at roughly 3.2 percent annually, driven primarily by property tax growth near 4.1 percent. Operating expenditure is expected to grow slightly more slowly, at approximately 3.0 percent per year. Despite these similar growth rates, operating expenses exceed operating revenues in most years, resulting in ongoing annual deficits. These deficits are most pronounced in the early years of the forecast, influenced in part by one-time capital investments and one-time revenue inflows, which create noticeable fluctuations in the annual balance. Over time, however, deficits gradually narrow as revenue growth modestly outpaces expense growth, although the model does not project sustained operating surpluses within the 10-year baseline period.



To cover these annual gaps, the City will rely on its undesignated General Fund balance, drawing it down gradually while maintaining separate restricted and assigned reserves, including the Pension Stabilization/Section 115 Trust. Under the baseline scenario, undesignated fund balance continues to decline until an inflection point around FY 2036, after which trends would stabilize, **provided that no new structural pressures or service enhancements are introduced during the 10-year forecast period.**

(Next Page)



Given current conditions, it is important to note that the “no new pressures or enhancements” assumption is unlikely to hold over a 10-year period. The City continues to face structural cost drivers—such as rising costs for goods and services, infrastructure and equipment replacement needs, and ongoing challenges to hire and retain well-qualified employees—which can create upward pressure on expenditures even if service levels remain unchanged.

In addition, community priorities identified through recent outreach emphasize public safety, wildfire preparedness, infrastructure investment, and maintaining strong reserves, all of which may generate policy interest in targeted service enhancements or accelerated capital investment. For these reasons, City Council policy direction during the FY 2026-27 budget development process will be critical to determine whether to maintain the status quo, pursue selective enhancements, or implement deficit reduction measures to preserve long-term fiscal sustainability.

Midyear Budget Adjustments

As part of the midyear budget process, departments were asked to analyze year-to-date activity, operating changes, capital projects, and revenue projections, and to propose adjustments to the General, Internal Service, Water, and Sewer Funds, excluding self-regulating Special Revenue Funds.

General Fund

I. Revenue – Proposed Budget Adjustments

General Fund revenues are projected to exceed the adopted budget, outperforming initial conservative assumptions that anticipated slower growth amid economic uncertainties. These cautious projections—built on expectations of persistent inflation, potential employment declines, and subdued consumer activity—have proven overly prudent thus far, with actual results showing favorable inflation trends easing faster than expected, stable 5.5 percent unemployment levels matching last year, and resilient consumer spending supported by a strong labor market.

Building on this positive performance, the primary General Fund revenue sources—Property Taxes, Utility Users Tax, and Sales Tax—drive the proposed budget adjustment of \$935,500, as detailed in Table 1 below.

- **Property Tax:** Year-to-date receipts exceed projections by \$136,000 or 1.4 percent despite a modest 4.4 percent rise in taxable assessed value. Gains appear in the Secured, Unsecured, and Property Transfer categories, with stronger-than-expected transfer taxes reflecting robust home sales and reassessments.
- **Utility Users' Tax:** Budgeted at 1.1 percent growth (\$3.2 million), actual receipts justify a \$156,000 increase due to Southern California Gas Company's 12 percent rate hike which is partially offset by Southern California Edison's 1.2 percent rate reduction. This lifts the year-over-year projection by 4.8 percent.
- **Franchise Tax:** Franchise tax was budgeted for \$550,000, a 5 percent decline when comparing current year to the prior year adopted budget of \$580,000. As of year-to-date, receipts are coming in higher than anticipated and continuing to track with FY 2024-25 receipts of \$615,701. It is projected that Franchise Tax should rise further with Southern California Gas Company's rate increase that went into effect in 2025. An \$85,900 upward adjustment brings the projection to \$635,900. This would be an increase of 3.2 percent in comparison to the prior fiscal year's actual receipts.
- **Sales Tax:** Sales tax receipts are currently 6.5 percent above prior-year actuals, significantly exceeding the conservative 1.77 percent growth assumption made amid economic uncertainty. Increasing the sales tax revenue budget by \$114,500 aligns the forecast with a full-year 5.0 percent gain over FY 2024–25 receipts and represents an approximately 8.2 percent increase over the original \$1.4 million budget.
- **Charges for Services and License & Permits:** Proposed increases of \$168,500 and \$153,200, respectively, stem from higher counter activity volumes in Community Development Planning, driving more plan checks and permits.

- Other Revenue:** Investment earnings are projected to increase by \$69,000 due to higher interest rates compared to the prior year, resulting in a revised budget of \$569,000 for the Interest from Investments line item (up from \$500,000). Miscellaneous income requires a \$37,000 upward adjustment, as year-to-date receipts of \$53,000 already exceed the original \$25,000 budget, bringing the revised Miscellaneous Other Income budget to \$62,000. Including these and other revenue items, the amended budget for the Other Revenue category totals \$679,600, compared to the initial adopted budget of \$573,600.

Table 1 – General Fund Revenues7

General Fund Revenue			
Categories	FY 2025-26 Adopted	FY 2025-26 Midyear	FY 2025-26 Amended
Property Tax	9,466,000	136,000	9,602,000
Utilitiy User's Tax:	3,229,000	156,000	3,385,000
Franchise Tax	550,000	85,900	635,900
Sales Tax	1,408,000	114,500	1,522,500
Business Licenses	93,000	-	93,000
Revenue from Other Agencies	180,000	-	180,000
Charges for Services	1,562,500	168,500	1,731,000
Fines and Forfeiture	62,000	15,400	77,400
Licenses & Permits	923,000	153,200	1,076,200
Other Revenue	573,600	106,000	679,600
Total Revenue:	\$ 18,047,100	\$ 935,500	\$ 18,982,600

II. Expenditures – Proposed Budget Adjustments

The midyear operating budget amendment request totals \$673,500 (including a \$5,000 transfer out) across departments. Key drivers include Internal Service cost allocations for employee relations and corrective actions related to ongoing labor matters, costs to address unplanned vacancies, increased service demands, Gann Limit election expenses, and realignment of operating budgets to actual service delivery costs. Department-specific requests are outlined below and summarized in Table 2.

- Administrative Services, \$127,000:** Of this amount, \$89,000 covers Internal Service charges for the General Fund’s share of the City’s emergency generator. The remaining \$38,000 funds a proposed community outreach program and consultant services for the upcoming Gann Limit measure.

- **Community Services, \$30,000:** This budget request covers all costs for the popular 2026 Mount Wilson Trail Race. As a highly attended event, 100% cost recovery is anticipated through participant fees.
- **Elected & Appointed, \$60,000:** The budget amendment request is for the full cost of the Gann Limit measure.
- **Fire Department, \$52,000:** The additional budget requests are contractual related and include a small contingency portion relating to Strike Team expenses which are reimbursable from the state.
 - a. \$25,000 – This budget request for \$25,000 is for the annual firefighter Wellness Program required under the current labor MOU approved by the City Council this past fall.
 - b. \$17,000 – This \$17,000 request addresses increased contract costs from the State Department of Health Care Services (DHCS). DHCS partners with local EMS agencies and ambulance providers to deliver emergency transportation, especially for Medi-Cal beneficiaries.
 - c. \$10,000 - Appropriation for Strike Team expenses to support operational needs. This budget enables the Fire Department's resource deployment during regional emergencies, with all costs fully reimbursed to the City by the state plus a 10 percent overhead.
- **Planning & Community Preservation, \$20,000:** A budget amendment to cover the cost of a temporary Permit Technician during an unplanned vacancy.
- **Police Department, \$288,500:** This request includes \$125,000 for Contract Services to cover increased parking enforcement and court case volume. It also allocates \$100,000 for personnel costs due to unexpected vacancies and interim hiring. Additional funds address operational needs, including office / computer / hardware supplies and uniforms. An additional \$25,000 was also added for Crossing Guard Services per the City's MOU with PUSD.
- **Public Works, \$91,000:** These requests address unpredictable post-budget expenses from the Eaton Fire, including uncertain cost shares, added maintenance, and unanticipated project needs.
 - a. \$21,000: The City's cost share for LA County's "right-of-entry" program related to Eaton Fire clean-up. This covers unexpected repairs to a fire damaged site during right-of-way access, with costs driven by the extent of the damage and site conditions discovered.

- b. \$20,000: An estimate of cost relating to the Mount Wilson Trail geotechnical evaluation with TetraTech (engineering company).
- c. \$50,000: A budget amendment for additional cost and repair of the YMCA pool.

Table 2 – General Fund Expenditures

General Fund Expenditures					
Departments	FY 2025-26 Adopted	YTD Appropriations	FY 2025-26 Revised	Mid-Year Request	FY 2025-26 Amended
Administrative Services	4,233,848	192,750	4,426,598	127,000	4,553,598
Community Services	497,000	-	497,000	30,000	527,000
Elected and Appointed	413,000	-	413,000	60,000	473,000
Fire	3,989,000	-	3,989,000	52,000	4,041,000
Library	829,000	-	829,000	-	829,000
Planning & Community Preservation	2,158,000	-	2,158,000	20,000	2,178,000
Police	5,198,000	15,240	5,213,240	288,500	5,501,740
Public Works	1,862,000	-	1,862,000	91,000	1,953,000
Subtotal:	\$ 19,179,848	\$ 207,990	\$ 19,387,838	\$ 668,500	\$ 20,056,338
Transfer Out	336,868	-	336,868	5,000	341,868
Total Expenditure:	\$ 19,516,716	\$ 207,990	\$ 19,724,706	\$ 673,500	\$ 20,398,206

Table 3 below summarizes the estimated General Fund ending balance after all midyear revenue and expenditure adjustments. The FY 2025-26 beginning fund balance of \$14,002,865 revises the initial projection from the FY 2025-26 budget adoption timeframe. This updated figure is drawn from the recently completed FY 2024-25 citywide annual audit and financial statements.

Following incorporation of all midyear adjustments, projected revenues are expected to increase by \$935,500, while total expenditure appropriations reach \$881,490—including the current \$673,500 midyear request and prior approvals of \$207,990 during the first six months of the fiscal year. This yields a net FY 2025-26 operating budget deficit of (\$1,415,606), an improvement of \$54,010 from the initial projection of (\$1,469,616). Applying the revised beginning fund balance and all midyear changes, the General Fund is projected to end the year with a \$12.6 million fund balance.

Table 3 – General Fund Projected Fund Balance

	FY 25-26 Adopted	FY 25-26 Mid-Year	Difference
Beginning Fund Balance:	\$ 14,464,311	\$ 14,002,865	\$ (461,446)
<i>Revenue</i>	\$ 18,047,100	\$ 18,982,600	\$ 935,500
<i>Expenditure</i>	\$ (19,179,848)	\$ (20,056,338)	\$ (876,490)
<i>Transfer Out</i>	\$ (336,868)	\$ (341,868)	\$ (5,000)
Surplus/(Deficit):	\$ (1,469,616)	\$ (1,415,606)	\$ 54,010
Estimated Ending Fund Balance:	\$ 12,994,695	\$ 12,587,259	\$ (407,436)

Enterprise Funds: Water & Sewer

The Public Works Department review of the Water and Sewer enterprise funds confirms no additional midyear adjustments or appropriations are needed. Tables 4 and 5 below summarize changes to each fund's beginning net position since budget adoption.

The Water Fund's net position increased from \$10,393,910 to \$11,675,326—a positive change of \$1,281,416. These updated figures are drawn from the recent completed FY 2024-25 audited financial statements.

Table 4 – Water Fund Projected Net Position

	FY 2025-26 Adopted	FY 2025-26 Midyear	Difference
Beginning Fund Balance	\$10,393,910	\$ 11,675,326	\$ 1,281,416
<i>Revenue</i>	\$ 7,326,000	\$ 7,326,000	-
<i>Expenditure</i>	\$ (7,885,540)	\$ (7,885,540)	-
Surplus/(Deficit):	\$ (559,540)	\$ (559,540)	-
Estimated Ending Fund Balance	\$ 9,834,370	\$ 11,115,786	\$ 1,281,416

The Sewer Fund's net position decreased from \$2,420,771 to \$2,377,684—a reduction of \$43,087. These updated figures are drawn from the FY 2024-25 annual audited financial statements.

Table 5 – Sewer Fund Projected Net Position

	FY 2025-26 Adopted	FY 2025-26 Midyear	Difference
Beginning Fund Balance	\$ 2,420,771	\$ 2,377,684	\$ (43,087)
<i>Revenue</i>	\$ 1,358,000	\$ 1,358,000	-
<i>Expenditure</i>	\$ (1,038,815)	\$ (1,038,815)	-
Surplus/(Deficit):	\$ 319,185	\$ 319,185	-
Estimated Ending Fund Balance	\$ 2,739,956	\$ 2,696,869	\$ (43,087)

Internal Service Funds (ISFs)

The City uses Internal Service Funds to account for internal services provided to departments citywide. The ISFs used by the City are for Fleet replacement/maintenance, Facilities maintenance, Information Technology, Personnel/Risk Management, Administrative Services, and General Plan/Housing Update.

1. Expenses - Proposed Budget Adjustments

The FY 2025-26 projected expenses for various Internal Service Funds (ISFs) are projected to increase by \$325,000. The budget increase to these Internal Service Funds as follows:

- **ISF – Facilities, \$130,000:** This budget request for rental costs for the City’s emergency generator. The City’s generator failed earlier this fall; the generator was approximately 80 years old.
- **ISF – General Plan, \$195,000:** This budget request is to formalize the appropriation for the General Plan update that is to take place in FY 2025-26. This line item was overlooked at the FY 2025-26 budget adoption.

Internal Service Funds generate revenue by fully recovering operational costs through a systematic cost allocation plan charged to other City funds and departments based on service usage. These charges—distributed across user funds like the General Fund, enterprise funds (Water/Sewer), or others—are applied throughout the fiscal year. Table 6 provides the projected net position for each ISF at the end of FY 2025-26.

Table 6 – Internal Service Funds Projected Net Position @ June 30, 2026

Internal Service Funds - Summary						
Fiscal Year 2025-26 Mid-Year Review						
February 10, 2026						
	ISF / Administrative	ISF / Information Technology	ISF / Personnel & Risk Management	ISF / Fleet	ISF / Facilities	ISF / General Plan Update
Beginning Net Position (Unrestricted):	\$ 591,103	\$ 688,598	\$ 1,227,204	\$ 865,437	\$ 969,246	\$ 186,107
FY 25-26 Revised Budget:						
Revenue	1,000,000	1,180,000	2,075,000	496,000	590,000	195,000
Expenditure	(1,101,000)	(1,556,500)	(2,486,000)	(498,000)	(688,000)	-
Subtotal	(101,000)	(376,500)	(411,000)	(2,000)	(98,000)	195,000
Mid-Year Adjustments:						
Revenue	-	-	-	-	130,000	-
Expenditure	-	-	-	-	(130,000)	(195,000)
Operating Surplus/Deficit:	(101,000)	(376,500)	(411,000)	(2,000)	(98,000)	-
Ending Net Position	\$ 490,103	\$ 312,098	\$ 816,204	\$ 863,437	\$ 871,246	\$ 186,107

Executive Salary Compensation Analysis

Earlier this year, the City Council approved adjustments to the executive management compensation schedule in order to be more competitive for unplanned Public Works Director and Finance Director vacancies that occurred during the year. At the October 28, 2025, City Council Meeting, the City Council requested an analysis of cost for adjusting all remaining executive classifications to a more competitive market rate.

Human Resources conducted a salary survey for all classifications within the executive management group (Attachment 3). Table 7 below is a summary of median salary for Sierra Madre executives at Step 1 relative to Step 1 of peer cities included in the survey:

(Next Page)

Table 7 – Summary of Median Salary as Percentage by Classification

Classification	Salary as Percentage of Survey Median
Assistant City Manager	-40.6%
Police Chief	-41.6%
Fire Chief	-35.1%
Public Works Director	-37.9%
Planning Director	-27.6%
Finance Director	-16.5%
Library/Community Services Director	-96.2%

On Table 8 below are the results of the salary survey compared to the City’s FY 2025-26 adopted executive compensation salary schedule. Please note the Public Works Director, Finance Director, and Planning Director positions have already been adjusted. The values here reflect the adopted schedule as of July 1, 2025, for comparison purposes and to align with the table above.

Table 8 – Summary of Median Salary Rate by Classification

Classification	CURRENT		SURVEY RESULTS (MEDIAN)	
	Step 1	Step 10	Step 1	Step 10
	Monthly		Monthly	Monthly
Assistant City Manager	\$ 11,566.50	\$ 17,945.17	\$ 16,268.18	\$ 21,324.40
Police Chief	\$ 11,935.75	\$ 14,904.92	\$ 16,906.75	\$ 21,997.50
Fire Chief	\$ 11,935.75	\$ 14,904.92	\$ 16,123.07	\$ 21,444.00
Public Works Director	\$ 10,830.50	\$ 13,528.92	\$ 14,931.00	\$ 18,149.00
Planning Director	\$ 11,159.17	\$ 13,936.00	\$ 14,241.71	\$ 18,146.66
Finance Director	\$ 12,346.00	\$ 15,419.00	\$ 14,381.01	\$ 17,906.97
Library/Community Services Director	\$ 6,884.83	\$ 8,597.33	\$ 13,506.14	\$ 17,671.85

Should the City Council direct the City Manager to align executive compensation closer to market, to simplify the City’s executive compensation structure it is recommended that executive compensation structure be distributed into pay bands to ensure equity among the City’s executive management team as shown on Table 9. The equity calculation was determined by grouping the Assistant City Manager, Police Chief, and Fire Chief into Band A and the Public Works Director, Planning Director, Finance Director, and Library & Community Services Director into Band B. The Step 1 average of the classifications is used for each pay band, with a 2.5% increase between steps to determine Step 10 compensation.

Table 9 – Proposed Rates and Pay Bands

Classification	Pay Band	Step 1	Step 10	Step 1	Step 10
		Monthly		Annual	
Assistant City Manager	A	\$16,432.66	\$20,540.83	\$197,191.96	\$246,489.95
Police Chief					
Fire Chief					
Public Works Director	B	\$14,264.97	\$17,831.21	\$171,179.58	\$213,974.48
Planning Director					
Finance Director					
Library/Community Services Director					

Based on the review, the estimated annual cost to align salaries to a more competitive market rate for Assistant City Manager, Fire Chief, Police Chief, and Library & Community Services Director positions, the increase is approximately \$151,200, fully burdened.

This analysis also resulted in further adjustments to the Public Works Director, Finance Director and Planning Director positions. The revised Step 1 pay adopted by the City Council at the October 28, 2025, and November 18, 2025, meetings was \$13,936. The market and equity adjustment would increase Step 1 to \$14,265, a difference of \$329 per classification per month, or \$11,844 per year for the three positions. The fully burdened rate is approximately \$16,600. Therefore, the total market and equity adjustment for the executive management group is \$167,800.

Of the amounts listed, Table 10 lists the impact by fund depending on where the positions are allocated to in the budget. Based on this analysis, the General Fund would absorb approximately 93% of the cost, or \$156,000. The remaining amounts are distributed as follows:

Table 10 – Proposed Cost by Fund for Market/Equity Adjustments

	Net Cost	General Fund	Admin ISF	Water Fund	Sewer Fund	Gas Tax	Fleet ISF	Facilities ISF
		\$	\$	\$	\$	\$	\$	\$
Assistant City Manager	\$ 2,459.16	\$ 491.83	\$1,229.58	\$ 614.79	\$ 122.96			
Police Chief	\$ 27,520.58	\$ 27,520.58						
Fire Chief	\$ 27,520.58	\$ 27,520.58						
Public Works Director	\$ 5,527.20	\$ 1,105.44		\$ 829.08	\$ 829.08	\$552.72	\$1,105.44	\$ 1,105.44
Planning Director	\$ 5,527.20	\$ 5,527.20						
Finance Director	\$ 5,527.20		\$3,316.32	\$1,105.44	\$ 1,105.44			
Library/Community Services Director	\$ 93,714.90	\$ 93,714.90						
TOTAL	\$167,796.82	\$155,880.53	\$4,545.90	\$2,549.31	\$ 2,057.48	\$552.72	\$1,105.44	\$ 1,105.44
		92.9%	2.7%	1.5%	1.2%	0.3%	0.7%	0.7%

Should the City Council wish to proceed with this adjustment, it is recommended that the change occur with the FY 2026-27 budget, beginning July 1, 2026. With this one-time market adjustment, individuals in the executive management group would also forgo any merit increase for the FY 2026-27 and their evaluation periods would all be aligned together requiring an annual evaluation

by June 30 of each subsequent year. Future increase would be subject to the City's merit rules and individual performance evaluations.

General Fund 10-Year Outlook & FY 2026-27 Budget Direction

Ad Hoc Revenue Committee Recommendations

In April 2025, the City empaneled an Ad Hoc Revenue Committee (Committee) to evaluate the City's fiscal condition and identify potential opportunities related to revenue enhancement, cost containment, and alternative service delivery models. The Committee met throughout 2025, reviewed financial data and forecasts, received staff input, and evaluated a range of potential strategies.

On January 29, 2026, the Committee submitted its final report to the City Manager (Attachment 4). The report concludes that the City remains financially solvent under current service levels but identifies constraints on the City's ability to expand services or accelerate capital improvements without new revenues or operational changes. The Committee's principal recommendations include the following:

1. Continuing the City's practice of conservative fiscal management.
2. Implementing the Fire Department Basic Life Support (BLS) Transport Program to improve service capacity and capture currently unavailable revenue.
3. Advancing the City Manager's budget and financial management strategy, including updated financial policies, improved forecasting practices, modernization of budgeting tools and software, clearer alignment of one-time revenues and expenditures, and enhanced budget transparency.
4. Modernizing City technology systems to improve reporting accuracy, operational efficiency, and staff productivity.
5. Preparing a comprehensive service level and capital needs analysis to better illustrate long-term costs, tradeoffs, and funding implications associated with different service and infrastructure investment levels.
6. Reporting back to the community on progress made toward financial management and operational improvements.
7. Reconvening a committee or similar advisory body after foundational improvements are implemented to reassess conditions and provide follow-up recommendations.
8. Establishing clearer standards and accountability measures for any future tax proposals, including specific identification of intended uses, costs, benefits, alternatives, and reporting commitments.

City Council direction is requested on whether to accept the Ad Hoc Revenue Committee's recommendations and to identify which items should be prioritized for implementation.

Community Survey Findings

In December 2025, the City engaged the Lew Edwards Group (LEG) and FM3 Research to conduct a community issues survey to assess resident perceptions of City services and potential support for a local health and safety funding measure. Overall, survey results reflect strong confidence in the City's direction and performance, particularly relative to broader regional trends.

Approximately 62 percent of respondents believe the City is headed in the right direction, and 65 percent rate City government performance positively, indicating a high level of trust in City leadership and service delivery. Satisfaction is especially strong with health and safety services, with public safety services identified as a top priority.

A majority of voters (58 percent) agree the City needs additional funding to maintain service levels; however, awareness of funding needs is higher for the Fire Department (57 percent) than for the Police Department (37percent). Residents identified the following as the City's highest service priorities:

- Wildfire prevention and brush clearance
- Firefighter and paramedic staffing levels
- Maintaining the City's emergency reserve fund
- Keeping the Fire Station open 24/7
- Preserving local control over emergency response
- Protecting water quality
- Repairing streets, sidewalks, and infrastructure

The survey tested a City-sponsored health and safety parcel tax structured as a per-square-foot assessment; however, support for the measure was below viability for placement. While the Ad Hoc Committee did not recommend a specific tax or revenue source, community feedback indicates a clear desire for additional funding to support enhanced public safety services, water quality, infrastructure needs, and strong reserves. As a result, efforts to identify a fiscally responsible approach that can address important and necessary community priorities remain elusive and may require trade-offs or reductions in services elsewhere in the budget to address these needs.

FY 2026-27 Budget Development

Current projections indicate that the City will be facing a General Fund deficit, and the City will begin the development of the FY 2026-27 budget in March. To ensure the proposed budget reflects City Council priorities, the City Manager is seeking policy directions on how the City Council wishes to proceed. Specifically, the City Manager requests direction on which of the

following approaches should guide preparation of the FY 2026-27 Proposed Budget. Three options have been prepared for the City Council to consider:

Option #1 Status Quo Budget

Prepare a budget that generally maintains current service levels. This approach would preserve existing programs and staffing but would not address the underlying deficit and may require continued use of reserves or deferral of other needs.

Option #2 Service Enhancements

Prepare a budget that includes targeted service enhancements based on City Council priorities. This approach would increase expenditures and further widen the projected deficit unless offset by reductions elsewhere.

Option #3 Deficit Reduction Approach

Prepare a budget focused on reducing the projected deficit through expenditure reductions or service adjustments. This would require clear direction from the City Council on service priorities and acceptable tradeoffs.

If the City Council directs the deficit reduction approach, additional guidance is need on prioritizing City services. Historically, and consistent with common municipal practice, initial cost-containment steps typically include:

- Suspending or reducing General Fund capital transfers and discretionary capital expenditures;
- Reducing community-based and discretionary services, such as special events, recreation programs, and library services;
- Implementing personnel-related controls, including hiring freezes or “frosts,” position management, overtime controls, and temporary staffing reductions;
- Reducing or deferring contracted and professional services, including consulting contracts, studies, and non-mandated programs;
- Adjusting operational and programmatic levels, such as reducing service hours, consolidating programs, or increasing cost recovery where feasible;
- Deferring General Fund vehicle, equipment, and non-critical facility replacements;
- Limiting administrative and internal expenses, including travel, training, and supplies; or
- Considering structural or long-term policy options, including service delivery model changes, organizational restructuring, or strategic use of reserves.

This framework allows the City Council to provide direction on which measures to pursue first, which areas should be protected, and the acceptable balance between fiscal savings and service impacts. Additional direction is requested for:

- Services the City Council considers core and essential
- Services that may be considered for reduction or scaling back
- Any services or programs the City Council wishes to protect from reductions

Based on City Council direction, the City Manager will prepare the FY 2026-27 Proposed Budget consistent with the selected approach and clearly outline the fiscal impacts and service implications for public input and City Council review.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b) (3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

The citywide budget adjustments for FY 2025-26, by fund type, are listed in the attached Exhibit I and II (Attachment 2).

Approved by:



Michael Bruckner
City Manager

Attachment(s):

1. Resolution No. 26-13
2. Exhibit I & II
3. Executive Compensation Analysis
4. Ad Hoc Revenue Committee Final Report

RESOLUTION NO. 26-13

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE
ADOPTING THE FISCAL YEAR 2025-2026 BUDGET ADJUSTMENTS AND
APPROPRIATING THE AMOUNTS PROJECTED**

WHEREAS, the City Manager did present the City's 2025-2026 budget to the City Council for its consideration; and the City Council did, in a public meeting, carefully consider the budget; and

WHEREAS, on February 10, 2026 the City Council adopted the amended budget; and

WHEREAS, the City Council has committed additional appropriations during the fiscal year; and

WHEREAS, on February 10, 2026, the City Manager did propose FY 2025-2026 budget amendments for the City of Sierra Madre (City) was submitted to the City Council and is on file at City Hall; and

NOW, THEREFORE, THE CITY OF SIERRA MADRE DOES RESOLVE AS FOLLOWS:

SECTION 1. The budget, as amended, is adopted as for the City of Sierra Madre for Fiscal Year commencing July 1, 2025 and concluding June 30, 2026.

SECTION 2. Appropriations for the City as described in the staff report are hereby adopted for the fiscal year commencing July 1, 2025 and concluding on June 30, 2026.

SECTION 3., The City Manager and Finance Director are hereby authorized to make transfers between budget line items

APPROVED AND ADOPTED this 10th of February 2026.

ORIGINAL SIGNED

Kristine Lowe, Mayor,
City of Sierra Madre, California

I hereby certify that the foregoing Resolution No. 26-13 was adopted at a regular meeting of the City Council of the City of Sierra Madre held on this 10th day of February 2026 by the following vote:

AYES:

NOES:

ABSENT:

ORIGINAL SIGNED

Laura Aguilar, City Clerk, City of
Sierra Madre, California

Exhibit I

General Fund Midyear Amendments

GENERAL FUND REVENUES			
Categories	FY 2025-26 Adopted	FY 2025-26 Midyear	FY 2025-26 Amended
Property Tax	9,466,000	136,000	9,602,000
Utility Users' Tax	3,229,000	156,000	3,385,000
Franchise Tax	550,000	85,900	635,900
Sales Tax	1,408,000	114,500	1,522,500
Business Licenses	93,000	-	93,000
Revenue from Other Agencies	180,000	-	180,000
Charges for Services	1,562,500	168,500	1,731,000
Fines & Forfeiture	62,000	15,400	77,400
Licenses & Permits	923,000	153,200	1,076,200
Other Revenue	573,600	106,000	679,600
Total Revenues:	\$ 18,047,100	\$ 935,500	\$ 18,982,600
GENERAL FUND EXPENDITURES			
Department	FY 2025-26 Revised	Mid-Year Appropriation Request	FY 2025-26 Amended
Administrative Services	4,426,598	127,000	4,553,598
Community Services	497,000	30,000	527,000
Elected and Appointed	413,000	60,000	473,000
Fire	3,989,000	52,000	4,041,000
Library	829,000	-	829,000
Planning & Community Preservation	2,158,000	20,000	2,178,000
Police	5,213,240	288,500	5,501,740
Public Works	1,862,000	91,000	1,953,000
Total Expenditures:	\$ 19,387,838	\$ 668,500	\$ 20,056,338
Transfer Out	336,868	5,000	341,868

Exhibit II

Internal Service Funds Midyear Amendments

INTERNAL SERVICE FUNDS			
ISF Funds	FY 2025-26 YTD Revised	Mid-Year Appropriation Request	FY 2025-26 Amended Budget
ISF - Fleet	498,000	-	498,000
ISF - Facilities	688,000	130,000	818,000
ISF - Administrative	1,043,000	-	1,043,000
ISF - IT	1,556,503	-	1,556,503
ISF - Personnel & Risk Management	2,486,000	-	2,486,000
ISF - General Plan Update	-	195,000	195,000
Total Expenditures:	\$ 6,271,503	\$ 325,000	\$ 6,596,503

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	Assistant City Manager	\$ 17,104.97				\$ 22,318.10			
Commerce	n/a								
Westlake Village	Assistant City Manager	\$ 14,509.00				\$ 22,822.00			
La Canada Flintridge	Assistant City Manager	\$ 12,599.00	\$ 16,884.00						
Hawaiian Gardens	n/a								
Artesia	Deputy City Manager	\$ 14,452.00	\$ 18,445.11						
Claremont	Assistant City Manager	\$ 15,964.43					\$ 19,285.76		
San Dimas	Assistant City Manager	\$ 17,199.00			\$ 20,905.00				
South Pasadena	Assistant City Manager/CFO	\$ 16,801.00	\$ 22,516.00						
San Marino	n/a								
Signal Hill	Deputy City Manager	\$ 16,571.92					\$ 21,743.80		
	Average	\$ 15,650.17						\$ 20,614.97	
	Median	\$ 16,268.18						\$ 21,324.40	

Sierra Madre	\$ 11,566.50	\$ 17,945.17
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Average Variance (\$)	\$ (4,083.67)	\$ (2,669.80)
Average Variance (%)	-35.3%	-14.9%
Median Variance (\$)	\$ (4,701.68)	\$ (3,379.23)
Median Variance (%)	-40.6%	-18.8%

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	n/a								Contract with Whittier PD
Commerce	n/a								Contract with LASD
Westlake Village	n/a								Contract with LASD
La Canada Flintridge	n/a								Contract with LASD
Hawaiian Gardens	n/a								Contract with LASD
Artesia	n/a								Contract with LASD
Claremont	Police Chief	\$ 16,947.49						\$ 20,476.30	
San Dimas	n/a								Contract with LASD
South Pasadena	Police Chief	\$ 16,002.00		\$ 21,444.00					
San Marino	Chief of Police	\$ 16,866.00	\$ 22,551.00						
Signal Hill	Chief of Police	\$ 17,201.19					\$ 22,569.44		
	Average	\$ 16,754.17						\$ 21,760.19	
	Median	\$ 16,906.75						\$ 21,997.50	

Sierra Madre	\$ 11,935.75	\$ 14,904.92
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Average Variance (\$)	\$ (4,818.42)	\$ (6,855.27)
Average Variance (%)	-40.4%	-46.0%
Median Variance (\$)	\$ (4,971.00)	\$ (7,092.58)
Median Variance (%)	-41.6%	-47.6%

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	Fire Chief	\$ 16,123.07				\$ 21,036.95			
Commerce	n/a								Contract with LACFD
Westlake Village	n/a								Contract with LACFD
La Canada Flintridge	n/a								Contract with LACFD
Hawaiian Gardens	n/a								Contract with LACFD
Artesia	n/a								Contract with LACFD
Claremont	n/a								Contract with LACFD
San Dimas	n/a								Contract with LACFD
South Pasadena	Fire Chief	\$ 16,002.00		\$ 21,444.00					
San Marino	Fire Chief	\$ 16,866.00	\$ 22,551.00						
Signal Hill	n/a								Contract with LACFD
	Average	\$ 16,330.36						\$ 21,677.32	
	Median	\$ 16,123.07						\$ 21,444.00	

Sierra Madre	\$ 11,935.75	\$ 14,904.92
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Average Variance (\$)	\$ (4,394.61)	\$ (6,772.40)
Average Variance (%)	-36.8%	-45.4%
Median Variance (\$)	\$ (4,187.32)	\$ (6,539.08)
Median Variance (%)	-35.1%	-43.9%

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	Director of Community Development	\$ 13,907.90				\$ 18,146.66			
Commerce	Director of Economic Development & Planning	\$ 14,241.71	\$ 17,351.99						
Westlake Village	Planning Director	\$ 13,561.00				\$ 20,462.00			
La Canada Flintridge	Director of Community Development	\$ 11,839.00		\$ 15,867.00					
Hawaiian Gardens	Director of Community Development	\$ 11,391.00	\$ 13,845.00						
Artesia	Community Development Director	\$ 13,138.39		\$ 16,768.28					
Claremont	Community Development Director	\$ 14,665.21						\$ 17,718.13	
San Dimas	Community Development Director	\$ 15,201.00			\$ 18,477.00				
South Pasadena	Community Development Director	\$ 15,202.00			\$ 20,372.00				
San Marino	Community Development Director	\$ 15,032.00	\$ 18,272.00						
Signal Hill	Community Development Director	\$ 14,696.66					\$ 19,283.30		
	Average	\$ 13,897.81						\$ 17,869.40	
	Median	\$ 14,241.71						\$ 18,146.66	

Sierra Madre		\$ 11,159.17				\$ 13,936.00			
	Average Variance (\$)	\$ (2,738.64)				\$ (3,933.40)			
	Average Variance (%)	-24.5%				-28.2%			
	Median Variance (\$)	\$ (3,082.54)				\$ (4,210.66)			
	Median Variance (%)	-27.6%				-30.2%			

ATTACHMENT 2

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	Director of Finance	\$ 15,974.54				\$ 19,829.34			
Commerce	Director of Finance & City Treasurer	\$ 14,241.71	\$ 17,351.99						
Westlake Village	Finance Director	\$ 13,561.00				\$ 20,462.00			
La Canada Flintridge	Director of Finance	\$ 11,615.00		\$ 15,565.00					
Hawaiian Gardens	Director of Finance	\$ 10,551.00	\$ 12,825.00						
Artesia	n/a								Finance Manager
Claremont	Finance Director	\$ 14,520.31						\$ 17,541.94	
San Dimas	Director of Administrative Services/City Treasurer	\$ 15,581.00			\$ 18,939.00				
South Pasadena	Finance Director	\$ 11,419.00		\$ 15,303.00					
San Marino	Finance Director	\$ 15,032.00	\$ 18,272.00						
Signal Hill	Administrative Services Officer/Finance Director	\$ 14,938.42					\$ 19,600.49		
	Average	\$ 13,743.40						\$ 17,568.98	
	Median	\$ 14,381.01						\$ 17,906.97	

Sierra Madre		\$ 12,346.00				\$ 15,419.00			
	Average Variance (\$)	\$ (1,397.40)				\$ (2,149.98)			
	Average Variance (%)	-11.3%				-13.9%			
	Median Variance (\$)	\$ (2,035.01)				\$ (2,487.97)			
	Median Variance (%)	-16.5%				-16.1%			

ATTACHMENT 2

		Step 1	Step 5	Step 7	Step 9	Step 10	Step 12	Step 20	Note:
Santa Fe Springs	Director of Parks/Recreation	\$ 13,502.82				\$ 17,618.11			
Commerce	Director of Library Services	\$ 14,241.71	\$ 17,351.99						
Westlake Village	n/a								
La Canada Flintridge	n/a								
Hawaiian Gardens	Director of Recreation & Community Services	\$ 10,551.00	\$ 12,825.00						
Artesia	n/a								
Claremont	Community Services Director	\$ 14,813.41						\$ 17,895.97	
San Dimas	Parks & Recreation Director	\$ 14,830.00			\$ 18,206.00				
South Pasadena	Library Director	\$ 13,384.00		\$ 17,936.00					
San Marino	Community Services Director	\$ 13,173.00	\$ 16,013.00						
Signal Hill	Parks, Recreation & Library Services Director	\$ 13,509.46					\$ 17,725.59		
	Average	\$ 13,500.68						\$ 16,946.46	
	Median	\$ 13,506.14						\$ 17,671.85	

Sierra Madre	\$ 6,884.83	\$ 8,597.33
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Average Variance (\$)	\$ (6,615.84)	\$ (8,349.12)
Average Variance (%)	-96.1%	-97.1%
Median Variance (\$)	\$ (6,621.31)	\$ (9,074.52)
Median Variance (%)	-96.2%	-105.6%

13500.675

JANUARY 2026

CITY OF SIERRA MADRE

Ad Hoc Revenue Committee Report

PREPARED BY

Ad Hoc Revenue Committee

Executive Summary

The Ad Hoc Revenue Committee has completed a comprehensive review of the City's financial position, revenue sources, and expenditure patterns. Our principal findings are:

The City of Sierra Madre is financially solvent and does not require a new tax to maintain current service levels. Based on forecasts prepared by the City and UFI Financial Solutions, and thoroughly reviewed by this Committee, the City's accumulated surplus is sufficient to cover projected deficits through the forecast period, barring any unforeseen catastrophe that requires significant expenditures.

However, current revenue projections cannot support accelerated capital improvements or expanded services. Citizens seeking faster infrastructure repairs, new programs, or enhanced services would need to approve new taxes or identify additional funding mechanisms.

Committee Overview

Former Sierra Madre City Manager Reynoso convened an Ad Hoc Revenue Committee (Committee) after an interview process that started in January of 2025. The Committee was formed of five applicants—Tom Denison (Chair), Mike Amerio, Mike Comer, Jim Kelly and Russell Mix—all residents of Sierra Madre, who possess a variety of relevant skills both in service to the City of Sierra Madre and expertise in finance, business management and operations, budgeting and accounting, and small, medium and large private and public enterprise. Sierra Madre City Council (City Council) members Mayor Parkhurst and Council Member Garcia acted as liaisons to the City Council. The initial objective of the Committee was to identify potential new or expanded sources of revenue to offset rising costs and to reduce projected future budget deficits. The Committee was refocused after current City Manager, Michael Bruckner (City Manager) joined the City on July 7, 2025. In the course of this work, the Committee recommended that it expand its scope to also look at City expenditures to identify possible ways to reduce the growth in costs.

The Committee has met 11 times in 2025, both in public settings and as the Committee only. The City provided a large amount of material concerning the City's sources of revenue and its expenses, grouped by the nature and scope of the underlying revenue and expense. Many requests for data have been prepared by the Committee and largely fulfilled by City Staff, although not all answers were available. In addition, citizen input has been received by the Committee, and several other interested citizens have been engaged to help with the work of various sub-committees to more deeply examine various topics.



Findings

The City, by most measures, is financially stronger than many neighboring cities and has, overall, managed its resources reasonably well over the past several years. This is particularly clear when comparing the relative size and population of the City against other Southern California cities, contrasted with services that are delivered wholly internally. The City Manager engaged a respected municipal financial consulting firm to review and integrate the City's past and present historical financial data to drive a model of the future financial situation. In simple terms, the model leveraged actual budget surpluses, which have accumulated for several years.

The City Council adopted a budget for Fiscal Year 2026 (July 1, 2025 - June 30, 2026)¹ with expenditures that exceed revenues. The amount of deficit forecast is projected to decline each year until FY2036, when the trend will reverse, and surpluses will again begin to accrue. The accumulated City surplus is sufficient to cover the projected deficits, so the City will not be "insolvent" at any point in the forecast. Another way to state this is that the City will have funds sufficient to provide current service levels at least throughout the term of the model, and probably after.



Two items of note:

- a) The model does not contemplate increasing service levels (e.g. the total count of potholes filled in a year), adding new services (e.g. a comprehensive tree management plan) or increasing the velocity of reducing unfunded Capital projects (e.g. upgrading or rebuilding City facilities such as bathrooms in parks); and
- b) The model does not contemplate any increase in City revenues from new programs such as the Sierra Madre Fire Department Basic Life Support Transportation Program (BLS Program, discussed herein), nor from new housing or business developments (such as The Meadows project).

Committee Financial Analysis

Under the leadership of the former City Manager, the Committee was initially presented with concerning data. The Committee was informed of the risk that the City was nearing the Gann Limit, a State rule that prohibits spending collected tax dollars above a certain calculated dollar value (established by Proposition 4 in 1979, and named after Paul Gann). This, in effect, prevents the City from spending its tax revenues above a limit and, after two years of surpassing the limit, requires the City to return 'excess' tax dollars that were assessed. At one point, the Committee was told the City was within about \$100,000 of this limit. The Gann Limit can, within guidelines, be changed by a vote of the citizens of an impacted city. This, combined with dire financial forecasts, suggested the City to be at real risk of becoming insolvent. A solution was suggested by City Staff to put both an increase of the Gann Limit and a corresponding parcel tax on the ballot. It was further suggested that the Committee consider whether the City could wait for the regular election cycle or would need to have a special election. At our next meeting, a pollster was presented to the Committee in case the Committee wanted to prepare for a tax right away.

As time progressed and the current City Manager took over the Committee, it was provided with a large array of documents, including budgeted versus actuals for both expense and revenue, fund balances, asset lists from depreciation schedules, and much more. The antiquated software used to manage financial reporting does not facilitate reporting numbers that were eventually reconciled into a separate document. The Committee received many documents that covered identical periods of time with different final numbers. For example, the Committee received Word documents that had images of pages of Budget Reports. The totals of the Budget Reports did not tie to the City's actual results and did not tie with what is considered the City's "single source of truth", the City Annual Financial Report (CAFR). This was explained to be a consequence of outdated software that did not have a report that included the final adjustments that happen annually in the ordinary course of City business. This illustrates how hard it is for the City Staff to accurately share numbers with the current software they are equipped with.

Committee Financial Analysis Continued

As part of its ordinary course, on June 10, 2025, the City Council adopted the City's annual budget. The budget for fiscal year 2026 (July 1, 2025 - June 30, 2026) was adopted with a deficit. This \$1.46 million deficit is primarily due to one-time expenditures that were required by the County of Los Angeles to update the Youth Activity Center elevator (\$750,000) and pool (\$150,000), accounting for a one-time capital expense of over \$900,000. This left an adjusted deficit projection of \$560,000.

In comparing the budgeted versus actuals finances of the last nine years (fiscal 2017 - fiscal 2025), the City has wisely taken a conservative approach. In all nine years, actual revenue was above budgeted (favorable result), by an average of \$1.2 million. In eight of nine years, actual expense was below budgeted expense (favorable result), by an average of \$402,000. The net result of actual revenue against expense has averaged a favorable \$754,000 per year, with the largest shortfall an unfavorable \$1.8 million, and maximum surplus of a favorable \$2.1 million. In short, the adjusted deficit in Fiscal 2026 of \$560,000 is well within the annual difference between projected expense and revenue averages for the last 9 years.

Budget vs. Actual: Revenue Performance (FY 2017–2025)²

Fiscal Year	Budgeted Revenue	Actual Revenue	Variance (Favorable)
FY 2017	\$10,821,600	\$11,223,764	\$402,164
FY 2018	\$11,032,700	\$12,053,691	\$1,020,991
FY 2019	\$11,681,300	\$12,669,798	\$988,498
FY 2020	\$12,041,500	\$13,917,037	\$1,875,537
FY 2021	\$12,733,947	\$14,224,737	\$1,490,790
FY 2022	\$14,206,400	\$15,657,995	\$1,451,595
FY 2023	\$15,419,000	\$17,591,574	\$2,172,574
FY 2024	\$17,278,100	\$18,133,101	\$855,001
FY 2025	\$17,439,100	\$18,314,243	\$875,143

9-Year Average Favorable Variance: +\$1,237,000

Committee Financial Analysis Continued

Budget vs. Actual: Expenditure Performance (FY 2017–2025)²

Fiscal Year	Budgeted Expenditure	Actual Expenditure	Variance
FY 2017	\$11,079,800	\$10,454,122	-\$625,678 (Favorable)
FY 2018	\$11,148,800	\$10,729,616	-\$419,184 (Favorable)
FY 2019	\$15,157,700	\$14,534,267	-\$623,433 (Favorable)
FY 2020	\$13,382,961	\$13,356,081	-\$26,880 (Favorable)
FY 2021	\$12,894,770	\$12,077,592	-\$817,178 (Favorable)
FY 2022	\$15,446,907	\$15,028,076	-\$418,831 (Favorable)
FY 2023	\$15,275,390	\$15,460,488	+\$185,098 (Unfavorable)
FY 2024	\$16,352,714	\$16,088,502	-\$264,212 (Favorable)
FY 2025	\$19,881,200	\$19,267,852	-\$613,348 (Favorable)

9-Year Average Favorable Variance: -\$402,000

Net Actual Result by Fiscal Year (FY 2017–2025)²

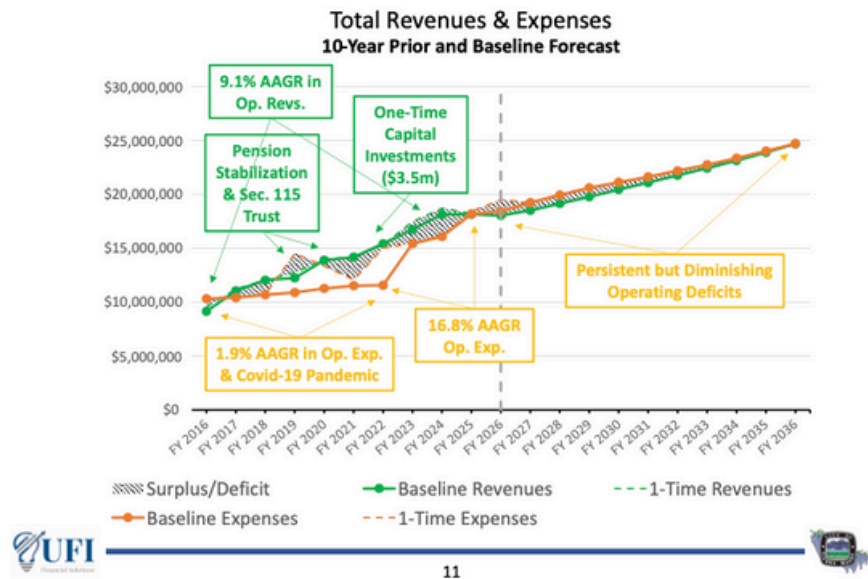
Fiscal Year	Actual Revenue	Actual Expenditure	Net Result
FY 2017	\$11,223,764	\$10,454,122	+\$769,642 (Favorable)
FY 2018	\$12,053,691	\$10,729,616	+\$1,324,075 (Favorable)
FY 2019	\$12,669,798	\$14,534,267	-\$1,864,469 (Unfavorable)
FY 2020	\$13,917,037	\$13,356,081	+\$560,956 (Favorable)
FY 2021	\$14,224,737	\$12,077,592	+\$2,147,145 (Favorable)
FY 2022	\$15,657,995	\$15,028,076	+\$629,919 (Favorable)
FY 2023	\$17,591,574	\$15,460,488	+\$2,131,086 (Favorable)
FY 2024	\$18,133,101	\$16,088,502	+\$2,044,599 (Favorable)
FY 2025	\$18,314,243	\$19,267,852	-\$953,609 (Unfavorable)

9-Year Average Net Result: +\$754,000 (Favorable)

Committee Financial Analysis Continued

One of the first things that the City Manager did to help understand the current state of the City was to engage a respected municipal financial consulting firm, UFI Financial Solutions, to model the City's past, present and future financial situation. The model assumptions **include** inflation, earnings on City funds, contractually required increases in compensation for represented (union) employees (Police, Fire and City staff), increases in revenue from property taxes due to increased basis on property transactions, etc.

Baseline Forecast - Revenue & Expense Trends:



In simple terms, the model results (attached below) show that Sierra Madre enjoyed a significant budgetary surplus for several years, which has accumulated. By contrast, the City has projected Fiscal Year 2026 expenditures that exceed revenues (in large part from a one-time capital expense recorded as a General Fund expense to repair and upgrade a rental facility), leaving a balance well within the annual difference between projected expense and revenue average for the last 9 years. The model forecasts a similar ordinary deficit for the next several years. The amount of annual deficit, however, is forecast to decline each year until about 2036, when the trend will reverse and surpluses will again begin to accrue. The accumulated surplus is sufficient to cover the projected deficits, so the City will not be "insolvent" at any point in the forecast. Another way to state this is that the City will have funds sufficient to provide current service levels for years to come, although not enough to accelerate issues of regularly-expressed interest to some citizens, such as expedited repair of water lines, roads, sidewalks, etc., and with the risk of continuing to maintain and operate some aging facilities and pieces of equipment that are beyond their planned lives. The forecast also does not indicate the financial capacity to add new services that some citizens believe should be provided, such as additional senior programs, enhanced parks & recreation programs, more fire prevention and risk mitigation programs, etc.

Committee Financial Analysis Continued

The Committee determined that much of the City's budget is composed of costs that can't be readily reduced. Staffing costs account for 70% of total expenditures. Further, there are large classes of staff compensation that cannot be changed because of union contracts, and their resultant pay and benefit obligations. For example, Police and Fire services represent about 55% of the City budget and are bound by collective bargaining agreements—and a shift to contracting with the County for such services would reduce response/service levels and increase total costs. Similarly, costs for City staff are at or below the per-capita cost levels of most of the cities around us and are also partially controlled by collective bargaining agreements.

City Budget Composition		
Category	% of Total Budget	Notes
Total Staffing Costs	70%	Salaries, benefits, pensions
– Police & Fire Services	55%	Bound by collective bargaining agreements
– Other City Staff	15%	Partially controlled by collective bargaining
Non-Personnel Costs	30%	Facilities, equipment, contracts, supplies

The Committee cautions against rigid adherence to comparisons against other cities as a basis for determining compensation for Sierra Madre employees, as Sierra Madre is a desirable place to work in many respects and does not exhibit the risks and complexities of many other Southern California cities. That said, such comparisons should be one part of any analysis of City compensation studies.

There are certainly opportunities for cost reductions in City expenses (or at least reductions in the rate of increase), but they are relatively small in the context of the overall City budget.

The Committee also determined that the opportunities to generate new revenues that do not involve new fees or taxes on residents are quite limited, but still significant. These will be discussed further in this Report. The possible sources of very large revenue increases that were suggested by interested citizens—such as "big box" stores, cannabis dispensaries, casinos, major new home developments, etc.—were deemed to be unlikely either because the demand doesn't exist (for example, prior City consultant studies found little interest from large-scale retailers in Sierra Madre because of the lack of traffic through the City) or incompatibility with perceived City values and traditions (e.g., the opposition to the relatively modest Meadows residential development).

Areas for Further Study

One of the Committee's goals has been to try to discuss this in a different way than most citizens are used to. The Committee worked on this project over the course of a year. It has studied reams of data. It met with City Staff and listened intently to what was said. There are many trends that were observed that warrant further work from the City, if not an outside oversight group such as this Committee. These include, but are definitely not limited to, the following:

1. Staffing Practices

The rate of staff turnover seems fairly high. Turnover is always expensive, both because of onboarding expenses (training, equipment, etc.) and because of the disruption in productivity that typically occurs with turnover. The principal reason the Committee was given was always, "The City does not pay enough, so people leave." We were not provided with any factual substantiation. It is common practice in the private sector to conduct exit interviews and get actual data. Further, people rarely leave because they are taking a job of lesser compensation, so one must determine if they were inevitably going to leave for a higher paid / higher responsibility position, or was this actually symptomatic of other workplace-related issues. For example: Are we investing in our Staff? Are we hiring the right people to begin with? Are they being well-managed? These are the questions that private enterprises have to ask themselves on a continuing basis; the City should do the same. The answer is not always, "more money".

2. Revenue Enhancement

It is worth noting that there have been multiple previous committees convened by the City that have presented revenue ideas to previous City Councils. A great deal of work by previous volunteers, and even by current Committee members, generated a wide variety of revenue-generating ideas. These ideas, to our knowledge, never went past the paper stage, and were instead followed quickly by proposed tax measures. In the past, the ideas presented were often not grounded in real world applicability, and then vetted by a group like this. We believe the best ideas often come from the people closest to the issues. For example, there is buy-in at the "boots on the ground" level for the BLS program. We need more of these, and those that arise should be thoroughly and timely investigated.

3. Looking Broadly for Opportunities

The Committee started, under the former City Manager, with a wide scope. With the current City Manager, the purview of the Committee was tightened to exclude anything outside of general fund dollars. Cost-saving or revenue-generating ideas, even if they are in the enterprise funds, which cover their own expenses through the fees they collect, lower the overall tax burden of the citizens. We, as citizens, understandably tend to look at the total tax burden—and lowering what we pay for one city service can free up what we can afford to spend on another, keeping the total tax burden consistent.

Revenue Enhancement Opportunities

The citizens of Sierra Madre are involved and creative, and proposed many revenue-generation ideas for consideration. Some would require significant additional study and have complex legal issues to explore, such as the notion of a medical cannabis dispensary in the City. Other cities report very mixed impacts from such establishments. Similarly, some obvious ways to generate new revenues, such as new housing developments or a luxury hotel complex on potentially-available land, have historically been very difficult to complete in Sierra Madre due to local opposition to new development. The challenge is finding new revenue sources that will be supported by the community.

Despite the foregoing, the Committee has studied one opportunity that appears to meet all criteria and, in our view, should proceed with haste—the Basic Life Support (BLS) Program.

The Basic Life Support (BLS) Program

The Sierra Madre Fire Department proposes the establishment of a part-time Ambulance Operator (AO) Program to enhance emergency medical services (EMS) delivery, improve system efficiency both internally and with neighboring agencies, and strengthen fiscal sustainability. This program will introduce Basic Life Support transport units staffed by part-time emergency medical technicians (EMTs) with Fire Academy training, enabling the department to expand service capacity and recapture lost revenue currently going to external providers through mutual aid.

Additionally, the EMTs will support fire prevention efforts through inspections and community risk reduction activities for the city. Preliminary metrics indicate that the BLS Program, if implemented quickly, efficiently and professionally, could significantly reduce projected deficits and increase future surpluses.

Committee Recommendations

The Committee recommends the following:

I. Continue Conservative Fiscal Management

Continue the current path of fiscally conservative management of the City.

II. Implement the BLS Program

Implement, as soon as feasible, the BLS Program in order to increase revenue.

III. Implement the City Manager's Budget Strategy

- A. Create or update City financial & budget policies to better align budgeting practices with strategic goals.
- B. Acquire modern budgeting software to automate manual tasks, data entry, report generation, and analysis.
- C. Adjust revenue and expenditure forecasts to actual experiences.
- D. Align one-time revenues with one-time expenditures.
- E. Update the City's budget book to be more user-friendly and transparent about funding sources, uses, and service delivery goals.

IV. Modernize City Technology

As soon as feasible, update the technology (software and hardware) used by City Staff to modern levels. A modern technology stack will create more efficient work product, allowing more throughput with the same staffing. Modernization of technology will allow for modern workplace upgrades such as enterprise artificial intelligence tools (AI). Further, modern pricing models remove the long-term liability with licensure that can be turned on and off as demand changes.

V. Develop Service Level Analysis

Complete analyses and recommendations related to providing various service levels for citizens, such as capital expenditure needs, including costs and timing, and showing easy-to-understand tradeoffs for those service levels. The City should present to its citizens the long-term costs associated with potential changes, as well as a comprehensive list of what is and what is not being prioritized.

Committee Recommendations Continued

VI. Report Progress to Citizens

Report back to citizens on the status of this work. We have heard varying timelines to complete the work described above, but generally they did not exceed eighteen months.

VII. Reconvene for Follow-Up Review

After the prior work scope is completed, this Committee (or a new one if the City so desires)—working from a sound foundation with less variability in the financials and complete review of future work proposed to be done—should revisit the situation and provide additional recommendations if and as needed.

VIII. Establish Standards for Future Tax Proposals

Finally, the idea of a new or increased tax in a small community with limited revenue-generating options has been and, the Committee expects, will continue to be a central theme for increasing City service levels. In the event that such a tax measure is placed on the ballot, we urge City citizens to be able to answer these three questions about the tax:

- 1. What, in very specific terms, do we GET for the proposed new tax?** What are the projected costs, benefits, alternatives and schedules?
- 2. What, in the same very specific terms, do we LOSE if we don't approve the proposed tax?**
- 3. How can we be assured that new tax revenues, if approved, will get what we were promised?** What prevents our money from being spent on other projects or programs? How will the City report back to us with detailed progress?

In simplest terms: Rather than saying "the City needs more money to do important things", we urge the City Staff, where possible, to convert this to **specific costs for specific things** so that citizens can make informed choices. For example, what would it cost an average homeowner each month or year to build out the proposed new Police Station and maintain it? What benefits would doing so provide? What are the alternatives? In this manner, citizens of the City can decide what matters to them in the context of their individual preferences and budgets, and whether they are willing to vote to pay for those things.

Thank You

Respectfully Submitted,

Ad Hoc Revenue Committee

Tom Denison, Chair

Mike Amerio

Mike Comer

Jim Kelly

Russell Mix

Footnotes

¹ Sierra Madre City Council RESOLUTION 25-39
ADOPTING THE FISCAL YEAR 2025-2026 BUDGET

² Source: Budget_Actual and Fund Balance Report
'Budget_Actual'

Attachments: UFI Financial Solutions Forecast Model
(under separate cover)



CITY OF SIERRA MADRE

STAFF REPORT

CITY ATTORNEY

DATE: February 10, 2026
TO: Honorable Mayor and City Council
FROM: Aleks Giragosian, City Attorney
SUBJECT: **Ordinance No. 1490 Amending Section 3.08.040 of the Sierra Madre Municipal Code Related to Purchasing for Non-Public Projects**

RECOMMENDATION

It is recommended that the City Council introduce Ordinance No. 1490 amending Section 3.08.040 (Purchasing and Contracting for Goods and Services (Non-Public Projects)) of Chapter 3.08 (Purchasing Procedures) of Title 3 (Revenue and Finance) of the Sierra Madre Municipal Code to increase the dollar thresholds to account for inflation.

SUMMARY

This ordinance updates the City's purchasing policy thresholds to reflect inflation impacts since the thresholds were last established. The amendments apply exclusively to non-public project purchases such as maintenance agreements, equipment, and supplies—not to public works projects governed by state law. The changes streamline administrative processes by raising approval thresholds at the department head and City Manager levels while maintaining appropriate oversight for larger expenditures.

Key changes include:

- Raising the department head approval limit from \$2,000 to \$5,000
- Increasing the competitive pricing threshold from \$2,001 to \$5,001
- Adjusting the City Manager approval range from \$5,001-\$75,000 to \$15,001-\$75,000
- Establishing automatic threshold updates every three years based on the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area

DISCUSSION & ANALYSIS

This amendment was initiated at the direction of the City Council. The proposed changes affect only non-public project purchasing procedures under Municipal Code Section 3.08.040. Public works projects and alternative bidding procedures remain governed by state law and are not impacted by this ordinance.

The existing purchasing policy requires direct competitive pricing for any contract above \$2,000, with City Manager approval required for contracts between \$5,000 and \$75,000. These thresholds have not kept pace with inflation, creating administrative inefficiencies for routine purchases.

Purchasing Type	Dollar Threshold		Department	City Manager	City Council
	Current	Proposed			
Small purchases	Up to \$2,000	Up to \$5,000	Yes	No	No
Direct competitive - Dept Head	\$2,001-\$5,000	\$5,001-\$15,000	Yes	No	No
Direct competitive - City Manager	\$5,001-\$75,000	\$15,001-\$75,000	No	Yes	No
Direct competitive - Council	\$75,001-\$200,000	\$75,001-\$200,000	No	No	Yes
Formal competitive	Greater than \$200,000	Greater than \$200,000	No	No	Yes

The threshold increases accomplish several objectives:

1. **Administrative efficiency:** Routine small purchases under \$5,000 no longer require competitive pricing procedures, reducing staff time on low-value transactions.
2. **Delegation alignment:** Department heads gain authority over a more realistic range of routine operational purchases.
3. **Inflation adjustment:** Thresholds reflect current market conditions and maintain the same relative purchasing authority established under prior policy.
4. **Future-proofing:** Section 3 of the ordinance authorizes the City Manager to propose triennial threshold adjustments based on CPI data, preventing the need for frequent ordinance amendments.

STRATEGIC PLAN RELATIONSHIP

Not applicable.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute as a project under the California Environmental Quality Act (“CEQA”), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action.

Approved by:

A handwritten signature in black ink, appearing to read "Mike", written over a horizontal line.

Michael Bruckner
City Manager

Attachment(s):

1. Ordinance No. 1490

ORDINANCE NO. 1490

AN ORDINANCE OF THE CITY OF SIERRA MADRE, CALIFORNIA, AMENDING SECTION 3.08.040 (PURCHASING AND CONTRACTING FOR GOODS AND SERVICES (NON-PUBLIC PROJECTS)) OF CHAPTER 3.08 (PURCHASING PROCEDURES) OF TITLE 3 (REVENUE AND FINANCE) OF THE SIERRA MADRE MUNICIPAL CODE

RECITALS

WHEREAS, the City Council desires to update the dollar thresholds in the purchasing procedures of non-public projects to account for economic inflation.

THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by this reference.

SECTION 2. Amendment. Section 3.08.040 (Purchasing and contracting for goods and services (non-public projects)) of Chapter 3.08 (Purchasing Procedures) of Title 3 (Revenue and Finance) of the Sierra Madre Municipal Code is amended to read as follows, with additions denoted by underlined text and deletions denoted by struck-through text:

- A. Up to ~~Two~~ Five Thousand Dollars. Any purchase up to and including ~~two~~ five thousand dollars may be awarded by the director of the department responsible for the project by force account, by negotiated contract, or by direct purchase.
- B. ~~Two~~ Five to ~~Five~~ Fifteen Thousand Dollars. Any purchase from ~~two~~ five thousand dollars or less than or equal to ~~five~~ fifteen thousand dollars may be awarded by the director of the department responsible for the purchase by any direct competitive pricing procedure set forth in Section 3.08.050.
- C. ~~Five~~ Fifteen Thousand Dollars to Seventy-Five Thousand Dollars. Any purchase of more than ~~five~~ fifteen thousand dollars or less than or equal to seventy-five thousand dollars may, except as otherwise provided in this chapter or the Act, be awarded by the city manager pursuant to the any direct competitive pricing procedure set forth in Section 3.08.050.
- D. Seventy-Five Thousand Dollars to Two Hundred Twenty Thousand Dollars. Any purchase of more than seventy-five thousand dollars or less than or equal to two hundred twenty thousand dollars may, except as otherwise

provided in this chapter or the Act, be awarded by the city council pursuant to the direct competitive pricing procedure in Section 3.08.050.

- E. Greater than Two Hundred Twenty Thousand Dollars. Any purchase over two hundred twenty thousand dollars shall, except as otherwise provided in this chapter, be awarded by the city council pursuant to the Sierra Madre formal competitive pricing procedure in Section 3.08.051.

SECTION 3. Updating Thresholds. The City Manager may propose revised thresholds every three years based on the Consumer Price Index for All Urban Consumers for the Los Angeles-Long Beach-Anaheim area with thresholds rounded to the nearest thousandth.

SECTION 4. CEQA. The City Council finds the adoption of this Ordinance is exempt from the California Environmental Quality Act (CEQA) under Section 15301, Title 14 of the California Code of Regulations and is also exempt from review because it does not meet the definition of a project under CEQA Guidelines sections 15061, subdivision (b)(3), and section 15378, subdivision (a) and subdivision (b)(5).

SECTION 5. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Ordinance or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Ordinance or any part thereof or exhibit thereto. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 6. Certification. Pursuant to Government Code Section 36932, the City Clerk shall certify the passage, approval, and adoption of this Ordinance by the City Council.

SECTION 7. Publication. Pursuant to Government Code Section 36933, the City Clerk shall cause this Ordinance to be published or posted.

SECTION 8. Records. Pursuant to Government Code Section 40801, proof of certification and publication shall be entered in the book of Ordinances of the City Council.

SECTION 9. Effective Date. Pursuant to Government Code Section 36937, this Ordinance shall take effect thirty days after its adoption.

PASSED, APPROVED, AND ADOPTED this _____ day of _____, 2026.

Kristine Lowe, Mayor

I HEREBY CERTIFY that the foregoing Ordinance was introduced by first reading on the 10th day of February, 2026, and duly adopted at a regular meeting held on the ____ day of _____ 2026, by the City Council of the City of Sierra Madre, California, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Laura Aguilar, City Clerk



CITY OF SIERRA MADRE

STAFF REPORT

PLANNING & COMMUNITY PRESERVATION

DATE: February 10, 2026
TO: Honorable Mayor and City Council
FROM: Clare Lin, Director of Planning and Community Preservation
SUBJECT: Report, Discussion, and Direction on Potential Economic Development Programs

RECOMMENDATION

It is recommended that the City Council receive and file the report on economic development strategies for built-out jurisdictions, and provide direction regarding preferred approaches for developing a comprehensive economic development policy for Sierra Madre.

SUMMARY

The City of Sierra Madre faces unique challenges as a fully built-out community with one city-owned commercial property in the downtown central core area. Unlike larger neighboring jurisdictions with redevelopment agencies or city-controlled parcels, Sierra Madre must rely on partnerships, zoning tools, and creative funding mechanisms to foster sustainable economic vitality.

This report provides background analysis on regional conditions, identifies legal and financial constraints, and presents potential programs and policy frameworks suitable for the City's context. The recommended approach emphasizes activation, partnerships, and regulatory streamlining rather than new development or General Fund subsidy.

DISCUSSION & ANALYSIS

At the October 14, 2025, City Council meeting, Mayor Lowe, with the consensus of the City Council, requested that staff explore potential economic development strategies for Sierra Madre's Downtown District. The discussion originated from City Council comments noting that, unlike neighboring jurisdictions such as Monrovia in the 1990s, Sierra Madre does not own commercial property downtown and does not have access to redevelopment agency tools or similar fiscal mechanisms.

Sierra Madre's downtown is characterized by small parcels, historic architecture, and independently owned businesses. While this supports the City's small-town charm, it limits

traditional redevelopment or large-scale infill. Neighboring cities like Monrovia, Pasadena, and Arcadia employ business improvement districts and offer useful models for supporting downtown vitality without direct City ownership of land. For example:

- Monrovia Old Town Advisory Board manages a business improvement district to curate a downtown business mix, emphasizing restaurants and retail. <https://www.monroviaca.gov/your-government/boards-and-commissions/monrovia-old-town-advisory-board>
- Old Pasadena Management District manages a business improvement district generating funds for maintenance, marketing, and safety services. <https://www.oldpasadena.org/do-business/resources/>
- The Arcadia Downtown Business Association manages smaller-scale beautification and business marketing programs funded by business improvement district assessments and partnerships. https://www.arcadiaca.gov/shape/development_services_department/economic_development/index.php

Sierra Madre's market area is highly localized, with strong community loyalty but limited regional draw. The Kosmont Downtown Assessment Report in March 2025 (Attachment 1) identifies significant retail leakage of approximately \$19.5 million in grocery store sales and \$14 million in restaurant sales, as residents shop and dine in adjacent cities with broader commercial amenities. These findings suggest opportunities to strengthen the local business ecosystem and enhance visitor experiences to improve fiscal sustainability.

Economic Development Policy Constraints

Physical Constraints

The City is fully built-out, with few vacant or underutilized parcels downtown. Limited parking capacity and shallow parcel depth further constrain new development. These conditions reduce the feasibility of assembling larger sites for traditional redevelopment projects.

In addition, the absence of City-owned commercial land in the downtown area, except for the temporary library building, limits the City's leverage to initiate public-private partnerships or land-based catalyst projects, requiring a greater reliance on private property owners and external funding sources.

Financial Constraints

Statewide dissolution of redevelopment agencies in 2012 eliminated a key source of tax-increment financing and significantly reduced the City's tools to fund major economic

development and revitalization efforts. Limited General Fund capacity further constrains the City's ability to support dedicated economic development staffing or offer financial incentives.

Legal and Zoning Policy Constraints

Measure V and related voter-adopted provisions in the Zoning Code (Title 17, Chapter 17.35, "Voter's Empowerment") limit the scale and intensity of new construction in the downtown area by restricting building height and density. These constraints reinforce the need to focus on tenant activation, adaptive reuse, and small-scale reinvestment within the existing downtown fabric rather than large-scale or vertical redevelopment.

State law further limits the City's ability to prohibit certain business types or to select or approve individual tenants in privately owned commercial spaces, requiring regulation to occur at the land-use category level.

Finally, CEQA compliance and historic preservation requirements may extend timelines and increase costs for physical improvements, particularly for projects involving façade changes, alterations to historic structures, or new construction near historic resources.

Organizational Constraints

Economic development functions are currently limited and decentralized among existing staff, with no single division or position dedicated full-time to business attraction, retention, and downtown management. This structure can make it difficult to consistently manage new programs, pursue grant opportunities, and provide proactive support to local businesses.

Staff capacity for ongoing program management will depend on City Council priorities and overall workload, underscoring the importance of identifying external partners and sustainable funding sources to deliver economic development services.

Potential Programs and Policy Tools

Based on the constraints identified above and the findings of the Kosmont Market Assessment, the following programs and policy tools are presented for City Council consideration:

Land Use Control – Cap and Spacing Options

- Utilize conditional use permits and zoning development standards, such as spacing requirements and reasonable numerical caps, to address over-concentration of specific use types (e.g., massage establishments and other sensitive uses).
- Ensure that standards are objective, uniformly applied, and clearly tied to community character, health, safety, and welfare goals to minimize legal risk.

Chamber of Commerce Based Economic Development Delivery

- Establish a formal multi-year service agreement (e.g., 3–5 years) with the Sierra Madre Chamber of Commerce to serve as a primary delivery partner for downtown economic development services, including business retention, marketing, and event programming.
- Provide City funding to support Chamber staff positions dedicated to Sierra Madre economic development, responsible for:
 - Administering “Pop Up to Permanent” initiatives, façade grants, and direct business outreach.
 - Leading “Destination Sierra Madre” branding, digital marketing, social media, and coordination with regional tourism and marketing partners.
 - Serving as a first point of contact and concierge for prospective and existing businesses seeking to locate or expand in the downtown.

Business Improvement District (BID) Formation

A Business Improvement District (BID) is a voluntary, property-owner–funded tool that allows downtown stakeholders to collectively fund services such as beautification, marketing, events, and maintenance without relying on the City’s General Fund.

- The City may explore the feasibility of a small-scale downtown BID with an estimated annual budget funded through commercial parcel assessments consistent with Proposition 218 requirements. BID services would be designed to supplement, not replace, existing City services.
- The City would include an administrative cost recovery component to offset staff time associated with BID formation, coordination, and ongoing oversight.
- Under Proposition 218, a BID may only be established if property owners determine that the proposed services provide a special benefit to their parcels and approve the district through a formal petition and mailed ballot process. Formation would require participation and support from downtown property owners and businesses.

How is a Business Improvement District is different than the existing Downtown Maintenance Assessment District?

The Property and Business Improvement District Law of 1994 is the principal act authorizing the formation of a BID (Streets and Highways Code section 36600 et seq.), whereas the existing Downtown Maintenance Assessment District is formed under the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.)

A modern BID, similar to those used in Monrovia, Arcadia, and Old Pasadena, is typically parcel-based and funds services such as beautification, enhanced maintenance, marketing, promotions,

and downtown management activities beyond baseline City services. BIDs operate pursuant to a Management District Plan and are generally governed by a private, nonprofit board representing assessed stakeholders.

By contrast, the City's existing downtown assessment district is administered by the City and is limited to a defined set of maintenance and infrastructure-related services. A new downtown BID would be legally structured to dedicate revenues exclusively to downtown-focused services, with oversight provided through a contractual relationship between the City and a nonprofit district manager.

Downtown Design and Use Overlay

Adopt a Downtown Design, Specific Plan & Use Overlay Zone within Measure V area that:

- Protects historic scale and architecture.
- Prioritizes active ground floor uses (restaurants, cafés, specialty retail, food halls, and experiential tenants) and mixed use where feasible within existing height and density limits.
- Simplifies permitting for desired uses (e.g., reduced parking for small restaurants, by right outdoor dining, relaxed signage standards for historic buildings)
- Proactively identify housing developers interested in small-scale, downtown-compatible projects consistent with Measure V.

Façade Improvement Grant Program

- Create a façade improvement grant program offering 50 percent matching grants up to \$10,000 per project, modeled on successful programs in nearby cities.
- Establish an annual program budget of approximately \$40,000–\$100,000, funded through a combination of grants and private or BID partnerships, with Community Development Block Grant (CDBG) funds (estimated at roughly \$30,000 per year) serving as a reliable core contribution.

Grant and Partnership Development

- Proactively pursue funding through CDBG, the U.S. Small Business Administration, California Competes, and other state and federal programs to support small business recovery, placemaking, infrastructure improvements, and technical assistance.
- Coordinate grant pursuits with regional partners, the Chamber of Commerce, and a potential BID to maximize leverage, align projects with funding priorities, and reduce the burden on City staff.

STRATEGIC PLAN RELATIONSHIP

The policy discussion correlates to Strategic Plan Goal 4 – Community Enrichment, Objective 4.2: Enhance communication and collaboration across community groups and in fostering collaboration between residents and business.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act (“CEQA”), based on Section 15061(b)(3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no impact to the General Fund as a result of the recommended action. Depending on City Council policy direction, staff will return with an estimated cost for program implementation. Staff has observed inconsistencies in certain historical sales tax data in the Kosmont report; however, these data issues do not affect the overall analysis or conclusions of this staff report.

Approved by:



Michael Bruckner
City Manager

Attachment(s):

1. Downtown Sierra Madre Market Assessment, Kosmont Companies (March 2025)



CITY OF SIERRA MADRE

DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

MARCH 2025



2301 Rosecrans Ave., Suite 4140
El Segundo, CA 90245
TEL: 424-297-1070 | URL: www.kosmont.com

KOSMONT COMPANIES

Kosmont Companies ("Kosmont"), a real estate & economics advisory firm serving hundreds of cities and local governments for over 38 years, has been retained by the City of Sierra Madre ("City") to develop a Market Assessment whose goal is to analyze market conditions in the City (with a focus on the Measure V area or Downtown Sierra Madre), develop key economic development strategies, and assist in initial implementation of those strategies in the City's Downtown.

- **Kosmont's expertise covers a full range of economics & real estate advisory services including:**
 - Market and Feasibility Analyses
 - Fiscal Impact & Economic Benefit Studies
 - Economic Development Strategies & Implementation
 - Business/Retailer & Developer Recruitment
 - Identification of Funding Sources & Financing Strategies
 - Public-Private Transaction Structuring & Negotiation
- **Winning track record of initiating and implementing projects for municipalities**
 - In-house team includes economists, registered municipal advisors, financial analysts, lawyers, real estate professionals, former city managers & economic development department heads
 - Extensive network of brokers, investors and market data for real-time information, and industry leadership

Disclaimer: The analyses, projections, assumptions, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Actual results are difficult to predict as a function of market conditions, natural disasters, pandemics, legislation and administrative actions.

Note: If needed, Financial Advisory and Real Estate Brokerage services can be provided by Kosmont Transactions Services, Inc. (SEC / MSRB Registered Municipal Advisor) and Kosmont Real Estate Services, Inc. (Licensed Real Estate Brokerage Firm), respectively.

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EXECUTIVE SUMMARY

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

EXECUTIVE SUMMARY

INTRODUCTION

- For this assignment, Kosmont performed demographic and market research, spoke to community members and local businesses to understand the strengths and challenges that face Downtown Sierra Madre, and prepared a SWOT Analysis to highlight Strengths, Weaknesses, Opportunities, and Threats
- Downtown Sierra Madre is a hidden gem of an area that is walkable, authentic, and has good infrastructure
- Downtown Sierra Madre received 2.1 million visitors between 10/1/23 and 9/30/24. Visitors are well-educated (58% Bachelor's or higher) and have high incomes (avg. household income \$170,000). 70% of visitors to Downtown are coming from adjacent areas, primarily north of the 210 Freeway, including: Altadena, Arcadia, Monrovia, and Pasadena
- Retail market data was culled from CoStar. Given most of the City's commercial space is in Downtown Sierra Madre, citywide metrics reflect the Downtown. The retail market is small and relatively healthy. Retail space is fully leased, though there have not been new additions to the market in the last 10 years
- Key challenges identified in our discussions include the following:
 - Chamber of Commerce does not have much social media infrastructure / presence and has limited retail perspective
 - Downtown hosts few events throughout the year and has limited activity past 8 or 9pm on weekends
 - Downtown cannot rely just on local support
- An additional challenge is that the internet is drawing money away from brick-and-mortar retail. Retail is now being driven by trip generators like entertainment, experience, and essentials
- Based on feedback, Kosmont devised three areas of economic development consideration (Visibility / Exposure, Trips / Place, and Business Expansion, Attraction, and Retention ["BEAR"]), and developed associated action items for each area
- Some of these potential action items include:
 - Improve communication between businesses and City / Chamber
 - Utilize social media to promote Downtown and encourage visits
 - Host new events (e.g., "taste of", themed nights, pop-up markets) to create a sense of place in Downtown Sierra Madre
 - Develop technical assistance and business incentive programs

EXECUTIVE SUMMARY

SWOT ANALYSIS

SWOT Analysis

- A Strengths, Weaknesses, Opportunities, and Threats (“SWOT”) analysis was conducted utilizing feedback received during a meeting with the Chamber of Commerce and from individual business owners in Downtown Sierra Madre
- The adjacent SWOT table summarizes key comments taken from the analysis. These comments were later incorporated in determining potential economic development goals and action items to achieve each goal

Comments	
STRENGTHS	<ul style="list-style-type: none"> • Sierra Madre is a “hidden gem” and has an authentic community • Downtown is walkable and has good infrastructure
WEAKNESSES	<ul style="list-style-type: none"> • Chamber of Commerce lacks social media infrastructure and has limited retail voice / understanding within Chamber leadership • Limited activity past 8 or 9pm • Downtown cannot rely on local support
OPPORTUNITIES	<ul style="list-style-type: none"> • Improve communication between businesses and the Chamber • Promote the destination that is Sierra Madre • Utilize existing resources for more events
THREATS	<ul style="list-style-type: none"> • Costs of Chamber hiring social media manager and support staff to handle additional tasks and visitors • Competition of nearby downtown destinations such as Old Pasadena and Old Town Monrovia

EXECUTIVE SUMMARY

AREAS OF ECON. DEV. CONSIDERATION, ACTION ITEMS, AND NEXT STEPS

- Using information gathered from the SWOT Analysis, Kosmont highlighted the following areas of economic development consideration: Visibility / Exposure, Trips / Place, and Business Expansion, Attraction, and Retention (“BEAR”)
- Kosmont created key action items that the City could consider to address each area of economic development consideration
- The adjacent table summarizes each area and its relevant action items
- Potential next steps include:
 - Assisting in developing business expansion, attraction, and retention (“BEAR”) strategies
 - Marketing business opportunities at conferences, such as ICSC
 - Attracting interest from other industries, like hospitality (e.g., conduct a hotel market demand analysis)

Areas of Econ. Dev. Consideration	Potential Action Items
VISIBILITY / EXPOSURE	<ol style="list-style-type: none"> 1. Improve lines of communication between businesses and Chamber of Commerce/City 2. Utilize social media/Al to promote visitation and tell the story of Downtown Sierra Madre 3. Develop a multi-pronged marketing approach where businesses and City / Chamber are marketing events in Downtown
TRIPS / PLACE	<ol style="list-style-type: none"> 1. Allocate budget to create new events (e.g., farmers markets, “taste of” events, pop-up markets, themed nights, concerts) in Downtown to increase foot traffic 2. Leverage existing assets to develop unique events that emphasize local aesthetic 3. Maintain consistent events in Downtown throughout the year 4. Increase frequency of events 5. Consider rescheduling events to not conflict with key small business dates
Business Expansion, Attraction, and Retention (“BEAR”)	<ol style="list-style-type: none"> 1. Develop technical assistance and business incentive programs to support emerging businesses in Downtown 2. Streamline processes and requirements to appeal to existing and future businesses 3. Develop a cross-marketing system where businesses and City / Chamber are marketing Downtown events and businesses, with the goal to attract high-volume, experiential retailers 4. Attend and market opportunities at ICSC and other conferences with a retail and hospitality presence



1. SWOT ANALYSIS

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

SUMMARY OF COMMENTS FROM CHAMBER OF COMMERCE MEETING (8/22/24)

Category	
Positive	<ul style="list-style-type: none"> ▪ City has a small, romantic town feeling ▪ City has a hidden gem aspect to it. Some may have heard of it, but remains to be discovered by many ▪ Good infrastructure (incl. parking for out-of-town visitors) ▪ Downtown is very walkable ▪ Great culture; No snobbish attitudes ▪ Authentic, beautiful, pleasant community ▪ Conversion of Sierra Madre Playhouse from playhouse to performing arts center has allowed for varied programming and 50% of visitors are from out of town and most want to stay to dine/drink after a show
Needs Work	<ul style="list-style-type: none"> ▪ More cross-marketing between events ▪ Better communication between Chamber of Commerce and local businesses ▪ Limited retail voice / understanding within Chamber leadership ▪ Chamber lacks social media manager ▪ Chamber needs to move Winter Fest closer to Christmas and not on Small Business Saturday (does little to boost sales) ▪ People need to shop during fall and winter (slower times) ▪ Resistance to growth and making Sierra Madre a destination location as Downtown cannot survive purely on local support ▪ Parking restrictions for businesses ▪ More locational information needed ▪ City is sleepy at night, including weekends (particularly past 8 or 9pm); More late-night options (only The Buccaneer Lounge is open past midnight) ▪ More community events – take full advantage of Kersting Ct. (concerts, themed nights) ▪ Potentially close part of the street (i.e. Old Town Monrovia has lots of traffic on Friday nights) ▪ Only two major events throughout the year – Wistaria Festival and Winter Festival; Maybe make Thursday or Fridays themed nights ▪ High rents; Need to attract tenants who can pay higher rents; Store owners do not own property ▪ Need to find other methods of arriving; More people would come if there was a better way to get here (Possible shuttle service) ▪ More variety of shops/eateries given the arts/galleries attract a more open-minded visitor

SWOT ANALYSIS



<p>STRENGTHS</p>	<ul style="list-style-type: none"> • Small, romantic “hidden-gem” town • Good infrastructure, walkable Downtown • Authenticity of the community and its stores • Downtown is an experience
<p>WEAKNESSES</p>	<ul style="list-style-type: none"> • Chamber of Commerce has limited retail voice / perspective • Chamber lacks social media infrastructure – limiting communication and promotion • Reluctant/Resistant to growth; Downtown cannot rely purely on local support • During the weekends, the City has limited activity past 8 or 9pm
<p>OPPORTUNITIES</p>	<ul style="list-style-type: none"> • Utilize Kersting Ct. for more events, concerts, themed nights • Potentially close part of the street for more activities in the Downtown • Improve communication between businesses and the Chamber (Chamber needs to have a retail-focused mindset and actively promote the businesses to create a destination) • Promoting the destination that is Sierra Madre. The City has the “bones” but it’s a matter of drawing more people • Offer a variety of other limited and full-service high-volume restaurants/breweries to serve a diverse set of visitors
<p>THREATS</p>	<ul style="list-style-type: none"> • Costs of hiring social media manager and other support staff (e.g., Chamber staff, shuttle drivers) • Competition with other nearby downtown destinations (e.g., Old Pasadena, Old Town Monrovia)



2. AREAS OF ECON. DEV. CONSIDERATION AND ACTION ITEMS

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

AREAS OF ECONOMIC DEVELOPMENT CONSIDERATION AND POTENTIAL ACTION ITEMS

Areas of Econ. Dev. Consideration	Potential Action Items
<p>VISIBILITY / EXPOSURE</p> 	<ul style="list-style-type: none"> • Improve communication between business and Chamber / City – Consider adding a person with a strong retail background to conduct outreach to businesses and act as a liaison between businesses and Chamber • Increase visibility by using social media/AI to actively promote visitation to Downtown Sierra Madre (e.g., Instagram, Facebook, LinkedIn, Canva, Snapchat, YouTube, X [formerly Twitter]) • Develop a multi-pronged marketing approach with businesses and Chamber / City each actively marketing events with intent to draw larger share of visits outside of Sierra Madre
<p>TRIPS / PLACE</p> 	<ul style="list-style-type: none"> • Create new events to meet goal of increasing foot traffic (e.g., First Fridays, farmers markets, pop-up markets, “taste of”, concerts, themed nights) • Utilize existing assets (e.g., Kersting Ct.) to develop unique events that emphasize the local flavor / aesthetic of the City and create an experience for visitors • Maintain consistency of events to develop a schedule that the public remembers (e.g., Monrovia Street Fair occurs almost every Friday night) • Increase frequency of events in Downtown Sierra Madre throughout the year as opposed to a few major events • Revise scheduling of existing events (e.g., Winter Fest moved to a different date other than Small Business Saturday) • High foot traffic = greater potential spending
<p>ECONOMIC DEVELOPMENT</p>	<ul style="list-style-type: none"> • High foot traffic also allows Chamber / City to attract future businesses and potentially expand / retain existing businesses • As the City receives more foot traffic, there is a potential to attract higher-volume retail (i.e., businesses that cater to a large and diverse customer population and operate at a relatively high capacity throughout the day), particularly breweries / restaurants (emphasis on experiential retail) • As business increases in Downtown Sierra Madre, the businesses and Chamber / City can develop a cross-marketing ecosystem where businesses can market Downtown Sierra Madre and the Chamber / City can profile or highlight local businesses • Chamber / City can consider attendance, membership, and representation at conferences with strong retail and hospitality presence, such as Innovating Commerce Serving Communities (“ICSC”, formerly International Council of Shopping Centers) to gain knowledge and actively market opportunities

VISIBILITY / EXPOSURE

The City and Chamber of Commerce may consider the following action items to increase Downtown Sierra Madre's visibility to attract more visitors.

Recommended Action Items:

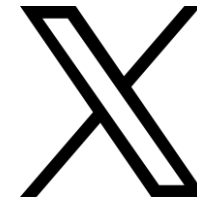
Action Item 1: Improve lines of communication between businesses and the Chamber/City. Consider adding a liaison that will regularly and proactively contact business/property owners to understand challenges and opportunities.

Action Item 2: Utilize social media/AI to actively promote visitation and “tell the story” of Downtown Sierra Madre. Emphasize the character and the charm of the City. It is observed that approximately 70% of visitors are coming from adjacent cities (particularly neighborhoods north of the 210 Freeway). Some of these areas, particularly Altadena, have recently been ravaged by the Eaton Fire. Thus, it is imperative for Sierra Madre to cast a wider net of visitors.

Action Item 3: Develop a multi-pronged marketing approach with businesses and Chamber / City each actively marketing events using various social media channels with intent to draw larger share of visitors from outside of Sierra Madre.

Social Media/AI Platforms for Marketing

The following represent a sample of platforms that could be utilized for marketing efforts



YouTube

LinkedIn



TRIPS / PLACE

High foot traffic may lead to greater potential spending in the City.* Below are action items that the City/Chamber could take to generate additional trips and, ultimately, create a sense of place. Additional examples of such events can be observed on the following slide.

Recommended Action Items:

Action Item 1: Chamber of Commerce should consider allocating budget to create new events whose goal would be to increase foot traffic to Downtown Sierra Madre (e.g., First Fridays, farmers markets, pop-up markets, “taste of” events, themed nights, and concerts).

Action Item 2: Leverage existing assets, such as Kersting Ct., to develop unique events that emphasize the local aesthetic of the City to create a memorable experience for visitors.

Action Item 3: Maintain consistent events in Downtown Sierra Madre. This will create a schedule in the minds of visitors (e.g., an event that is held every Friday will be a potential destination for visitors in the future).

Action Item 4: Increase frequency of events in Downtown Sierra Madre as opposed to a few events per year. Encourage evening events that extend past 8 or 9pm.

Action Item 5: Consider rescheduling events to not conflict with key dates for small business (e.g., Winter Fest could be moved to a different date other than Small Business Saturday).

TRIPS / PLACE EXAMPLES



Notes: Examples of how trip generation and consistency leads to a sense of place. (Top Left: The South Pasadena Farmers Market occurs every Thursday afternoon. Bottom Left: Old Town Monrovia hosts the Monrovia Street Fair Friday evenings. Right: Smorgasburg LA is a unique pop-up style event featuring local vendors (with an emphasis on food and clothing) held on Sundays at ROW DTLA in Downtown Los Angeles. These events not only generate foot traffic but create a sense of place and community.

ECONOMIC DEVELOPMENT (BEAR)

As foot traffic increases, City may consider expanding / enhancing Business Expansion, Attraction, and Retention (BEAR) efforts and provide enhanced customer service to support business development.

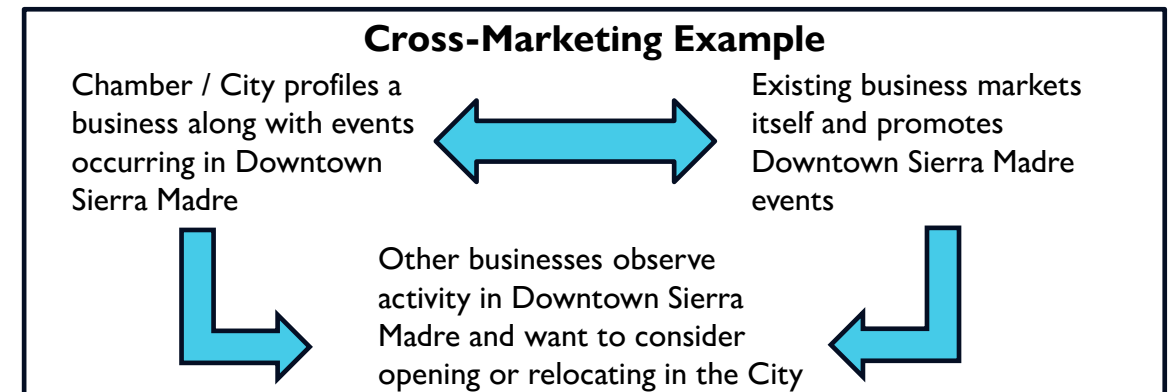
Recommended Action Items:

Action Item 1: Develop technical assistance and business incentive programs, such as efficient permitting and tax sharing agreements to support emerging businesses/entrepreneurs in the City. Additional examples of such programs can be found on the following page.

Action Item 2: Consider working with Planning staff to streamline / improve planning processes and requirements, as applicable. Doing so will make Sierra Madre appealing to both existing and future businesses.

Action Item 3: Develop a cross-marketing system where businesses can market Downtown Sierra Madre as a strong place to do business and Chamber / City can profile or highlight an existing business with the intent to attract businesses, including high-volume, experiential retailers that are complementary to the existing set of businesses in the City, such as breweries/pubs and restaurants.

Action Item 4: Attend ICSC and other conferences with retail and hospitality presence to meet with major retailers / restaurants / hotels / developers / brokers, gain knowledge, and actively market opportunities.



ECONOMIC DEVELOPMENT (BEAR) BUSINESS INCENTIVE PROGRAMS

There are a wide range of business and economic development incentive programs utilized by communities across the State. The City can create such a program, but first it is important to set specific goals (e.g. assist small business, expand job creation, attract major tax generator, attract specific type of development) and create a system to measure the success of each initiative. Cost of implementing can vary: job credits, façade improvement and infrastructure represent out of pocket costs, while tax sharing agreements and fee waivers are offset by new development tax revenues.

Examples of incentives include:

- Efficient permitting
- Tax sharing agreements / tax abatements
- Job tax credits / Workforce training
- Façade improvement program
- Infrastructure investment
- Fee waivers / deferrals in targeted areas



3. DEMOGRAPHIC AND ECONOMIC PROFILE

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

SUMMARY

DEMOGRAPHIC AND ECONOMIC PROFILE

City Revenue Information

- Sierra Madre is highly reliant on property tax compared to cities in California. In 2022, 57% of City general fund tax revenues come from property tax, while California cities average is 39%
- The City is not overexposed to sales or hotel tax risk since just 3% of the City's general fund tax revenues in 2022 come from sales tax and the City does not collect transient occupancy tax ("TOT"). In contrast, sales tax is 22% and TOT is 8% of general fund tax revenues for California cities
- Much of the City's sales tax revenues come from food and beverage shops, clothing stores, restaurants and bars, and other retail, including art dealers, pet supply stores
- In the 10-year period between 2012 and 2022, sales tax revenues in Sierra Madre have grown by 83% (6.2% per year). Over the same period, sales tax revenues to Sierra Madre from the County Pool have more than tripled. County Pool revenues have grown significantly due to rise in e-commerce sales, particularly during the COVID-19 pandemic (18.2% increase from 2019 to 2020)

Population and Household Demographics

- 10,900 residents and 4,800 households in the City
- Average household size in the City is 2.28, lower compared to County and State (2.78 and 2.83, respectively)
- Median age in the City is 48.1, older than County and State (38.4 for both)
- Sierra Madre features a highly educated population with nearly 69% of residents holding a Bachelor's degree or higher (82% higher attainment than the County, 78% higher than the State)
- Education levels are correlated with incomes. The average household income in Sierra Madre is \$193,800 (52% higher and 39% higher than County and State, respectively)
- The average price of a home in Sierra Madre is \$1.45 million, 64% higher than Los Angeles County and 85% higher than the State

SUMMARY

ECONOMIC AND DEMOGRAPHIC PROFILE (CONT'D)

Employment

- More residents leave the City compared to those that come into Sierra Madre for work, yielding a **net outflow** of jobs
- Residents go to Los Angeles, Pasadena, Burbank, Arcadia, and Glendale for work. Employees who work in Sierra Madre are coming from Los Angeles, Pasadena, Monrovia, Arcadia, and Altadena CDP
- The top five industries with the most employees in the City are: health care and social assistance, accommodation and food services, educational services, finance and insurance, and wholesale trade. Of these industries, **two** (health care and social assistance and accommodation and food services) are among the fastest growing industries in L.A. County
- The jobs/housing ratio for Sierra Madre is 0.64, smaller than County and State (1.32 and 1.28, respectively). While this number would indicate a possible need for more jobs in the City overall, it is important to note that Downtown Sierra Madre has an 8.10 jobs/housing ratio, indicating a strong concentration of businesses

Visitation Trends

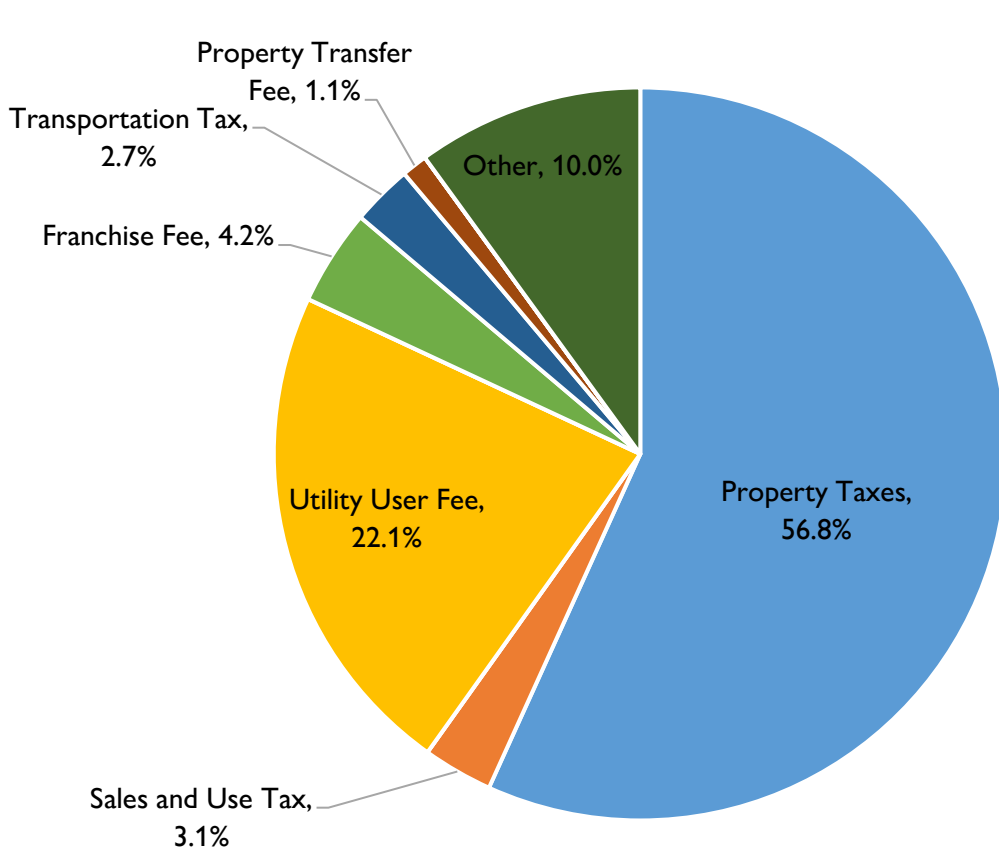
- Visitation data, including visitor demographics, to Downtown Sierra Madre was culled from Placer.ai, a mobile data analytics provider
- In the most recent available one-year period between 10/1/23 and 9/30/24, Downtown Sierra Madre received a total of 2.1 million visits from 335,100 people (or ~130,900 households). Thus, a typical visitor visited Downtown Sierra Madre approximately six times
- The median age of visitors to Downtown Sierra Madre was 40.6 and visitors typically stayed for approximately 100 minutes on average
- Visitors featured similar demographics to residents, with 58% possessing a Bachelor's degree or higher and an average household income of \$170,000, indicating visitors with higher disposable incomes
- Nearly three-quarters of visitors to Downtown Sierra Madre come from within a 7-mile distance, indicating a strong local presence. Many visitors are arriving from adjacent communities such as Pasadena, Altadena, Monrovia, and Arcadia

3.1 – CITY REVENUE INFORMATION

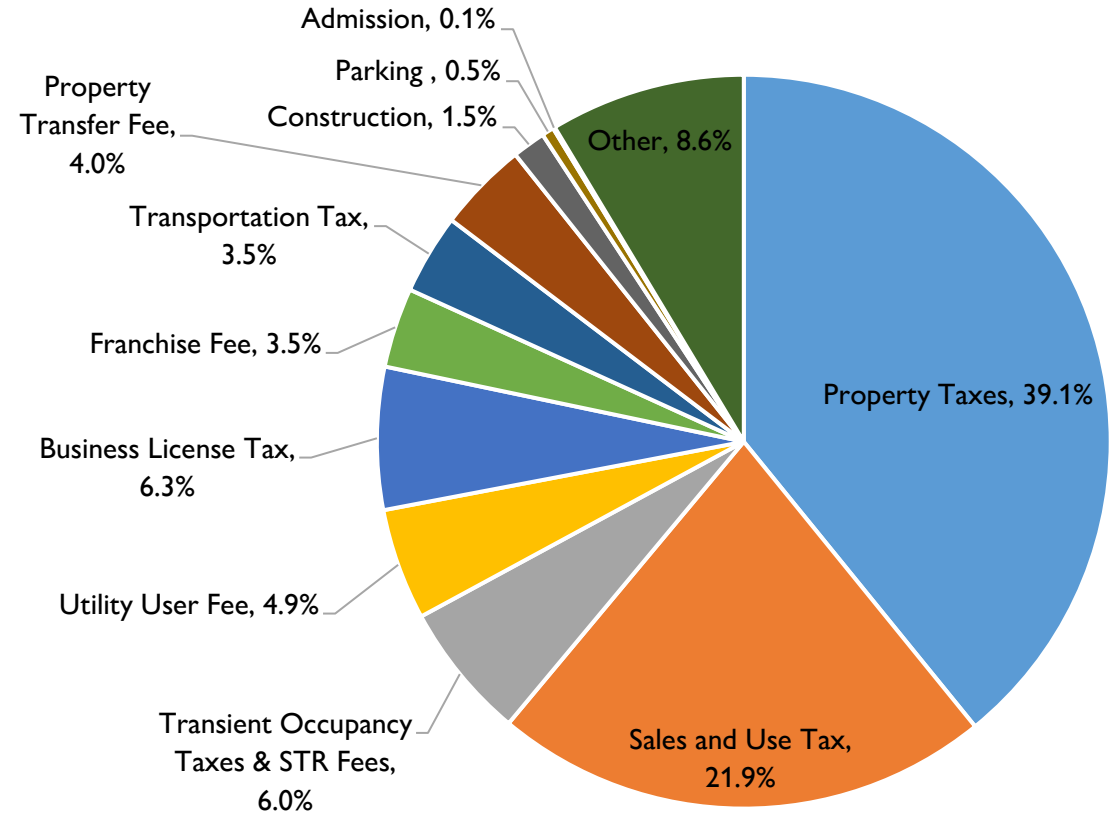
CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

2022 GENERAL FUND TAX REVENUES

CITY OF SIERRA MADRE VS. ALL CA CITIES



City of Sierra Madre

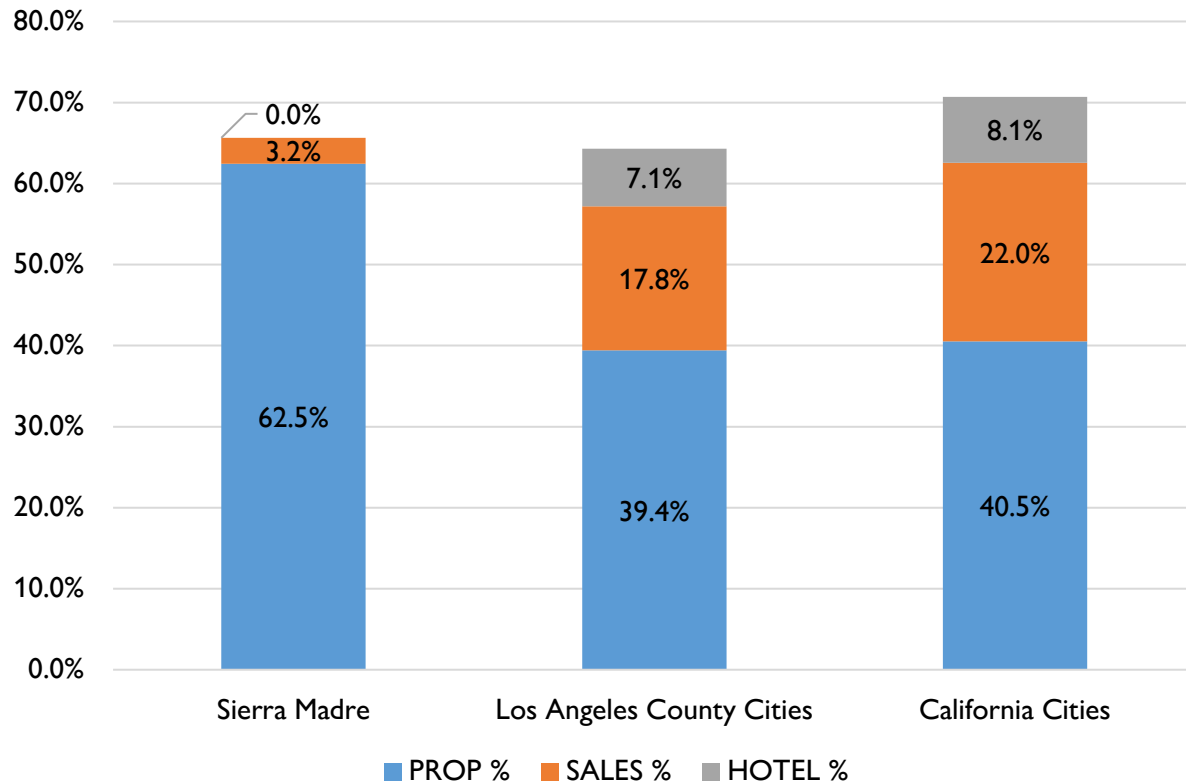


All CA Cities

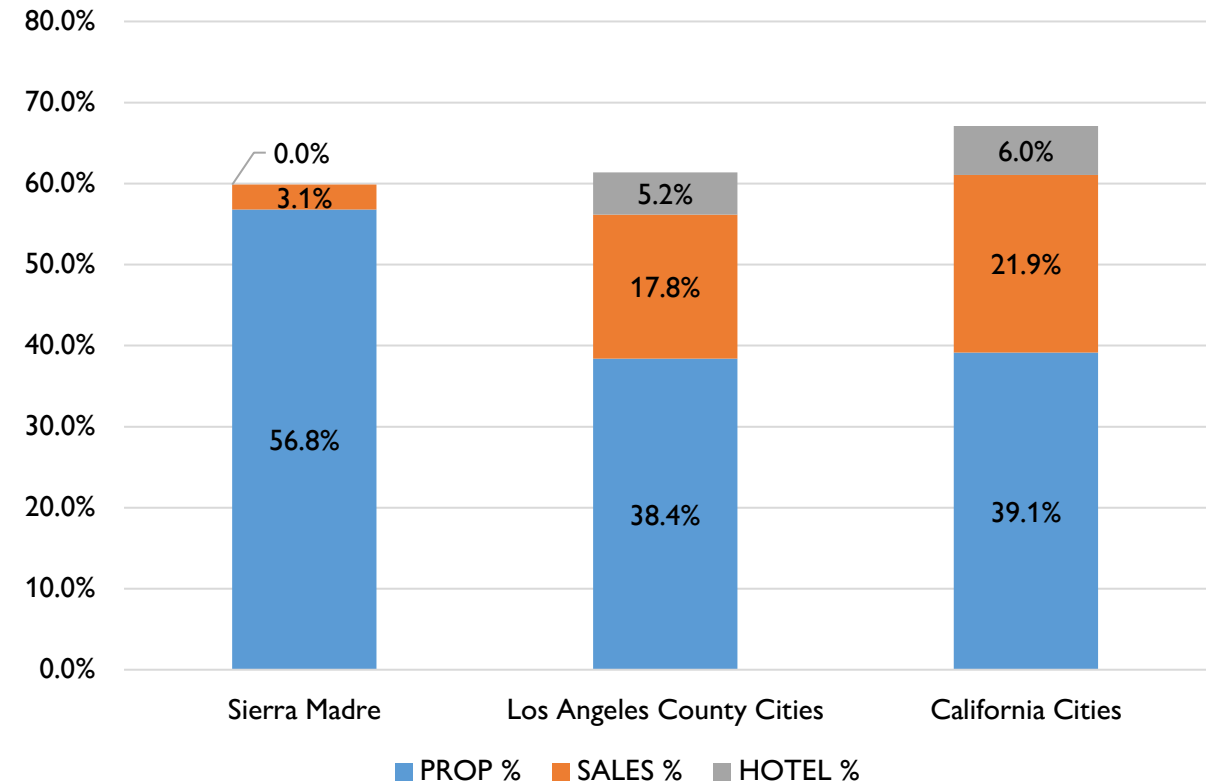
2018 VS. 2022 TAX REVENUES (% PROPERTY, SALES, HOTEL TOT)

CITY OF SIERRA MADRE VS LOS ANGELES COUNTY CITIES VS ALL CA CITIES

2018 Tax Revenues



2022 Tax Revenues



HISTORIC TAX REVENUE GROWTH TABLES (2018-2022)

CITY OF SIERRA MADRE VS LOS ANGELES COUNTY CITIES VS ALL CA CITIES

City of Sierra Madre

YEAR	TOTAL	PROPERTY	SALES AND USE	HOTEL	PROP %	SALES %	HOTEL %
2018	\$ 9,737,063	\$ 6,081,650	\$ 309,590	\$ -	62.5%	3.2%	0.0%
2019	\$ 10,256,303	\$ 6,482,779	\$ 360,836	\$ -	63.2%	3.5%	0.0%
2020	\$ 10,907,445	\$ 6,785,200	\$ 329,687	\$ -	62.2%	3.0%	0.0%
2021	\$ 12,154,791	\$ 7,247,481	\$ 325,625	\$ -	59.6%	2.7%	0.0%
2022	\$ 13,501,189	\$ 7,665,426	\$ 416,754	\$ -	56.8%	3.1%	0.0%
% Chg. '18-'22	39%	26%	35%	-	-9%	-3%	-

Los Angeles County Cities

YEAR	TOTAL	PROPERTY	SALES	HOTEL	PROP %	SALES %	HOTEL %
2018	\$ 9,365,891,719	\$ 3,693,338,550	\$ 1,663,636,730	\$ 664,272,234	39.4%	17.8%	7.1%
2019	\$ 9,962,713,016	\$ 3,945,306,831	\$ 1,811,498,455	\$ 686,201,674	39.6%	18.2%	6.9%
2020	\$ 9,973,259,931	\$ 4,146,176,314	\$ 1,674,122,681	\$ 512,573,659	41.6%	16.8%	5.1%
2021	\$ 10,533,231,636	\$ 4,505,071,415	\$ 1,825,720,001	\$ 310,604,715	42.8%	17.3%	2.9%
2022	\$ 12,063,160,472	\$ 4,629,152,762	\$ 2,146,683,814	\$ 629,887,650	38.4%	17.8%	5.2%
% Chg. '18-'22	29%	25%	29%	(5%)	(3%)	0%	(26%)

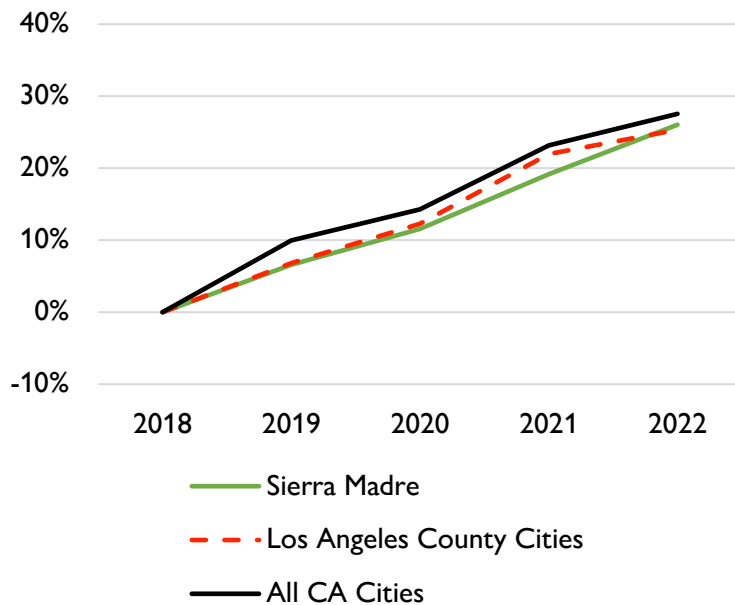
All CA Cities

YEAR	TOTAL	PROPERTY	SALES	HOTEL	PROP %	SALES %	HOTEL %
2018	\$ 31,799,746,521	\$ 12,890,489,342	\$ 7,005,395,050	\$ 2,585,451,532	40.5%	22.0%	8.1%
2019	\$ 34,539,905,371	\$ 14,177,924,698	\$ 7,726,240,615	\$ 2,748,778,129	41.0%	22.4%	8.0%
2020	\$ 34,343,088,470	\$ 14,733,616,783	\$ 7,273,442,316	\$ 2,052,851,870	42.9%	21.2%	6.0%
2021	\$ 37,523,287,391	\$ 15,875,562,038	\$ 7,935,922,642	\$ 1,299,716,160	42.3%	21.1%	3.5%
2022	\$ 42,007,714,014	\$ 16,441,856,815	\$ 9,212,861,760	\$ 2,532,105,390	39.1%	21.9%	6.0%
% Chg. '18-'22	32%	28%	32%	(2%)	(3%)	0%	(26%)

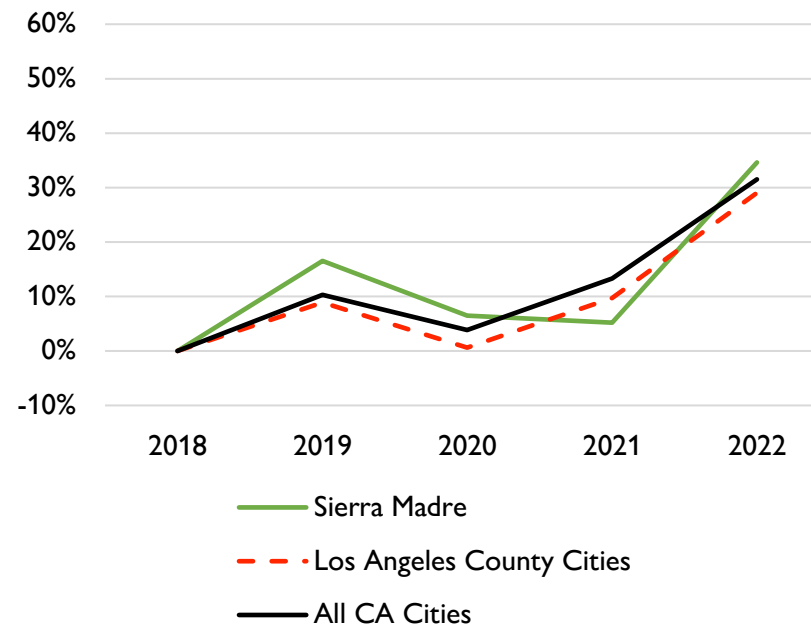
HISTORIC TAX REVENUE GROWTH (2018-2022)

CITY OF SIERRA MADRE VS LOS ANGELES COUNTY CITIES VS ALL CA CITIES

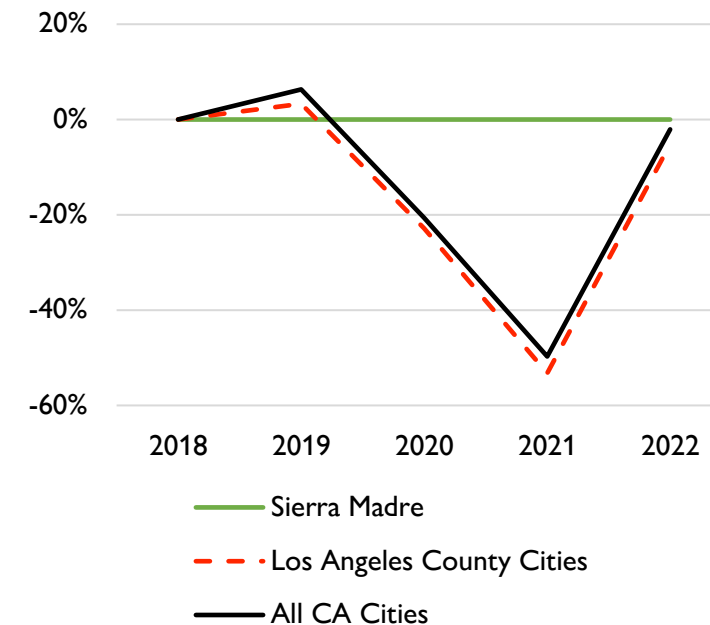
Property Tax Revenue Growth Since 2018



Sales Tax Revenue Growth Since 2018



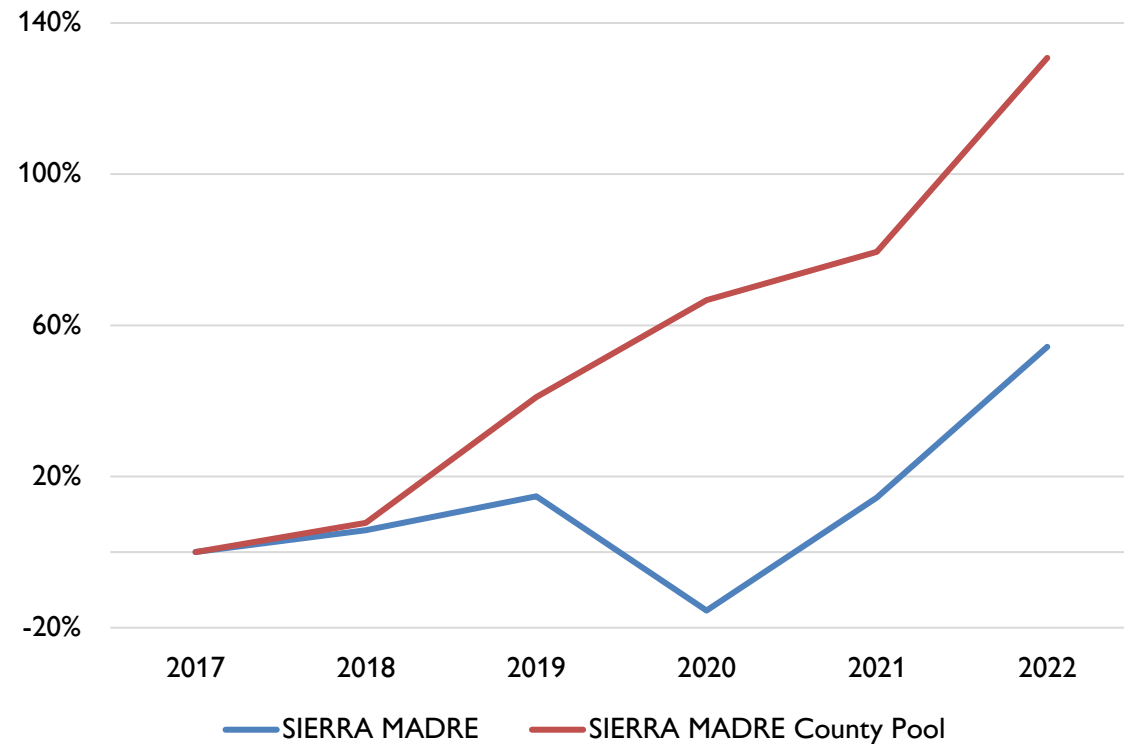
TOT Revenue Growth Since 2018



SALES TAX REVENUES BY YEAR

CITY OF SIERRA MADRE (2012-2022)

**Change Since 2017:
City Subtotal and County Pool**



Year	City Subtotal	County Pool	City Total
2012	\$234,000	\$28,000	\$262,000
2013	\$254,000	\$30,000	\$284,000
2014	\$277,000	\$35,000	\$312,000
2015	\$286,000	\$38,000	\$324,000
2016	\$274,000	\$39,000	\$313,000
2017	\$278,000	\$39,000	\$317,000
2018	\$294,000	\$42,000	\$336,000
2019	\$319,000	\$55,000	\$374,000
2020	\$235,000	\$65,000	\$300,000
2021	\$318,000	\$70,000	\$388,000
2022	\$429,000	\$90,000	\$519,000
10-Year Growth	83.3%	221.4%	98.1%
COVID-19 Effect (2019-2020)	(26.3%)	18.2%	(19.8%)
CAGR	6.2%	12.4%	7.1%

RETAIL SALES BY CATEGORY BY YEAR

CITY OF SIERRA MADRE (2015-2022)

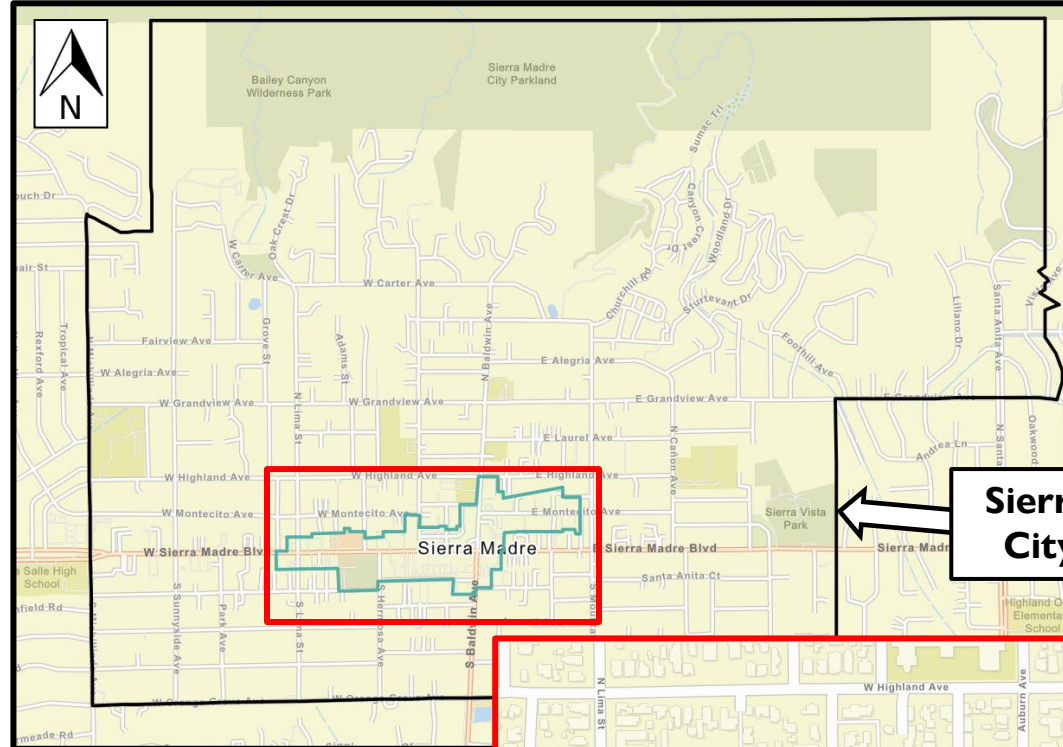
Retail Category	2015	2016	2017	2018	2019	2020	2021	2022	% Growth (2015-22)	2022 % of Total
Motor Vehicle & Parts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	0.0%
Home Furnishings	\$145,865	\$72,913	\$110,454	\$90,044	\$85,822	\$66,428	\$40,147	\$9,448	(93.5%)	0.0%
Building Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	0.0%
Food & Beverage	\$2,468,769	\$2,630,584	\$2,698,569	\$2,639,529	\$2,757,233	\$3,539,835	\$3,440,955	\$3,672,390	48.8%	9.4%
Gas Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	0.0%
Clothing Stores	\$491,896	\$441,457	\$387,302	\$427,559	\$1,251,295	\$385,755	\$497,524	\$725,858	47.6%	1.9%
Gen. Merchandise	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-	0.0%
Restaurants/Bars	\$9,966,246	\$9,823,839	\$10,690,599	\$11,743,398	\$12,003,352	\$8,939,027	\$13,203,769	\$15,502,159	55.5%	39.8%
Other Retail	\$10,252,747	\$10,214,147	\$10,421,379	\$11,789,227	\$11,871,283	\$7,689,493	\$12,292,860	\$15,142,079	47.7%	38.9%
Total Retail & Food Services	\$23,325,523	\$23,182,940	\$24,308,303	\$26,689,757	\$27,968,985	\$20,620,538	\$29,475,255	\$35,051,934	50.3%	90.1%
All Other Outlets	\$4,761,922	\$3,813,430	\$2,793,658	\$2,931,459	\$2,630,548	\$2,443,391	\$2,460,622	\$3,869,457	(18.7%)	9.9%
TOTAL	\$28,087,445	\$26,996,370	\$27,101,961	\$29,621,216	\$30,599,533	\$23,063,929	\$31,935,877	\$38,921,391	38.6%	100.0%



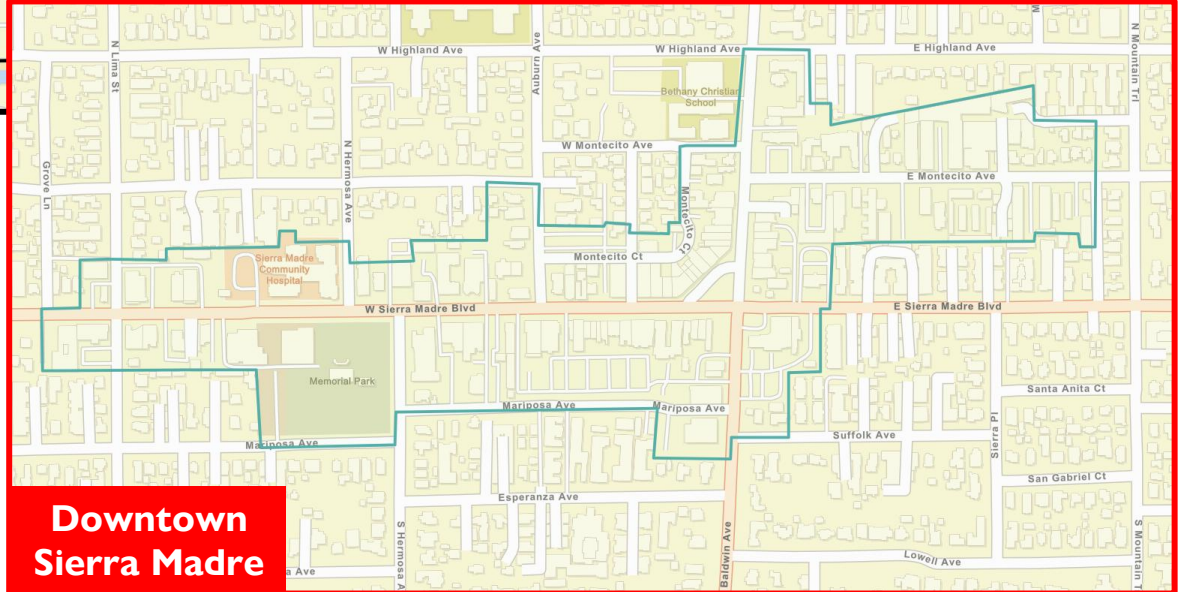
3.2 – POPULATION & HOUSEHOLD DEMOGRAPHICS

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

CITY AND DOWNTOWN SIERRA MADRE (“MEASURE V AREA”)



Sierra Madre City Limits



Downtown Sierra Madre

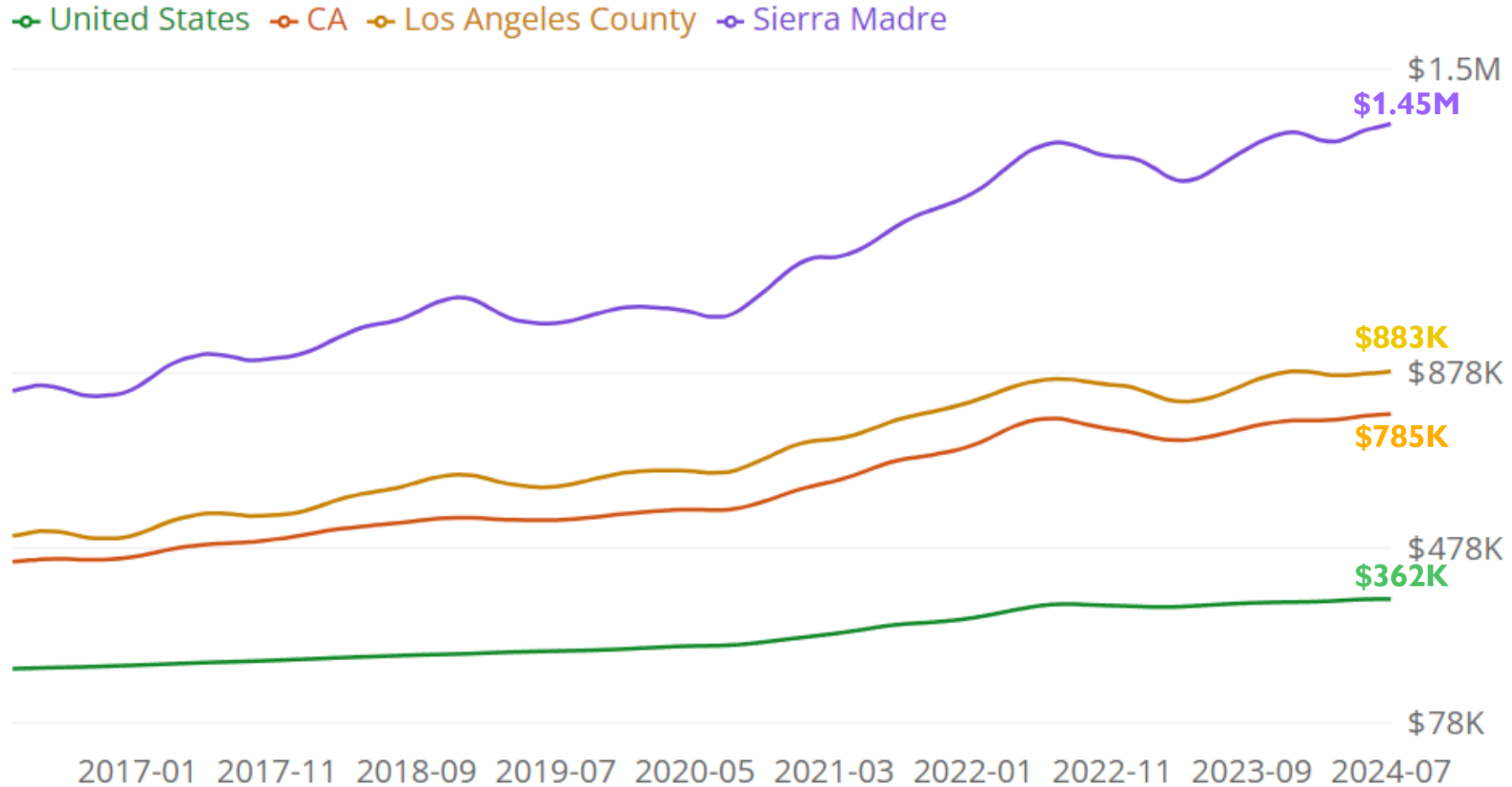
POPULATION & INCOME

STUDY AREA, CITY, COUNTY, AND STATE

2024	Downtown Sierra Madre	Sierra Madre City	Los Angeles County	California State
Population	380	10,931	9,768,886	39,530,491
Households	177	4,764	3,436,464	13,641,471
Average HH Size	2.12	2.28	2.78	2.83
Median Age	45.7	48.1	38.4	38.4
% Bachelor's Degree or Higher	64.4%	68.8%	37.8%	38.7%
% Hispanic Origin	20.3%	18.5%	49.1%	40.7%
% Asian/Pacific Islander Origin	12.6%	13.8%	15.6%	16.6%
Per Capita Income	\$70,000	\$84,500	\$44,900	\$48,200
Median HH Income	\$93,700	\$133,900	\$87,900	\$97,600
Average HH Income	\$152,000	\$193,800	\$127,400	\$139,300

HOME VALUE HISTORY

2017 - 2024



Source: Zillow.com (Accessed August 2024)

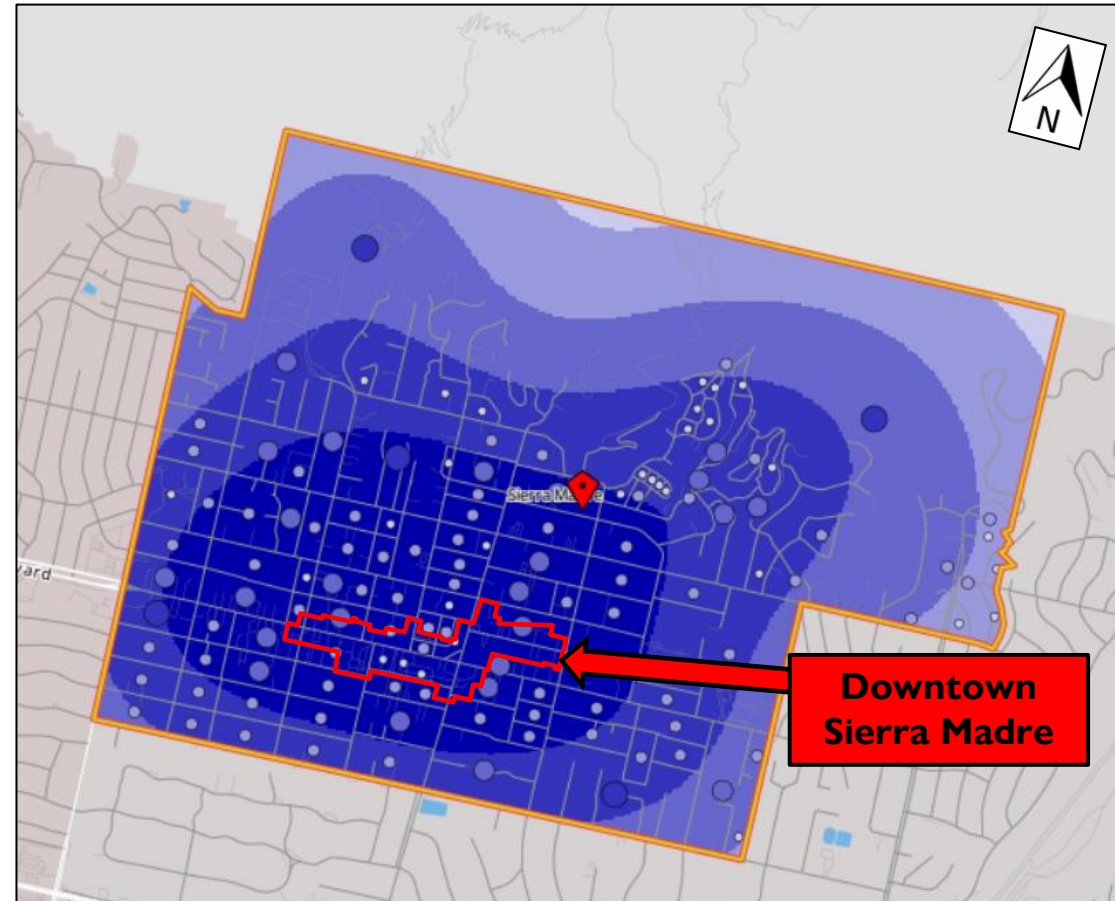
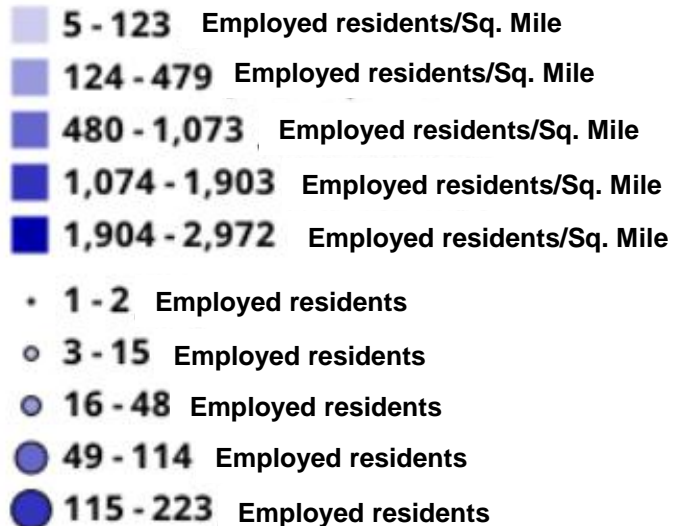
Notes: Numbers shown for most recent available month (July 2024)

3.3 – EMPLOYMENT/UNEMPLOYMENT BY INDUSTRY

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

RESIDENT CONCENTRATION

CITY OF SIERRA MADRE



- Residents are primarily concentrated outside of Downtown Sierra Madre
- The primary land use in the City is residential. Medium and high density residential surrounds Downtown Sierra Madre, while lower density residential can be found in the outer areas of the City

EMPLOYMENT BY INDUSTRY

CITY OF SIERRA MADRE

Resident Employed Population (Age 16+)	
Sector	Share
Health Care and Social Assistance	15.6%
Educational Services	12.9%
Professional, Scientific, and Technical Services	9.6%
Information	9.1%
Retail Trade	7.2%
Accommodation and Food Services	5.6%
Finance and Insurance	5.5%
Administration & Support, Waste Management and Remediation	5.0%
Manufacturing	4.5%
Public Administration	4.0%
Construction	3.6%
Wholesale Trade	3.5%
Other Services (excluding Public Administration)	3.4%
Transportation and Warehousing	2.6%
Arts, Entertainment, and Recreation	2.2%
Real Estate and Rental and Leasing	2.1%
Management of Companies and Enterprises	1.9%
Utilities	0.9%
Agriculture, Forestry, Fishing and Hunting	0.6%
Mining, Quarrying, and Oil and Gas Extraction	0.0%

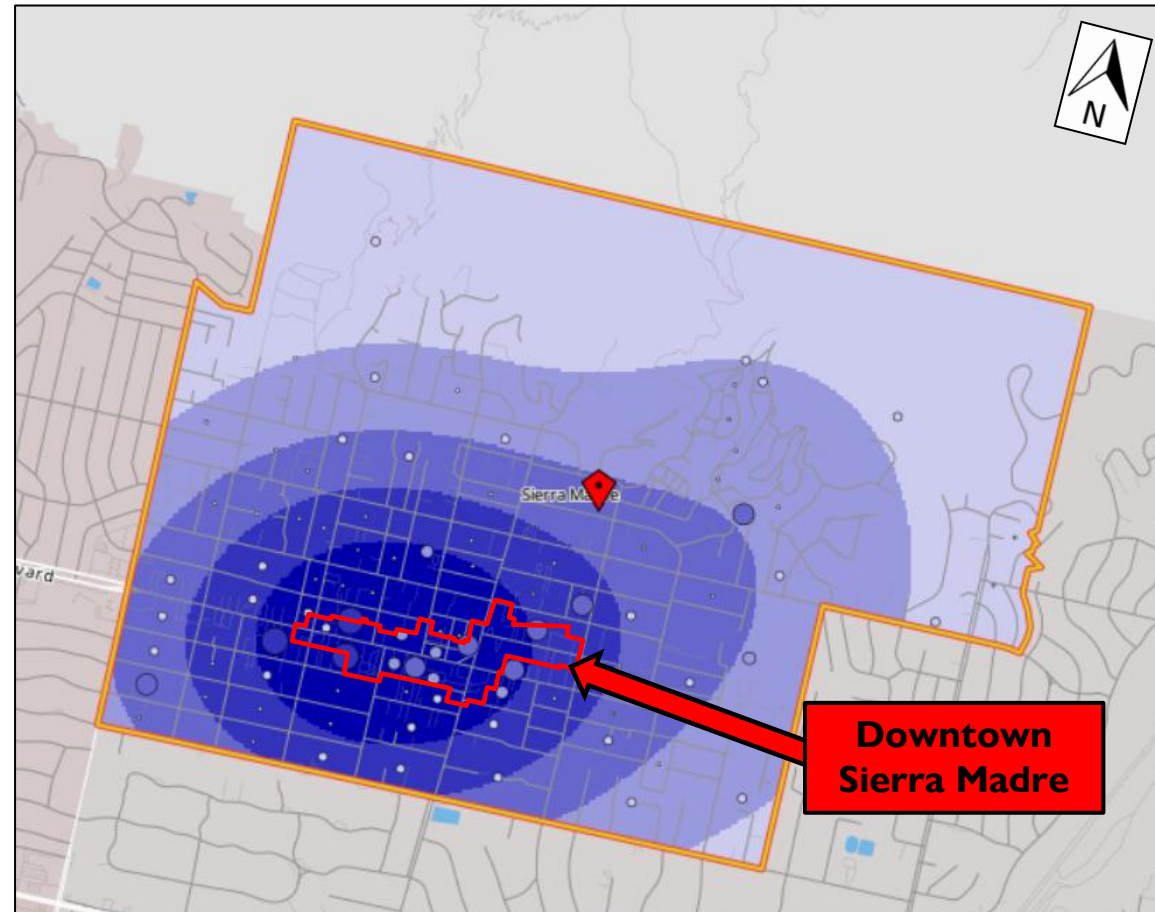
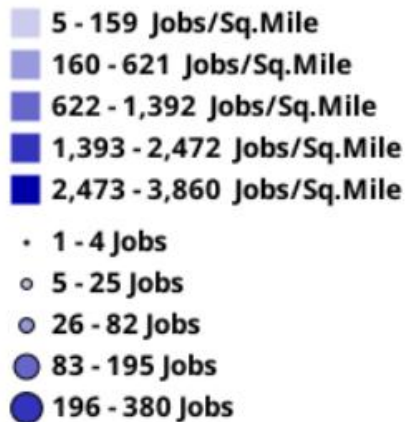
“Industries in which City residents work”

Workers Employed in Study Area (Age 16+)	
Sector	Share
Health Care and Social Assistance	38.0%
Accommodation and Food Services	9.7%
Educational Services	9.3%
Finance and Insurance	7.8%
Wholesale Trade	5.1%
Public Administration	4.7%
Professional, Scientific, and Technical Services	4.1%
Construction	4.1%
Administration & Support, Waste Management and Remediation	3.6%
Retail Trade	3.6%
Other Services (excluding Public Administration)	2.5%
Arts, Entertainment, and Recreation	2.1%
Real Estate and Rental and Leasing	1.5%
Management of Companies and Enterprises	1.4%
Manufacturing	1.2%
Information	0.8%
Transportation and Warehousing	0.3%
Agriculture, Forestry, Fishing and Hunting	0.1%
Mining, Quarrying, and Oil and Gas Extraction	0.0%
Utilities	0.0%

“Jobs in the City”

EMPLOYMENT CONCENTRATION

CITY OF SIERRA MADRE



- The majority of the commercial land is located in Downtown Sierra Madre primarily along Sierra Madre Blvd., Baldwin Ave., and on smaller adjacent streets. Thus most of the jobs in the City are concentrated within the boundaries of Downtown Sierra Madre
- There is also a small industrial manufacturing area located just east of Baldwin Ave. on Montecito Ave. (also located within the Downtown Sierra Madre boundary)

WORKER DESTINATIONS & ORIGINS

CITY OF SIERRA MADRE

Outflow: Where Residents Commute To For Work		
City	Count	Percentage
Los Angeles city, CA	1,206	24.6%
Pasadena city, CA	712	14.5%
Sierra Madre city, CA	271	5.5%
Burbank city, CA	261	5.3%
Arcadia city, CA	155	3.2%
Glendale city, CA	133	2.7%
Monrovia city, CA	78	1.6%
Alhambra city, CA	60	1.2%
Duarte city, CA	54	1.1%
Irvine city, CA	51	1.0%
El Monte city, CA	47	1.0%
Azusa city, CA	46	0.9%
San Diego city, CA	44	0.9%
Altadena CDP, CA	43	0.9%
San Francisco city, CA	42	0.9%
Monterey Park city, CA	37	0.8%
Industry city, CA	35	0.7%
El Segundo city, CA	34	0.7%
Irwindale city, CA	33	0.7%
South Pasadena city, CA	33	0.7%
Santa Clarita city, CA	32	0.7%
West Covina city, CA	32	0.7%
Santa Monica city, CA	31	0.6%
San Marino city, CA	30	0.6%
Beverly Hills city, CA	27	0.6%
All Other Locations	1,380	28.1%

Inflow: Where Workers Come From		
City	Count	Percentage
Los Angeles city, CA	319	11.9%
Sierra Madre city, CA	271	10.1%
Pasadena city, CA	204	7.6%
Monrovia city, CA	115	4.3%
Arcadia city, CA	100	3.7%
Altadena CDP, CA	69	2.6%
El Monte city, CA	65	2.4%
Alhambra city, CA	55	2.1%
Duarte city, CA	55	2.1%
Glendale city, CA	54	2.0%
Azusa city, CA	43	1.6%
Temple City city, CA	37	1.4%
Glendora city, CA	34	1.3%
Baldwin Park city, CA	30	1.1%
West Covina city, CA	29	1.1%
Torrance city, CA	27	1.0%
Monterey Park city, CA	24	0.9%
San Diego city, CA	24	0.9%
Whittier city, CA	24	0.9%
Rosemead city, CA	23	0.9%
Burbank city, CA	22	0.8%
San Gabriel city, CA	22	0.8%
Long Beach city, CA	21	0.8%
Santa Clarita city, CA	21	0.8%
Covina city, CA	19	0.7%
All Other Locations	970	36.2%

WORKER INFLOW / OUTFLOW

CITY OF SIERRA MADRE

Reference	Sierra Madre	L.A. County
Workers Living and Working	271	3,370,445
Workers Coming (Inflow)	2,406	1,107,719
Workers Going (Outflow)	4,636	830,815
Net Inflow/Outflow	(2,230)	276,904
Employment Ratio*	0.55	1.07



- Employees who work in Sierra Madre are coming from Los Angeles, Pasadena, Monrovia, Arcadia, and Altadena CDP
- Employed residents of the City are going to Los Angeles, Pasadena, Burbank, Arcadia, and Glendale for work
- Per the San Gabriel Valley Economic Partnership, top employers in Sierra Madre include**
 - City of Sierra Madre (148 employees)
 - George Brazil HVAC (100)
 - Sierra Madre Rec. Center (79)
 - Sierra Madre Elementary School (68)
 - Sierra Madre Dial-a-Ride (65)
 - Sierra Madre Fire Department (60)
 - Sierra Madre Middle School (50)
 - Climb Work Activity Adult Day Care Center (43)
 - Bethany Christian School (40)
 - Berkshire Hathaway (35)
 - Christ Church Sierra Madre (35)
 - YMCA Sierra Madre (35)

JOBS / HOUSING BALANCE

2024	Downtown Sierra Madre	Sierra Madre City	Los Angeles County	California State
Employment	1,433	3,043	4,531,369	17,417,963
Households	177	4,764	3,436,464	13,641,471
Jobs / Housing Ratio	8.10	0.64	1.32	1.28

EMPLOYMENT PROJECTIONS BY INDUSTRY

LOS ANGELES COUNTY

Industry	2020	2030	Annual Growth 2020-2030	Total Growth 2020-2030	Total Change 2020-2030
Health Care and Social Assistance	698,100	850,500	15,240	152,400	21.8%
Accommodation and Food Services	328,600	480,300	15,170	151,700	46.2%
Professional and Business Services	599,800	707,200	10,740	107,400	17.9%
Retail Trade	380,200	424,900	4,470	44,700	11.8%
Information	191,000	231,200	4,020	40,200	21.0%
Arts, Entertainment, and Recreation	64,900	103,700	3,880	38,800	59.8%
Transportation and Warehousing	196,100	234,600	3,850	38,500	19.6%
Other Services (excludes 814-Private Household Workers)	128,700	161,300	3,260	32,600	25.3%
Educational Services (Private)	122,200	147,600	2,540	25,400	20.8%
Government	570,200	595,200	2,500	25,000	4.4%
Construction	146,500	165,300	1,880	18,800	12.8%
Wholesale Trade	200,000	216,300	1,630	16,300	8.2%
Financial Activities	212,600	225,100	1,250	12,500	5.9%
Utilities	11,700	11,600	(10)	(100)	(0.9%)
Manufacturing	315,100	296,300	(1,880)	(18,800)	(6.0%)
Total Nonfarm	4,167,300	4,852,500	68,520	685,200	16.4%
Total Other	296,700	313,600	1,690	16,900	5.7%
Total Farm	4,400	4,000	(40)	(400)	(9.1%)
Total Employment	4,468,400	5,170,100	70,170	701,700	15.7%

Source: California Employment Development Department, (Accessed August 2024)

Notes: Other refers to self-employed and private household workers. Numbers in parentheses and in red indicate negative numbers. Professional and Business Services include professional, scientific, tech services, admin support and waste management and remediation, and management of companies.



3.4 – VISITATION DATA

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT



DOWNTOWN SIERRA MADRE VISITOR ANALYTICS 10/1/23 TO 9/30/24

- Downtown Sierra Madre is the main commercial center of the City. It is primarily situated along Sierra Madre Blvd. and Baldwin Ave.
- Downtown Sierra Madre features several coffee shops and restaurants with patio and sidewalk seating, along with a variety of service-oriented businesses including attorneys, real estate agents, and spas. Downtown is highly walkable and offers a small-town charm
- General visitor data is shown in the table below. More in depth visitor information can be found on the following slides

Visitor Data

Visits	2.1 million
Average Visit Length	100 minutes
Avg. HH Income	\$170,000

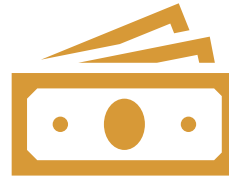


Above: Scenes around Downtown Sierra Madre. Bottom right is a picture taken during a film shoot in Downtown.

DOWNTOWN SIERRA MADRE VISITOR DEMOGRAPHICS 10/1/23 TO 9/30/24

Demographic Highlights

<i>Total Visits</i>	2.1 million
<i>Visit Frequency</i>	6.31
<i>Total Visitors</i>	335.1 thousand
<i>Average HH Size</i>	2.56
<i>Number of Households (calculated)</i>	130,900
<i>Median Age</i>	40.6
<i>Most Common Ethnicity</i>	White (42.6%)
<i>Bachelor's Degree or Higher</i>	57.9%
<i>Median HH Income</i>	\$124,900
<i>Average HH Income</i>	\$170,000



Visitor Incomes

< \$50,000	20%
\$50,000 - \$100,000	22%
> \$100,000	58%

Visitor Ethnicities

White	43%
Asian/Pacific Islander	24%
Hispanic	23%
Black	5%
Two or More Races	5%

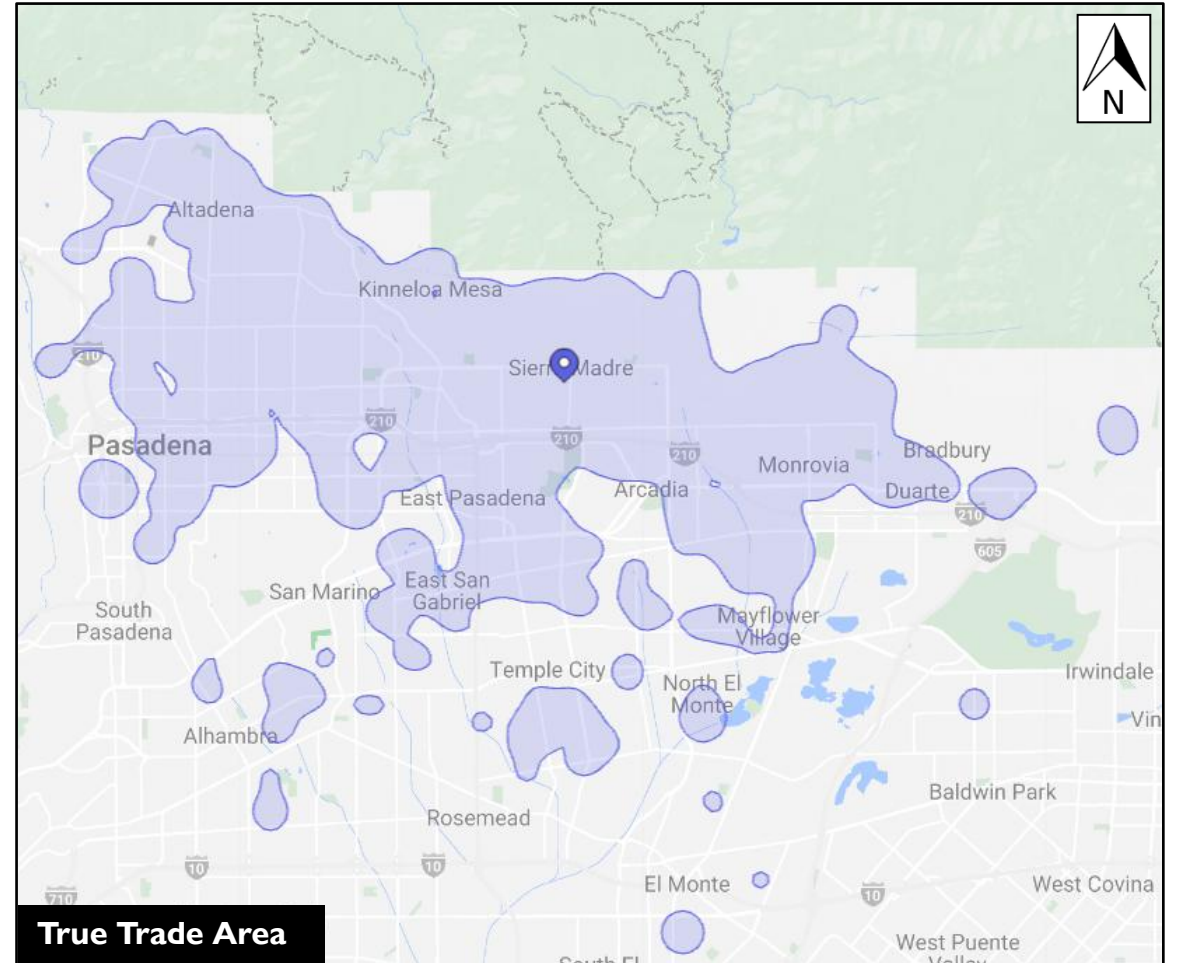
Education Levels

High School or Less	18%
Some College/Associates	24%
Bachelor's or Higher	58%

DOWNTOWN SIERRA MADRE VISITOR ANALYTICS 10/1/23 TO 9/30/24 (CONT'D)

Distance from Home Area		
Distance	Visits	Percentage
0 - 3 Miles	943,300	45%
3 - 7 Miles	616,700	29%
7 - 10 Miles	120,000	5%
10 - 30 Miles	270,000	13%
30 - 50 Miles	49,000	2%
50 - 100 Miles	21,000	1%
100+ Miles	80,000	5%

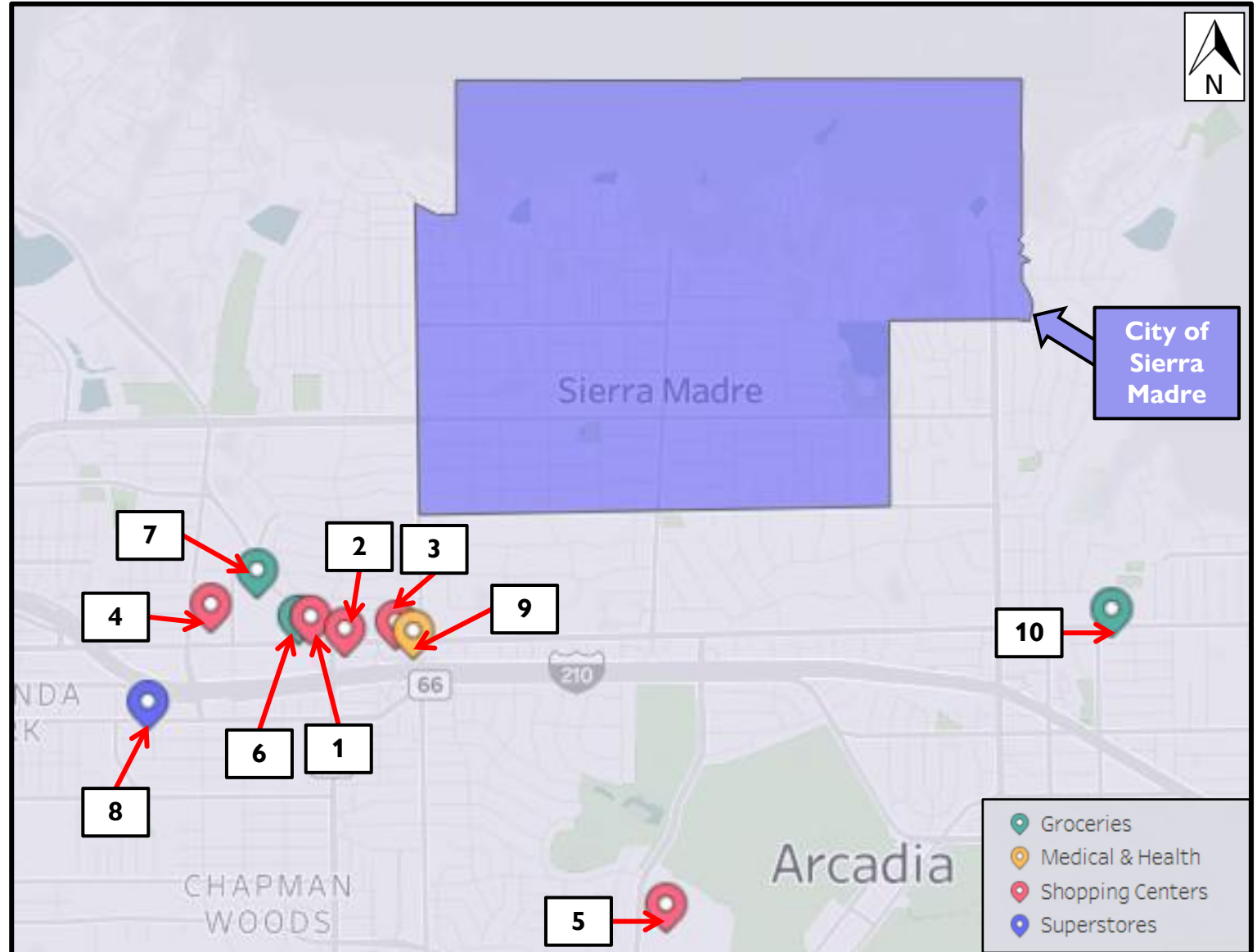
Top 5 Home Locations (Zip Codes)			
Zip Code	City	Visits	Percentage
91024	Sierra Madre	376,000	18%
91107	Pasadena	259,000	12%
91006	Arcadia	164,000	8%
91016	Monrovia	146,000	7%
91001	Altadena	128,000	6%



RETAIL LEAKAGE MAP

The points on the map show the top retail centers and establishments across retail categories where Sierra Madre residents shop outside of the City. Numbers are ordered by the number of visits made by Sierra Madre residents to these locations. It appears that essentials (e.g., groceries, health/personal care) are being shopped outside of Sierra Madre.

Sierra Madre residents do not travel too far for these essential items given the proximity of several shopping centers within a five-minute drive time just south of the City's boundaries (along Foothill Blvd. in Pasadena and Arcadia) to shop. The Shops at Santa Anita, a major regional shopping center on South Baldwin Ave. is also a major point of retail leakage among Sierra Madre residents.



TOP 10 AREAS OF RETAIL LEAKAGE SIERRA MADRE RESIDENTS (9/1/23 TO 8/31/24)

Top 10 Areas Where Sierra Madre Resident Sales Are Leaking (by Number of Visits)

Rank	Location	GLA (SF)	City	Anchor Tenants / Major Retail	# of Residents	# of Visits	Average Distance From Home (mi)
1	Foothill Rosemead Marketplace	113,299	Pasadena	Ralphs, Golf Galaxy, Citibank	10,950	237,620	1.49
2	Hastings Ranch Shopping Center	135,154	Pasadena	Whole Foods, Rite Aid	9,930	204,740	1.52
3	Hastings Ranch Plaza	290,784	Pasadena	At Home, Hobby Lobby, Marshalls, CVS	11,250	201,600	1.33
4	Hastings Village	297,943	Pasadena	Best Buy, Ross, PetSmart, Nordstrom Rack, Party City, Old Navy, Ulta Beauty	11,700	191,800	1.75
5	The Shops at Santa Anita	1,475,732	Arcadia	Nordstrom, Macy's, JCPenney, 99 Ranch Market, Bowlero, Forever 21, Dave & Busters, AMC Theatres	11,760	172,150	2.11
6	Ralphs*	37,487	Pasadena	N/A	9,180	164,460	1.49
7	Trader Joe's	12,983	Pasadena	N/A	7,650	124,730	1.59
8	Target	136,553	Pasadena	N/A	9,010	107,350	2.19
9	CVS**	13,013	Pasadena	N/A	6,220	94,540	1.32
10	Ralphs	36,790	Arcadia	N/A	6,970	92,000	1.83

RETAIL LEAKAGE (9/1/23 TO 8/31/24)

Retail categories featuring high retail leakage among Sierra Madre residents include: grocery stores, health and personal care stores, limited and full-service restaurants, and gasoline stations.

UNMET RETAIL DEMAND BY RETAIL CATEGORY (SIERRA MADRE RESIDENT PURCHASES)

Retail Category	Supply (Sales) \$	Demand \$	Surplus / Leakage	Online Sales Leakage Potential
Book & Music Stores	0.46 M	0.53 M	(0.06 M)	High
Bars / Drinking Places	0.45 M	1.04 M	(0.59 M)	Low
Home Furnishings Stores	0.41 M	2.32 M	(1.90 M)	Medium
Electronics & Appliance Stores	0.95 M	3.17 M	(2.21 M)	High
Sporting Goods Stores	0.30 M	3.14 M	(2.83 M)	High
Department Stores	1.68 M	5.61 M	(3.92 M)	Varies
Auto Parts / Accessories Stores	0.55 M	4.60 M	(4.04 M)	Low
Clothing Stores	4.39 M	10.64 M	(6.24 M)	High
Building Material & Supplies	9.62 M	16.46 M	(6.83 M)	Low
Health & Personal Care Stores	1.58 M	14.49 M	(12.90 M)	Medium
Limited-Service Restaurants	3.50 M	17.90 M	(14.38 M)	Low
Full-Service Restaurants	2.78 M	17.66 M	(14.88 M)	Low
Gasoline Stations	10.90 M	28.18 M	(17.18 M)	Low
Grocery Stores	10.60 M	30.14 M	(19.52 M)	Low
Other General Merchandise Stores	4.15 M	28.50 M	(24.33 M)	Medium

Source: Placer.ai (Accessed October 2024)

Note: Numbers in parentheses and in red indicate a negative number (leakage). Limited data available for supply (sales) for the following categories: auto dealers, shoe stores, furniture stores, and office supply stores.



4. MARKET DEMAND ANALYSIS

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

SUMMARY

MARKET DEMAND ANALYSIS

Market Trends

- *Retail:*
 - Retail store closures, bankruptcies, and e-commerce has changed economics of retail centers
 - Retail centers are being reimagined into mixed/blended use developments;
 - Retail is driven by trip-generators like entertainment, experience, and essential;
 - In 2023, e-commerce sales hit \$1.1T and accounted for 17.1% of total retail sales; E-commerce sales growth represented 46% of total retail sales growth
 - E-commerce is reshaping economic development. Sierra Madre resident e-commerce spending, is replacing the equivalent of approximately 92,760 SF of retail space in the City. Thus, e-commerce spending by each household in Sierra Madre is equivalent to approx. 19 SF of retail space*

Market Demand Analysis

- Kosmont observed existing retail market supply conditions for the most recent available quarter (Q2 2024) and over a ten-year historic period for were observed in the City, a defined Trade Area, and the Western San Gabriel Valley Submarket, as defined by CoStar
- *Retail:*
 - Sierra Madre has a small retail market (255K SF) that is fully leased as of Q2 2024 (according to CoStar), primarily concentrated in Downtown. There is no retail space currently planned, proposed or under construction in the City and no retail space has been added to the market in the last 10 years
 - Retail vacancy is **lower** than the Trade Area and the Submarket and rents are **on par** with the Submarket, but **lower** than the Trade Area
 - According to Placer.ai, retail categories that had high retail sales leakage among residents included: grocery stores, health and personal care stores, and limited and full-service restaurants
 - City residents are traveling outside of the City for essentials (e.g., groceries, health/personal care). Residents do not travel far for these items given there are several shopping centers and freestanding retailers within a five-minute drive time

4.1 – MARKET TRENDS

CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

MARKET TRENDS SUMMARY

- Key trends in the post-COVID-19 economy:

- **Retail**

- Retail store closures, bankruptcies, and e-commerce has driven changes in retail; Retail centers are being reimagined (e.g. blended use development)
- Retail driven by trip-generators such as entertainment, experience, and essentials (e.g. food)

- **Office**

- Office leasing activity dropping as remote work becomes new normal; Social distancing led to offices resizing/reconfiguring
- Integrating office in blended use environments; Possible shift to suburban offices

- **Industrial**

- E-commerce is accelerating growth of industrial;
- Retail and industrial are merging, with space being used for Buy Online Pick Up in Store (BOPIS), fulfillment, last mile and warehousing (including flex)

- **Residential**

- Homes are live, play, **and work** environments
- Strength in suburban markets; Home office is the new home amenity as single and multifamily housing developments are designed to facilitate work
- New residential sites within shopping centers

- **Hospitality**

- Hospitality sector hurt the most by COVID-19 (conventions and business), but leisure travel is rebounding

Key Market and Economic Development Trends



Housing is Not a Loss Leader, it's a Growth Driver

Housing Creation as Economic Development

- New housing can generate significant new tax revenues and support local jobs from resident spending
- Housing is not necessarily a net negative fiscal impact, especially at current property values



Retail is Not Just Retail Anymore

Retail Reimagination as Economic Development

- U.S. retail over-built and needs “right sizing;” Covid accelerated trends; today its about essentials, experience & e-commerce
- Blended/mixed use projects integrate multiple uses (housing, retail, open space, creative office, hotel)



Telework is Reconfiguring Office

Office Conversions as Economic Development

- Telework and work from home options are reshaping the needs for office space and business districts
- Job redistribution tied to housing
- Vacancies can lead to fiscal impact pressure



Industrial / Distribution is Critical for the Economy

Industrial & Fulfillment as Economic Development

- Modern industrial is not “your father’s industrial” – it is a blend
- Retail can’t thrive without distribution; Booming demand for e-commerce, particularly smaller last-mile delivery facilities
- Flex space (a blend of industrial, office, research and development space) is a growing market. Cities can attract high tech / skill firms with such space

HOUSING AS ECONOMIC DEVELOPMENT

Housing / hybrid living spaces.
High costs are a burden, but
high assessed value = tax \$\$\$

Telecommuting now common.
Remote work can alleviate
traffic and support local
businesses.

E-commerce will capture 25%
of sales within 5 years
(~\$9K per CA household). E-
commerce spending by each
household is equivalent to 19 SF
of retail



Rooftops Needed

New housing can generate new demand for commercial and retail uses, significant new tax revenues, and support local jobs. Office reconfiguration and work at home schedules are keeping “wallets” in local communities -- capturing local spend is a key objective.

E-COMMERCE RESHAPING ECONOMIC DEVELOPMENT

EST. E-COMMERCE (RESIDENTS)

Population	10,900
Avg HH Size	2.28
HH	4,800
Average HH Income	\$193,800
% of HH Income for Expenditures	84%
% of Expenditures for Retail Spending	24%
% Retail spending via e-commerce	20%
Avg HH E-commerce sales	\$7,730
Retail Sales PSF	\$400
Per HH Retail Space Equivalence	19 SF
Community E-Commerce Sales	\$37,104,000
Community Retail Space Equivalence	92,760 SF
FAR	0.25
Retail Acreage Equivalence	8.5 AC

EST. E-COMMERCE (VISITORS)

Population	335,100
Avg HH Size	2.56
HH	130,900
Average HH Income	\$170,000
% of HH Income for Expenditures	84%
% of Expenditures for Retail Spending	24%
% Retail spending via e-commerce	20%
Avg HH E-commerce sales	\$6,850
Retail Sales PSF	\$400
Per HH Retail Space Equivalence	17 SF
Community E-Commerce Sales	\$896,665,000
Community Retail Space Equivalence	2,241,663 SF
FAR	0.25
Retail Acreage Equivalence	205.8 AC

Sources: Kosmont Companies, ESRI, Placer.ai (Accessed December 2024)

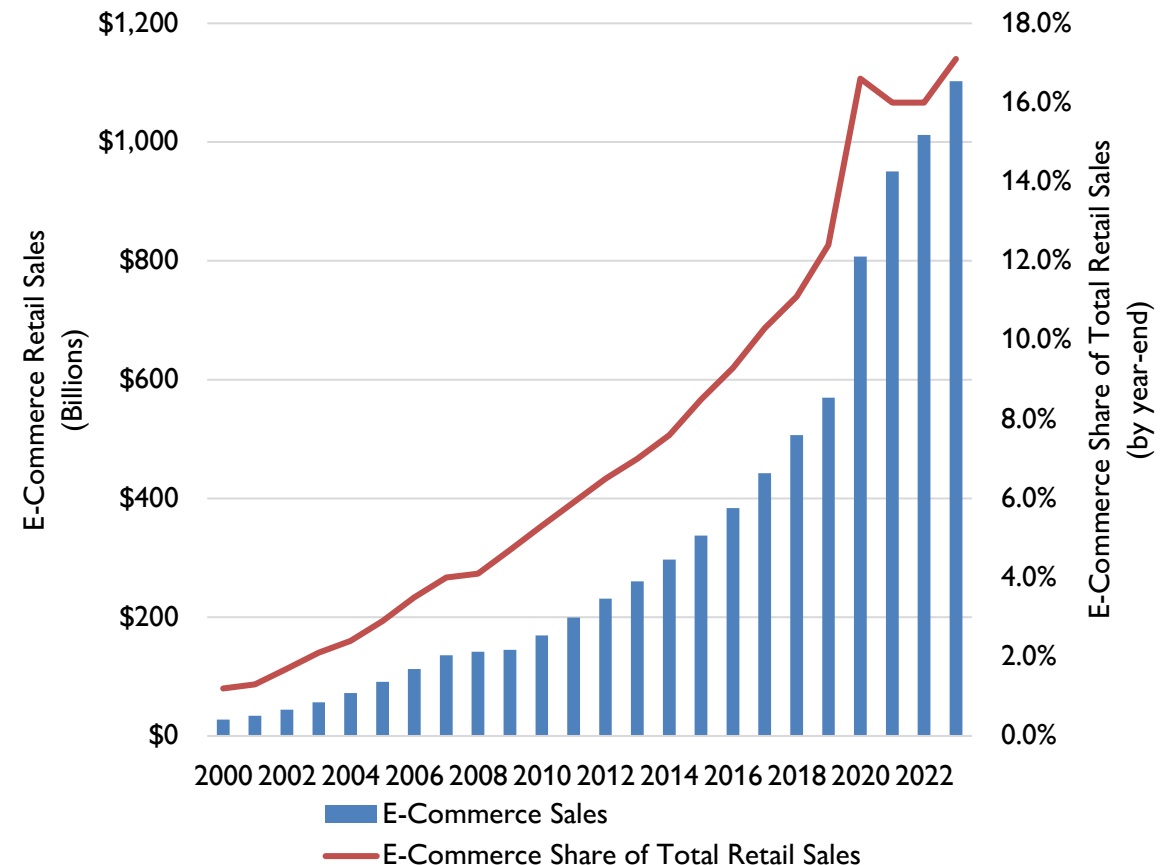
Notes: Assumptions made for % of HH Expenditures for Retail Spending and e-commerce.

E-COMMERCE GROWTH

SIGNIFICANT IMPACTS ON BRICK-AND-MORTAR RETAIL

- Historically, e-commerce sales in the U.S. have increased steadily over time from 2000 to 2019. The COVID-19 pandemic saw increased online retail utilization and e-commerce sales soared by 42% compared to 2019. E-commerce sales continued to grow by double-digits into 2021 but cooled to just 6% growth in 2022. 2023 saw an increase in e-commerce sales by 9%
- The share of e-commerce sales continues to grow as well with e-commerce reaching 17.1% of total retail sales by year-end 2023.
- FTI Consulting's 2024 Online Retail Report projections indicate U.S. online retail sales would hit \$1.2 trillion in 2024, an increase of 9.8% or \$108 billion compared to 2023. Additionally, the report states that e-commerce sales growth represented 46% of total retail sales growth in 2023.
- Furthermore, a UBS report estimates that 45,000 net retail store closures will occur in the U.S. by 2028 (approximately 5% of the total retail store base)

E-Commerce Retail Sales





4.2 – RETAIL MARKET

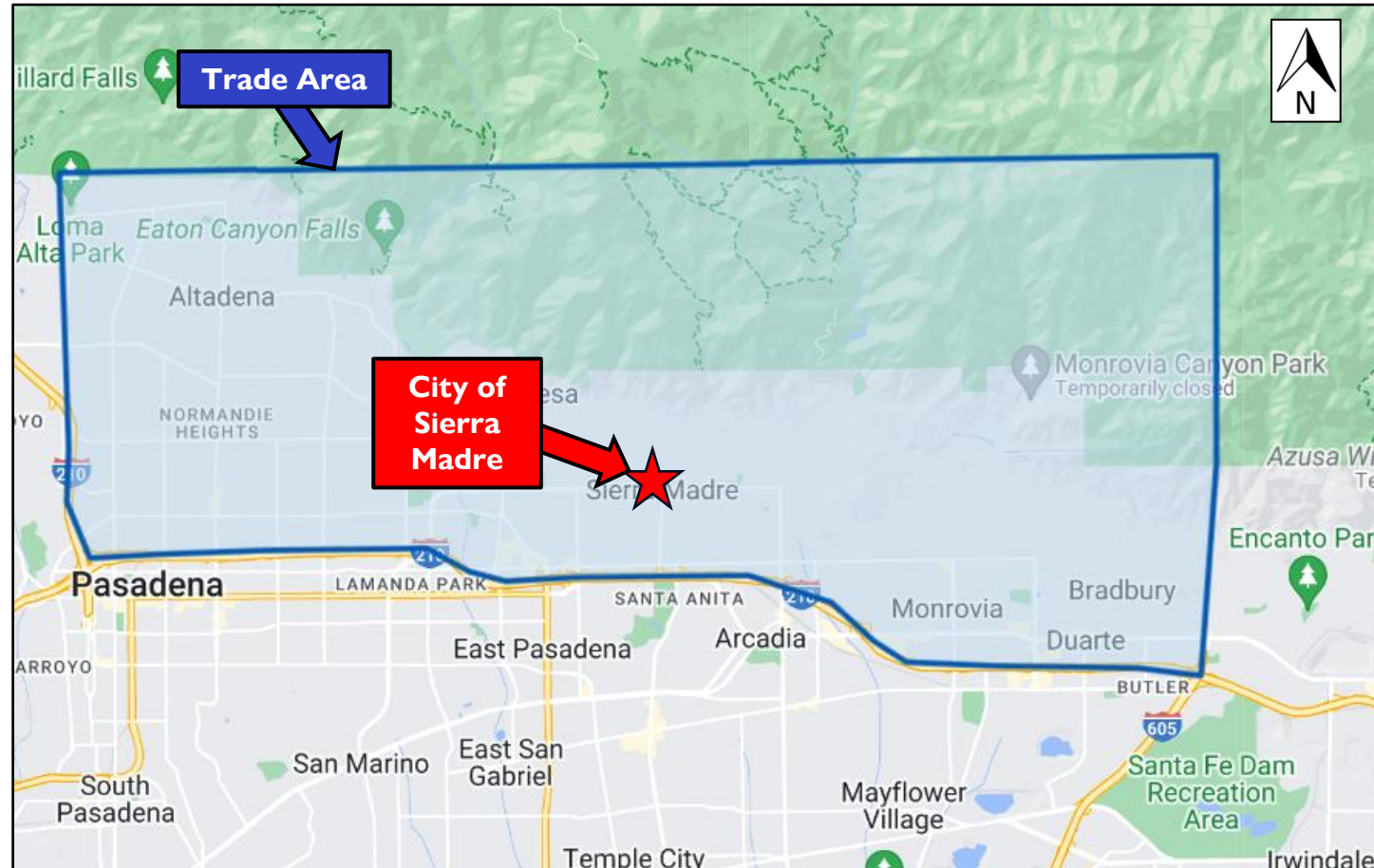
CITY OF SIERRA MADRE – DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

OVERVIEW

RETAIL MARKET

Overview

- This section evaluates the retail real estate market. Geographies observed in the Market Demand Analysis include:
 - City of Sierra Madre (“City”). It is important to note that most of the commercial space in the City is found in Downtown Sierra Madre, thus for this analysis the entire City is observed
 - Trade Area (outlined in adjacent map). The Trade Area was determined based on the True Trade Area map in the Visitor Analysis. Most visitors to the City come from areas north of the 210 Freeway from Altadena (on the west) and Duarte (on the east)
 - Western San Gabriel Valley Submarket (“Submarket”, as defined by CoStar)
- The following retail market analysis observes:
 - Existing supply conditions for retail space for the most recent available quarter (Q2 2024)
 - Historical trends in vacancy and market asking rents on an annual basis over the last ten years (2013 to 2023)



RETAIL MARKET QUARTERLY SNAPSHOT

	Q2 2024		
	City of Sierra Madre	Trade Area	Western San Gabriel Valley Submarket
Availability			
Market Asking Rent \$PSF	\$32.13	\$35.38	\$32.72
Vacancy Rate	0.0%	3.1%	3.7%
Vacant SF	0	211,491	1,029,250
Net Absorption	-	(20,823)	(118,802)
Inventory			
Existing SF	255,465	6,845,038	27,671,790

- Sierra Madre is a very small retail market (255K SF)
- As of Q2 2024, retail space in the City is fully leased
- According to CoStar, there is no retail space currently planned, proposed, or under construction
- A majority of the retail in the area is comprised of locally-owned shops or regional chains (e.g., Tacos Ensenada). There are few national brand retailers in the City (e.g., Starbucks, Chase, BMO Bank)

Source: CoStar (Accessed August 2024); **Note:** We observed the City of Sierra Madre as a whole given that a majority of the commercial space in the City is concentrated in Downtown Sierra Madre. Vacant space refers to all space that is not occupied by a tenant regardless of availability or lease obligation. Available space is the amount of space currently being marketed as available for lease or sale in a given time period. It includes any space that is vacant, occupied, or available at a future date. Negative net absorption refers to the fact that more tenants vacated retail space as opposed to renewing or expanding.

RETAIL MARKET HISTORY

2013 – 2023

CITY OF SIERRA MADRE

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Market Asking Rent Overall
2023	255,465	-	-	2,215	\$31.78
2022	255,465	2,215	0.9%	65	\$30.66
2021	255,465	2,280	0.9%	(420)	\$29.67
2020	255,465	1,860	0.7%	290	\$28.80
2019	255,465	2,150	0.8%	(1,150)	\$28.24
2018	255,465	1,000	0.4%	7,753	\$27.39
2017	255,465	8,753	3.4%	(8,253)	\$26.65
2016	255,465	500	0.2%	3,350	\$26.16
2015	255,465	3,850	1.5%	1,200	\$25.47
2014	255,465	5,050	2.0%	5,868	\$24.45
2013	255,465	10,918	4.3%	32	\$23.57

TRADE AREA

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Market Asking Rent Overall
2023	6,845,038	183,013	2.7%	28,470	\$35.43
2022	6,839,009	205,454	3.0%	(61,241)	\$34.49
2021	6,825,025	130,229	1.9%	(19,125)	\$33.23
2020	6,871,573	157,652	2.3%	32,302	\$32.18
2019	6,871,573	189,954	2.8%	(3,876)	\$31.69
2018	6,871,350	185,855	2.7%	(33,883)	\$30.88
2017	6,910,195	190,817	2.8%	119,533	\$30.12
2016	6,885,550	285,705	4.1%	(15,406)	\$29.54
2015	6,879,004	263,753	3.8%	(53,278)	\$28.55
2014	6,880,970	212,441	3.1%	23,155	\$27.43
2013	6,847,190	201,816	2.9%	19,605	\$26.42

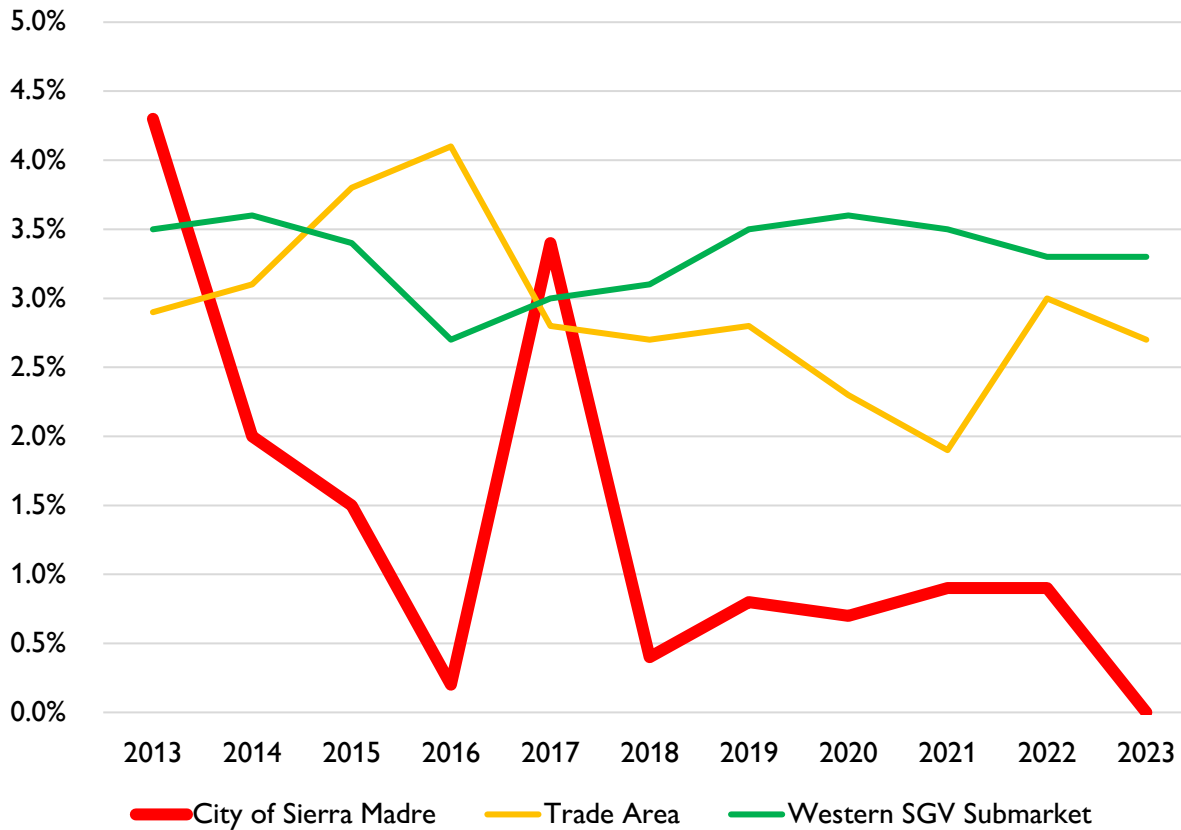
WESTERN SAN GABRIEL VALLEY SUBMARKET

Year	Inventory SF	Vacant SF Total	Vacant % Total	Net Absorp. SF Total	Market Asking Rent Overall
2023	27,685,367	907,153	3.3%	14,830	\$32.74
2022	27,667,722	905,370	3.3%	48,011	\$31.82
2021	27,671,332	955,959	3.5%	(231,244)	\$30.62
2020	27,958,439	1,011,822	3.6%	(17,478)	\$29.62
2019	27,941,660	980,065	3.5%	(109,483)	\$29.09
2018	27,930,519	860,441	3.1%	193,550	\$28.37
2017	27,701,128	824,600	3.0%	(36,955)	\$27.65
2016	27,664,511	751,028	2.7%	248,875	\$26.77
2015	27,590,353	925,745	3.4%	155,742	\$26.06
2014	27,495,463	990,745	3.6%	(62,503)	\$25.12
2013	27,525,933	957,407	3.5%	280,834	\$24.23

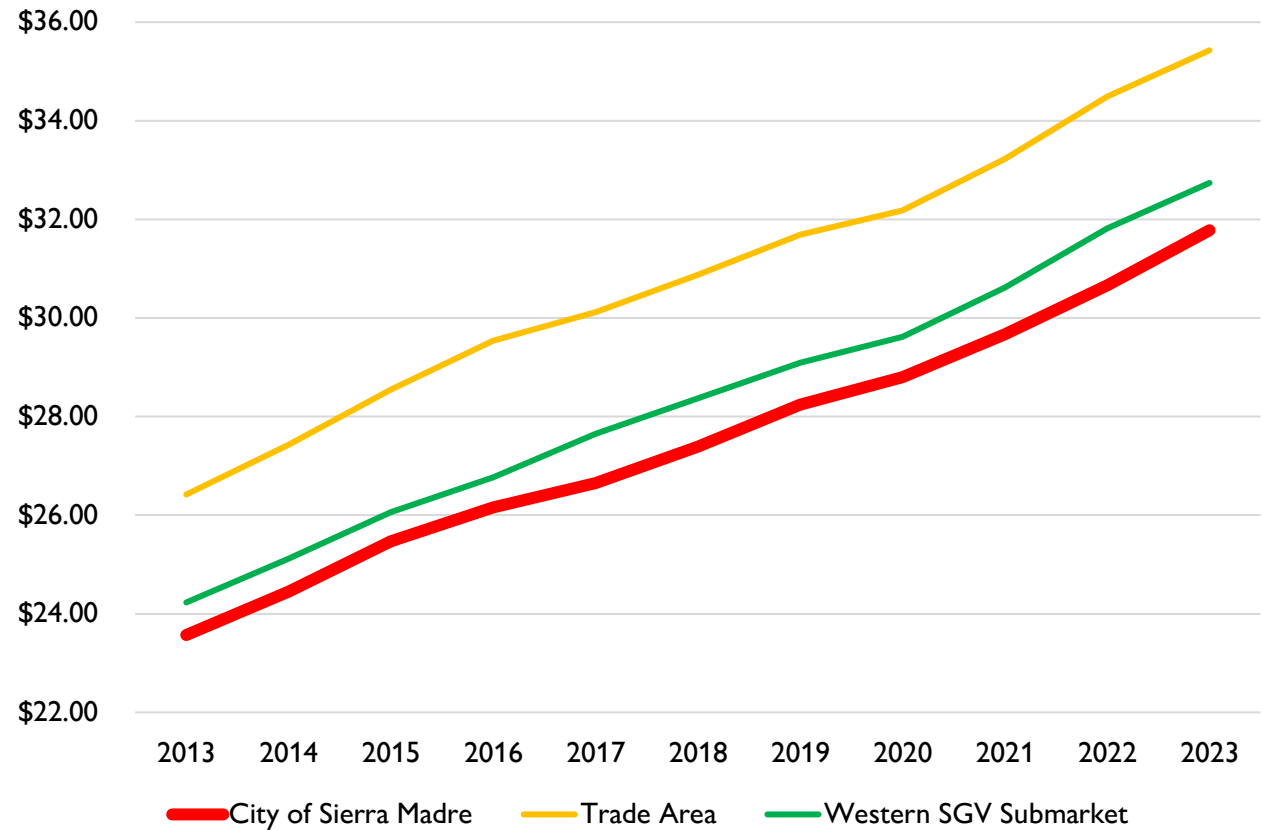
RETAIL MARKET HISTORY

2013 – 2023

Vacancy Rates



Market Asking Rent \$PSF/Yr.



NEXT STEPS

- City Council / Chamber presentation
- Additional implementation / advisory services:
 - Assist in developing business expansion, attraction, and retention (“BEAR”) strategies;
 - Marketing business opportunities at various conferences, including ICSC
 - Potentially attract interest from other industries, including hospitality (e.g., hotel market demand analysis)

CITY OF SIERRA MADRE DOWNTOWN SIERRA MADRE MARKET ASSESSMENT

MARCH 2025



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