

Downtown Chula Vista Property-Based Business Improvement District

Annual Planning Report for FY 2019 To the City of Chula Vista



Fiscal Year January 1 - December 31, 2019

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*Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994*

**Downtown Chula Vista
Property Based Improvement District
FY 2019 Annual Planning Report to the City of Chula Vista**

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SECTION 1: Introduction

The DOWNTOWN CHULA VISTA PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT NO. 2016-122 (boundaries depicted on page 4) was successfully renewed by the Chula Vista City Council and approved by district property owners on June 14, 2016 for an additional ten-year period from January 1, 2017 through December 31, 2026. The district is managed by The Third Avenue Village Association (TAVA), which has overseen the operations of the PBID and its funding since January 1, 2002.

Prepared in accordance with the State of California Property and Business Improvement District law of 1994, Streets and Highways Code section 36650, the 2019 Annual Planning Report represents the third year of program operations within the current ten-year term. The PBID's activities and improvements aim to improve and convey special benefits to properties located within the defined downtown Chula Vista, providing services beyond the basic services provided by the City of Chula Vista.

SECTION 2: PBID Boundary

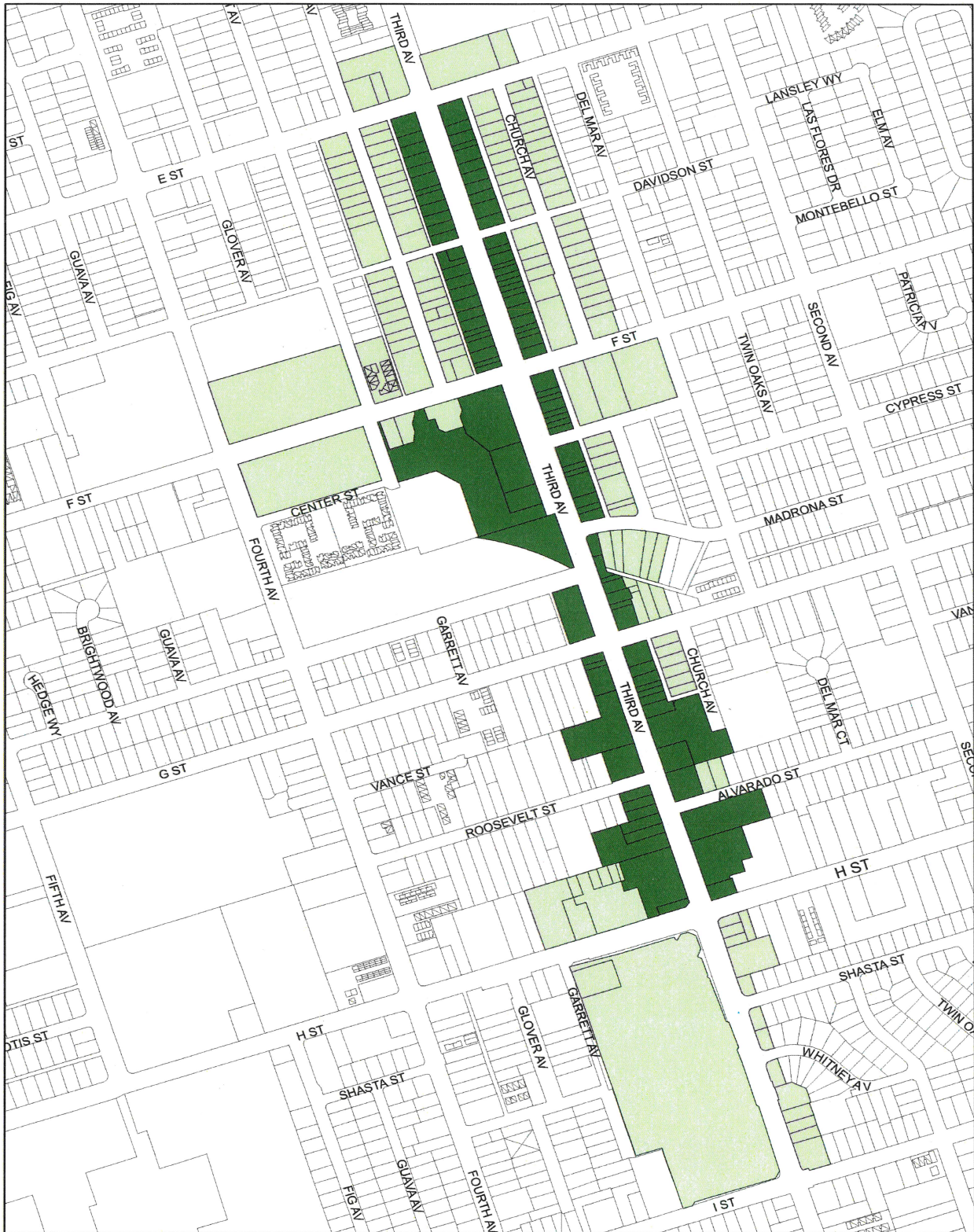
There are no proposed changes to the PBID boundaries for 2019. The PBID encompasses approximately a 16-block area along the Third Avenue commercial corridor, bounded by E Street to the north, Church Avenue to the east, Landis Avenue to the west and I Street to the south. It also includes one block on F Street, including the central library and police station.

Within the PBID boundary, there are two different benefit zones for the maintenance programs and activities. It was determined that the Third Avenue properties required more maintenance services than the rest of the properties in the PBID. Described below are the benefit zones.

District-Wide Maintenance: Is defined as all assessable properties within the PBID boundary. All parcels in the PBID boundary will receive the same base level of maintenance services.

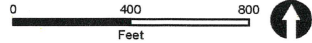
Third Avenue Enhanced: Is defined as all assessable properties with frontage along Third Avenue, between E Street and H Street. These properties will receive a higher frequency level of maintenance services than other parcels within the PBID boundary.

The map on the following page illustrates the PBID boundary



Proposed Boundaries for the
 Downtown Chula Vista PBID

- Third Av Enhanced Services
- District-Wide Boundary
- Parcels



Downtown Chula Vista

SECTION 3: PBID Assessment Budget

FY January 1 to December 31, 2019 - PBID Assessment Budget:

The following table outlines the PBID maximum assessment budget for FY 2019 with estimated budget expenditures distributed across PBID services. The annual assessment rate was increased by 3% for FY 2019 per TAVA Board action on August 1, 2018 and in accordance with the State of California Property and Business Improvement District law of 1994.

EXPENDITURES	BUDGET	% of Budget
Environmental Enhancements		
Clean & Safe, Homeless, Beautification	\$70,615	15%
Third Avenue Additional Maintenance	\$125,153	27%
Total Environment	\$195,768	42%
Economic Enhancements	\$139,001	30%
Administration	\$109,635	23%
PBID Reserve	\$23,120	5%
Total Expenditures	\$467,524.	100%
REVENUES		
Assessment Revenues	\$462,400	99%
General Benefit Revenues	\$5,456	1%
Total Assessment District Revenues	\$467,856	100%

SECTION 4: Method of Financing

Financing is provided by the levy of special annual assessments upon the real property for which the services and activities are provided. These assessments are not taxes for the general benefit of the City

Assessment Calculation:

As previously stated, the PBID activities are segregated into two benefit zones; those parcels that front Third Avenue and those that do not. Each benefit zone's land use characteristics and assessment factors are as follows:

Assessment Factors	District-Wide	Third Avenue
Lot Square Feet	3,369,642	----
Linear Street Frontage	19,325	6,737

Based on the parcel characteristics and the budget for each, the following are the calculated rates for each assessment factor and each benefit zone as established in FY 16/17, the initial year of the ten-year re-establishment.

Assessment Factor	Assessment Rate
Lot Square Foot - Economic	\$0.07124
Lot Square Foot – District wide Maintenance	\$0.01797

Linear Foot – District wide Maintenance	\$2.32300
Linear Foot – Third Avenue	\$13.97987

Annual assessments are based upon an allocation of program costs and a calculation of lot square footage and street frontage. Initial estimated annual maximum assessment rates for the district in FY 16/17 were as follows:

Assessment Rates	Per Sq. Ft. of Lot	Per Linear Foot
Properties along Third Avenue (between E and H Streets)	\$0.089	\$16.303
All other properties in the District	\$0.089	\$2.323

SECTION 5: Previous Year Surplus / Deficit Revenue

With the previous fiscal year ending on December 31, 2018, the FY 2018 audit has yet to be completed. At the time of this report, TAVA estimates that there will be \$80,000 of surplus revenue from FY 2018 as associated with the combined budgets of both the PBID and BID. A final audit report will be provided to the City of Chula Vista upon completion.

SECTION 6: Other Funding Contributions

The association is projecting that FY 2019 will generate an additional \$30,800 of gross revenue from public events established to market the business district to San Diego residents. This funding amount will be used to offset the \$31,200 budgeted event expenses which are not included in the allocation set forth for Economic Enhancement.

Bond Issuance:

No bonds will be issued to finance improvements in 2019.

SECTION 7: PBID Activity, Improvements, and Services

Environmental Enhancements

Public Safety:

TAVA continues to utilize private security patrol as needed to support the police department, property owners, and tenants in overall efforts to prevent crime, reduce street disorder, and to mitigate trespassing.

Maintenance Services:

Each day, the TAVA Clean & Safe Team provides enhanced maintenance and



landscape services within the Third Avenue Village PBID. The services provided by TAVA assures the property owners and the City of Chula Vista that the district will be maintained at a level beyond the basic services provided by the City of Chula Vista. With the lifting of draught restrictions by the State of California, TAVA will be able to power wash the full district quarterly in FY 19. Enhancing the quarterly service, TAVA also provides consistent power washing of hardscape areas that are vulnerable to high impact use and present a health or safety condition to the public. For TAVA to effectively approach the maintenance issues facing the Third Avenue district, a multi-dimensional approach has been developed consisting of the following elements: sidewalk maintenance, trash removal, graffiti abatement, tree trimming, and landscape maintenance provided by the TAVA team and private contractors. TAVA's commitment to provide maintenance services to the district are also outlined in the *Third Avenue Village Agreement and Encroachment Permit for Maintenance Services Between the City of Chula Vista and the Third Avenue Village Association* entered June 14, 2016.

Homeless Outreach:

Reducing homelessness, providing the homeless with resources, and reducing disruptive behavior from street populations is a top priority among district property and business owners. In 2019, TAVA's staff will continue to work closely with Chula Vista's Public Works Department and the Chula Vista Police Department's Homeless Outreach Team to collaboratively inform the homeless population of resources and alternatives to occupying private business properties.

Economic Enhancements

Economic Development:

Through the collaboration of TAVA, the city of Chula Vista's Economic Development Department, and the City's Development Services Department, 2019 will continue to add to the economic development activity with the refurbishing of existing properties and the attraction of new restaurants and businesses. As the district enters 2019, the organization will continue to support the city and property owners in the promotion of the district to San Diego. In 2019, TAVA will utilize a recent San Diego State University student project to renew its branding and marketing platforms to support the City of Chula Vista in economic and tourism outreach.

Investor Marketing:



During 2019, TAVA will continue to position the Third Avenue Village district as a dining, retail and entertainment destination. Marketing collateral will promote a branded, positive image and overall experience to Chula Vista and San Diego County visitors and residents. Property and business owners will benefit from the marketing of TAVA's signature events, the Taste of Third, Avenue, Amps, & Ales, Lemon Festival, and newly added Villains in the Village. During FY 18, Lemon Festival alone attracted

50,000 visitors to the district.

Communication Services:

In FY 2019 TAVA will update its website focusing the home page on visitor engagement. TAVA will continue its production of monthly member and public newsletters, weekly social media engagement, and intermittent print advertisements in countywide periodicals to project a creative and exciting business image in the media.

Advocacy, Administration and Reserve

Advocacy:

The TAVA provides member advocacy that allows downtown property owners to project a unified voice and elevate their influence in policies and issues that affect the central business district. TAVA will continue to provide member resources via its website, workshops, and its professional staff. Each year, TAVA refers and introduces existing and potential members to Chula Vista's Development Services and Economic Development Departments regarding development questions within the district.

Administration:

The PBID finances the professional staff that provides the services necessary for daily operations, maintenance, landscaping, program development, and advocacy on behalf of the district. Funds are allocated to office and support services such as bookkeeping, legal consultation, office rent, insurance, and office equipment.

Reserve:

A 5.0% operating reserve is also budgeted each year as a contingency for any payment delinquencies and/or unforeseen budget adjustments.

SECTION 8: City of Chula Vista Base Level Services

The City of Chula Vista has established and documented the base level of pre-existing City services. The PBID does not replace any pre-existing general City services.

SECTION 9: Duration and Governance

Duration:

The PBID has a ten-year term commencing January 1, 2017 through December 31, 2026. Any major modifications or new or increased assessments during the term of the district that are not consistent with the provisions of the original Management District Plan will require a new mail ballot process.

District Governance:

The owner's association Third Avenue Village Association (TAVA) manages the Downtown Chula Vista PBID as established by the Chula Vista City Council. The current PBID term is from January 1, 2017 to December 31, 2026.