



THIRD AVENUE VILLAGE
ASSOCIATION

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March 25, 2019

Mayor Casillas-Salas and Councilmembers
City of Chula Vista
276 4th Avenue, Building A
Chula Vista, CA 91910

Re: Response to Staff Report, Consent Item #4 on Council Agenda for March 26, 2019 – Approving the 2019 Annual Report for the Downtown Chula Vista Property-Based Business Improvement District.

Dear Mayor Casillas-Salas and Council,

As we enter the eighteenth year of the PBID, TAVA thanks you for your continued support of the organization and its annual management responsibilities of the Property-Based Business Improvement District as stated in the 2016 PBID Management Plan. After reading the City staff report by Economic Development Director Eric Crockett, I would like to provide a few comments on behalf of TAVA.

On page 2, Section 3 of the staff report, the additional \$25,000 identified by City staff as “administrative costs” specifically provides \$21,426 to the office lease and a \$5,000 increase in district utilities.

On page 2, Section 5 of the staff report, City staff brings attention to the estimated 2018 surplus of \$80,000 as well as the approximate \$200,000 of reserves. TAVA’s annual report stated that these numbers will be finalized when the FY 2018 Annual Audit is completed in April. To understand the many facets of TAVA’s reserve, TAVA encourages the City Council to direct City staff to attend a joint meeting with TAVA and its CPA once the FY 2018 audit is complete to understand the global dynamics of TAVA’s financials.

To address Mr. Crockett’s comment that the reserves be reinvested to the benefit of the District, the TAVA Board of Directors work with staff to assure that each year PBID funding is spent appropriately. At the Board Meeting on February 6, 2019, the TAVA Board directed staff to hire its CPA firm to assist TAVA in creating a financial procedure that will address the reserve amount and to recommend “best practices” as associated with retaining operational reserves and for potential capital improvements or repairs that might need funding according to the 2016 Maintenance

Agreement with the City of Chula Vista. The PBID Reserves as stated in Section 3 for 2018 will be acknowledged when the audit is final and will diminish the currently estimated net income.

On page 3, Section 6 "Other Funding", City staff provided a different statement than the one provided by TAVA in the 2019 annual report.

Section 6: Other Funding (City Staff Statement)

Additional funds are expected from public events that market the business district to San Diego County residents. Projected revenue from these events are estimated to be \$18,000 dollars increasing the PBID operating revenue to approximately \$493,000 dollars.

SECTION 6: Other Funding Contributions (TAVA 2019 PBID Report)

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.

The \$18,000 identified in the city report is the estimated reimbursement from the Business Improvement District and is only received by TAVA through reimbursement and is not considered within the PBID annual report.

Finally, because the PBID members provide the majority of the PBID funding, TAVA requests an opportunity to meet with City staff to identify the property and business owners who may have concerns regarding current PBID services and those that are identified in the owner approved 2016 Management Plan.

On behalf of the TAVA Board of Directors and staff, we look forward to your direction and to an opportunity to collaborate with City staff in the best interest of the PBID.

Respectfully,



Randy Bellamy,
Board President