

Downtown Chula Vista Property-Based Business Improvement District

Annual Planning Report for FY 2018 To the City of Chula Vista



Fiscal Year January 1 - December 31, 2018

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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 2018 Annual Planning Report to the City of Chula Vista**

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SECTION 1: Introduction

The downtown property owners successfully established the Property Based Improvement District (PBID) in 2001 for an initial five-year period ending December 2006. In June 2006, the property owners within the district were supportive of the PBID and voted to establish the district for a ten-year term that terminated December 31, 2016. The Third Avenue Village Association (TAVA), which oversees the operations of the PBID and its funding, ran a second successful ten-year renewal campaign, which culminated in a 78% favorable vote for the PBID's continuation in June 2016. The current PBID term began January 1, 2017 and will continue through December 2026.

Prepared in accordance with the State of California Property and Business Improvement District law of 1994, Streets and Highways Code section 36650, the 2018 Annual Planning Report represents the second 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 downtown Chula Vista.

SECTION 2: PBID Boundary

There are no proposed changes to the PBID boundaries for 2018. The PBID encompasses approximately a 16-block area along the Third Avenue commercial corridor, bounded roughly 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.

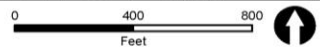
Third Avenue Enhanced: Is defined as all assessable properties with frontage along Third Avenue, between E Street and H Street. These properties will receive a higher frequency level of maintenance services than other parcels within the PBID boundary.

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 - December 31, 2018 PBID Assessment Budget:

The following table outlines the PBID maximum assessment budget for FY 2018 with estimated budget expenditures distributed across PBID services. The annual assessment rate remains unchanged for the 2018 year. Therefore, total district assessment remains at \$455,000.

EXPENDITURES	BUDGET	% of Budget
Environmental Enhancements		
Clean & Safe, Homeless, Beautification	\$90,000	20.00%
Third Avenue Additional Maintenance	\$70,000	15.50%
Economic Enhancements	\$170,000	37.50%
Administration	\$100,000	22.00%
PBID Reserve	\$23,000	5.00%
Total Expenditures	\$453,000	100.00%
REVENUES		
Assessment Revenues	\$449,652	98.82%
General Benefit Revenues	\$5,348	1.18%
Total Assessment District Revenues	\$455,000	100.00%

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 for 2018.

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. Estimated annual maximum assessment rates for the district in 2018 are 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

Due to the extenuating circumstances of TAVA transitioning the organization's fiscal year to a calendar year, FY 16-17 carried forward \$32,107 to the PBID Reserve for FY 16-17 following the contribution of \$23,000 to the PBID Reserve. To aid in the transition to a calendar fiscal year, TAVA needed to rely on its PBID reserves to provide approximately \$151,000 for expenses from July 1, 2017 through December 31, 2017. The organization anticipates that there will be approximately \$11,600.00 of surplus revenue from 2018 rolled over into 2019. The reserve is budgeted as a contingency for any payment of delinquencies and/or unforeseen budget adjustments.

SECTION 6: Other Funding Contributions

Under the PBID funding resources, the association is projecting to generate an additional \$32,750 of gross revenue from public events established to market the business district to San Diego residents. This amount combined with district assessment revenues provides TAVA with PBID operating revenue of \$482,402.00

Bond Issuance:

No bonds will be issued to finance improvements in 2018.

SECTION 7: PBID Activity, Improvements, and Services

Environmental Enhancements

Public Safety:

TAVA will continue to utilize the private security patrol contracted in 2017 to support the police department, property owners, and tenants in overall efforts to prevent crime, reduce street disorder, and to mitigate trespassing.

Maintenance Services:

The TAVA Clean & Safe Team consistently deals with maintenance issues within the PBID. For the team to effectively deal with the maintenance issues facing the Third Avenue district, a multi-dimensional approach has been developed consisting of the following elements: sidewalk maintenance, alley maintenance, graffiti abatement, and landscape maintenance provided by

the TAVA team and private contractors. Included in the services provided by TAVA to district property owners, TAVA will continue to provide the maintenance services 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 into June 14, 2016.

Homeless Outreach:

Reducing homelessness and containing disruptive behavior from street populations is another top priority among district property and business owners. In 2017, TAVA's staff and the Chula Vista Police Department's Homeless Outreach Team worked collaboratively to inform the homeless population of resources and alternatives to occupying private business properties. This collaboration has proven to reduce the number of homeless trespassing incidents within the district during the overnight hours. TAVA staff will continue to develop this program in 2018.

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, 2017 was an explosive year of economic development activity with the opening of several businesses representing the craft beer industry. As the district enters 2018, the organization will continue to support the city and property owners in the promotion of the district to new business. Together TAVA and Chula Vista staff have provided an increase in support and resources for property owners, real estate investors and new business owners. In 2018, TAVA will utilize its new CRM program to collect pertinent information on district properties that will allow staff to quickly provide information to potential investors as well as enhance communication with TAVA members.

Investor Marketing:

During 2018, 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, and a themed Fall Pub Crawl.

Communication Services:

TAVA will continue to produce 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.

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 as a contingency for any payment of 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 will 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 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.