



CITY COUNCIL AGENDA STATEMENT



February 16, 2021

File ID: 20-0560

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE 2021 ANNUAL REPORT FOR THE DOWNTOWN CHULA VISTA PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The Downtown Chula Vista Property-Based Business Improvement District (PBID) was organized in 2001 to implement various enhancement services within the Third Avenue Village and Downtown area and is directly administered for the City by the owner's association known as the Third Avenue Village Association (TAVA). In accordance with Streets and Highways Code 36650-36651, TAVA is required to prepare a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The attached report does not propose any modifications to the boundary of the District, the basis and method of levying assessment, or any changes to property classification and complies with the reporting requirements outlined in the Streets and Highways Code. The total annual assessments for the 2021 year estimated at approximately \$462,469. Staff has reviewed the annual report and recommends the City Council approve the attached resolution.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

The Downtown Chula Vista Property-Based Improvement District (PBID) was organized in 2001 to implement various enhancement services within the Third Avenue and Downtown area and is directly administered for the City by the owner's association known as the Third Avenue Village Association (TAVA). In accordance with Streets and Highways Code 36650-36651, TAVA is required to prepare a report for each

fiscal year (Attachment 1), except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report.

TAVA administers funds received from a PBID and receives approximately \$462,469 annually in PBID assessment revenue. In addition to PBID revenue, TAVA has additional revenue from events, business licenses, grants and in-kind contributions; bringing total revenue for TAVA to approximately \$611,000. The approved line item budget for TAVA's fiscal year is attached as Attachment 2.

Prepared in accordance with the State of California Property and Business Improvement District law of 1994, Streets and Highways Code section 36650, the Annual Planning Report represents the fifth year of program operations within the current ten-year term. Pursuant to Streets and Highway Code 36650-36651, TAVA is required to report the following information:

Section 2: PBID Boundaries

There are no recommended changes to the boundaries of the PBID or in any zones or classification of property or businesses within the district.

Section 3: Assessment Budget

The estimate for improvements, maintenance, and activities includes \$466,169 in total expenditures.

EXPENDITURES	2020 Budget	2021 Budget	Difference
Environmental Enhancements			
Clean and Safe, Homeless, Beautification	\$150,990	\$145,759	(\$5,231)
Third Avenue Additional Maintenance	\$27,772	\$24,838	(\$2,934)
Economic Enhancements	\$151,297	\$153,207	\$1,910
Administration	\$142,365	\$142,365	\$0
PBID Reserves	\$0	\$0	\$0
Total Expenditures	\$472,424	\$466,169	(\$6,255)
REVENUES	2020 Budget	2021 Budget	Difference
Assessment Revenues	\$462,469	\$462,469	\$0
General Benefit Revenues	\$5,457	\$5,457	\$0
Total Assessment District Revenues	\$467,926	\$467,926	\$0

Section 4: Method of Financing

Revenues will be collected through the levy of special annual assessments upon the real property for which the services and activities are provided. There are two benefits zones, those parcels that front Third Avenue and those that do not. The method of financing is contained in the attached annual report.

Section 5: Surplus/Deficit Revenue

TAVA estimates a revenue deficit of \$12,000 from 2020 due to an unplanned expense of \$37,500 associated with professional public relations and marketing consulting services to promote district awareness during the pandemic. TAVA will provide the City with a final audit report upon completion.

Section 6: Other Funding Contributions

The only other funding contributions TAVA anticipates receiving is baseline funding from the City in the amount of \$5,457.

Section 7: PBID Activity, Improvements and Services

Environmental and Economic Enhancements, in addition to Advocacy and Administration include various key functions such as homeless assistance, maintenance and graffiti removal.

Staff has reviewed the annual report and finds that it is in conformance with the reporting requirement of the Streets and Highways Code 36650-36651. In addition to the funds reported in the 2021 budget, TAVA also maintains in its accounts approximately \$187,000. Of that amount, \$50,000 is anticipated to fund a street tree lighting project and \$120,000 is earmarked to cover TAVA expenses during first quarter 2021 while TAVA awaits receiving the PBID assessment monies which are collected by the County, and subsequently transferred through the City to TAVA.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that, Mayor Casillas Salas has real property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(7), this item presents a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.) for the above-identified member.

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

There is no current year fiscal impact on the General Fund as a result of this action as all actions will be funded out of existing resources.

ONGOING FISCAL IMPACT

There is no ongoing fiscal impact as a result of this action.

ATTACHMENTS

1. Third Avenue Village Association Annual Report - 2021
2. Third Avenue Annual Budget - 2021
3. Maintenance/Encroachment Agreement

Staff Contact: Kevin Pointer, Senior Economic Development Specialist