



City of Chula Vista

Staff Report

File#: 16-0108, **Item#:** 4.

RESOLUTION NO. 2016-062 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA PROVIDING PRELIMINARY APPROVAL OF THE FINAL ENGINEER'S REPORT; EXPRESSING ITS INTENTION TO RENEW THE DOWNTOWN CHULA VISTA PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT FOR A PERIOD OF TEN YEARS; AND SETTING THE PUBLIC HEARING ON SUCH RENEWAL

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The Downtown Chula Vista Property-Based Business Improvement District (PBID) was formed in 2001 to proactively implement a number of enhancement services and programs within the downtown core. Administered by Third Avenue Village Association (TAVA), the PBID was established to promote a cleaner, safer, and more attractive business district. The PBID was inaugurated for a five-year term beginning in 2001. In order to continue operation, the PBID must be renewed by June 2016, by a majority of returned property owner ballots via a weighted ballot process.

A petition drive to establish supporting the renewal of the Property-Based Business Improvement District (PBID) for Downtown Chula Vista was conducted during February and April by TAVA. The petition drive was successful in gaining the signatures of over fifty percent of affected property owners within the proposed District. The City acted on February 23, 2016, to support the renewal of the PBID and to sign the petition for all City and Agency owned parcels within the District. The adoption of the attached Resolution of Intent will formally begin the process of renewing the PBID for a ten-year period, which will then be subject to a vote of all affected property owners, pursuant to Proposition 218.

ENVIRONMENTAL REVIEW

Environmental Notice

The activity is not a "Project" as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required. Notwithstanding the foregoing, the activity qualifies for an Exemption pursuant to Section 15061(b)(3) of the California Environmental Quality Act State Guidelines.

Environmental Determination

The proposed activity has been reviewed for compliance with the California Environmental Quality Act (CEQA) and it has been 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 the CEQA. Notwithstanding the foregoing it has also been determined that there is no

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possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, the activity is not subject to the CEQA. Thus, no environmental review is required.

BOARD/COMMISSION RECOMMENDATION

Not Applicable.

DISCUSSION

The renewal of the Property-Based Business Improvement District (PBID) for Downtown Chula Vista will continue to help promote and improve the economic revitalization and physical maintenance of Chula Vista's historic core. A discussion of the benefits provided by the PBID to the District was reviewed by the Council at their meeting of February 23, 2016.

Pursuant to the Property and Business Improvement District Law of 1994, the next steps for the City are the preliminary approval of the Final Engineer's Report (Attachment #1) and the adoption of a Resolution of Intent to form the District. The Engineer's Report is prepared pursuant to State Law (Section 36600 et. seq. of the California Streets and Highways Code) and provides a detailed description of the improvements and activities to be provided, an estimate of the cost of the improvements and activities, the methodology for determining assessment, and an assessment roll showing the amount proposed to be specially assessed against each parcel of real property within this assessment district. The action to adopt the Resolution of Intent is predicated on the success of the petition drive.

The petition drive requires that property owners, representing fifty percent of the total assessment proposed to be levied (\$455,000), support the district formation. This threshold has been reached with over \$227,500 of assessed valuation supporting the formation of the District as of the date of this report. A final tally will be available later in June 2016.

The next step in the process will be a formal vote by all affected property owners pursuant to Proposition 218. Ballots will be sent out on April 28, 2016, along with the formal Notice of Public Hearing to all property owners in the proposed district. The ballots will be opened and counted at the public hearing scheduled for June 14, 2016. At the public hearing, fifty percent of the assessed valuation returning ballots must support formation of the PBID for the district to be officially renewed. If this goal is reached, the PBID assessment will come into effect on January 1, 2017.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that, Mayor Mary Casillas Salas has real property holdings within 500 feet of the boundaries of the properties which are the subject of this action. Consequently, pursuant to California Code of Regulations Title 2, sections 18700 and 18702.2(a)(11), 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.

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LINK TO STRATEGIC GOALS

The renewal of the PBID supports the Economic Vitality goal as it advances existing businesses on Third Avenue, targets and attracts new businesses to Third Avenue, and engages the community to reinvest in Third Avenue.

CURRENT YEAR FISCAL IMPACT

There is no immediate fiscal effect associated with this item.

ONGOING FISCAL IMPACT

The inclusion of City properties within the PBID and the obligation to pay assessments to the District are already included in the General Fund operating budget. If the PBID is successfully renewed, all future assessments will continue to be included as part of the annual budget. Currently, the PBID assessment is \$86,754.09, of which are all City owned parcels.

ATTACHMENTS

Attachment #1- Final Engineer's Report dated April 2016.

Staff Contact: Mariana Garcia, Project Coordinator, Economic Development Department.