



City of Chula Vista

Staff Report

File#: 16-0109, **Item#:** 2

RESOLUTION NO. 2016-100 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AUTHORIZING THE CITY MANAGER TO SIGN THE ASSESSMENT BALLOT ON BEHALF OF THE CITY OF CHULA VISTA TO RENEW THE PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICT FOR DOWNTOWN CHULA VISTA FOR A PERIOD OF TEN YEARS

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 an initial five-year term in 2001, renewed in 2006 for a ten-year term and now must be renewed by July 2016, by a majority of returned property owner ballots via a weighted ballot process.

A petition drive to establish supporting the renewal of the PBID for Downtown Chula Vista was conducted during February and March 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 March 15, 2016, to support the renewal of the PBID and to sign the petition for all City owned parcels within the District.

On April 26, 2016, the City Council Adopted a Resolution of Intent that formally began the process of renewing the PBID for a ten-year period. This action allowed for the distribution of the PBID ballots on April 28, 2016, which were sent to the affected property owners. On June 14, 2016, the ballots will be opened and counted at the public hearing. 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.

ENVIRONMENTAL REVIEW

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 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. At two previous meetings, the Council has taken actions to support the renewal of the PBID and the payment of the assessment that will be levied against the City's properties. The action proposed in this report will allow for the City Manager to vote in favor of the renewal on behalf of the City.

Attachment #2 is the final draft of the proposed "Third Avenue Village Agreement and Encroachment Permit for Maintenance Services between the City of Chula Vista and the Third Avenue Village Association" (Agreement) and included for informational purposes. The prior Maintenance Agreement will expire on June 30, 2016. This new Agreement clarifies maintenance responsibilities and serves as the encroachment permit required for TAVA to conduct the services and activities contemplated in the Agreement, PBID Management Plan and Engineers Report. This Agreement will be included for approval in the upcoming PBID Renewal agenda item should the voting result in favor of renewal.

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.

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

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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- Assessment Ballot

Attachment #2- Third Avenue Village Agreement and Encroachment Permit for Maintenance Services between the City of Chula Vista and the Third Avenue Village Association

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