



CITY OF POMONA COUNCIL REPORT

August 1, 2022

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Kirk Pelser, Deputy City Manager

SUBJECT: ADOPTION OF A RESOLUTION APPROVING THE ANNUAL REPORT FOR THE DOWNTOWN POMONA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID) AND LEVYING THE ASSESSMENTS FOR FY 2022-2023

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2022- 146 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, APPROVING ANNUAL REPORT SUBMITTED BY THE DOWNTOWN POMONA OWNERS' ASSOCIATION FOR THE DOWNTOWN POMONA PROPERTY AND BUSINESS IMPROVEMENT DISTRICT (PBID) ANNUAL REPORT FOR FY 2022-23 AND LEVYING OF THE ASSESSMENTS FOR FY 2022-23

EXECUTIVE SUMMARY:

The City has received the PBID's 2022-2023 Annual Report levying a total of \$1,060,220 on all assessed property owners in the PBID, which includes a 2% increase over the previous year. The City Council is required to adopt the attached resolution (Attachment No. 1) approving the Annual Report and the levy of assessment for the PBID. The City's (VPD) portion of the assessment is \$181,397.02, the Successor Agency's portion of the assessment is \$10,852.05 and the Housing Authority's amount is \$26,875.70. The Successor Agency obligations will be reflected in the Recognized Obligation Payment Schedule. Together, the City, Successor Agency, and the Housing Authority assessments equal approximately 2.94% of the total PBID assessment. The PBID assessment funds will be utilized for enhanced security, street improvements and maintenance, marketing promotions, special events within the District, professional services, staffing and administration. These functions are carried out by the Downtown Property Owners Association (DPOA), which was formed immediately after the PBID was enacted.

FISCAL IMPACT:

If the City Council adopts the attached resolution approving the Annual Report, approximately \$10,852.05 will be required for payment of the assessments on Successor Agency (Fund 315) owned properties, \$11,935.63 (Fund 249) and \$14,940.07 (Fund 131) on Housing Authority properties and \$181,397.02 (Fund 230) and \$19,240.44 (Fund 216) on City and VPD owned properties for FY 2022-23. Funding is available within Funds 315, 131, 249, 216 and 230 FY 2022-23 budgets. The Successor Agency portion is available through the Annual 2022-23 ROPS, which was approved by the Department of Finance ("DOF") on January 10, 2022.

PUBLIC NOTICING REQUIREMENTS:

A public hearing is not required if changes are not proposed to the Management District Plan or when an increase to the assessments does not exceed two percent (2%).

PREVIOUS RELATED ACTION:

On August 2, 2021, the City Council adopted a resolution approving the Annual Report submitted by the DPOA for Fiscal Year 2021-2021 and authorizing the levy of assessments for 2021-2022.

On September 10, 2018, the City Council adopted a resolution approving renewal and expansion of the Downtown Pomona Property and Business Improvement District for a period of 10 years ending 2028, with a 2% maximum annual assessment increase during the term of the District. Each subsequent year, the City Council has taken action to adopt a resolution approving the DPOA's Annual Report levying the assessments with the 2% annual assessment increase.

BACKGROUND:

The Downtown Pomona Property and Business Improvement District was formed in 2004 for an initial five-year term. The purpose of the District is to provide enhanced services for properties located within the District. In accordance with the Property and Business Improvement Law of 1994 (Streets and Highways Code Sec. 36600, et seq.), property owners were given the opportunity to renew the District for an additional ten-year term prior to its expiration. In July of 2009, the PBID was recertified for a ten-year term with approval by a majority of assessed property owners. In September of 2018, the PBID was again recertified, and modestly expanded, for another ten-year term with approval by a majority of the assessed property owners. The City, Successor Agency, and Housing Authority each owns downtown properties that are subject to the PBID's assessment. Consequently, the PBID Board composition includes one City Council member, currently District 2 Member, Preciado, and one member of the City Council appointed Vehicle Parking District Board, currently Joe Mladinov. Adopting the attached resolution will approve the Annual Report for the PBID levying the total annual assessment of \$1,060,220 among all assessed property owners in the PBID.

DISCUSSION:

Following creation of the PBID in 2004, the property owners and merchants in the downtown have benefited from many programs that have proven to be successful for property owners, merchants, residents and customers visiting to the Downtown. Each year, the DPOA establishes a budget that focuses on three main components being security, street improvements and maintenance, marketing and special events.

California Streets and Highways Code, Section 36650, the law governing the PBID requirements and processes, requires that the DPOA prepare an Annual Report for each fiscal year, for which assessments are to be levied and collected for the purpose of paying for the cost of the improvements and activities described in the report. The Annual Report must be consistent with the components outlined in the Management District Plan approved upon recertification of the PBID term. The following items summarize highlights of the Annual Report submitted for Council approval (see Exhibit A to the Resolution for the full Annual Report):

THE ASSESSMENTS

The PBID uses common parcel-based factors such as street frontage, land area, and building area to assess special benefits in a commercial/retail business district. Street frontage has been determined to provide approximately 43% of the total assessment, land area approximately 19% of the total assessment, and

building area approximately 38% of the total assessment. Annual assessments on property will be \$0.0619 (6 cents) per square foot per parcel, plus \$17.12 per street-frontage foot and \$0.193 (20) cents per square foot of building square area.

The summary of the percentage of the assessment funds to be distributed for each program is as follows:

<u>Service Provided</u>	<u>Percentage of Assessment Funds</u>
Security	42.41%
Street Improvements & Maintenance	27.38%
Marketing, Promotions & Special Events	17.60%
Professional Services and Administration	12.61%
<i>Total</i>	<i>100%</i>

Exceptions to the PBID assessment apply to the following uses and properties:

- Properties that have had a land use related to parks and utilities
- Properties that have a land use related to religious organizations, clubs, lodges and fraternal organizations
- Vacant parking parcels in the PBID
- Properties that are zoned solely for residential or agricultural uses

Based on the above factors, the resulting assessments are shown in the PBID Annual Report the District Assessment Roll. The PBID assessment will be collected with regular property taxes. The assessment will appear as a separate line item on annual Property Tax bills prepared by the County of Los Angeles. Prior to August 10th of each year in which the PBID is active, the City Council must approve the Annual Report and authorize the levy of the assessments for the new Fiscal Year and transmittal of the assessments to the County Assessor's Office.

THE BUDGET

The DPOA Board of Directors approved a budget for FY 2022-23 on June 23, 2022 in the amount of \$1,360,456. The primary income source in the proposed budget is the PBID property assessment in the amount of \$1,060,220. The balance of the budget is derived from programs and contract services with other entities, such as providing the Vehicle Parking District with parking lot sweeping and landscaping services and providing security services for the Mission Promenade Property. Additional revenues come from sponsorships, donations and service contracts.

The DPOA has submitted a balanced budget, which is shown in the table included in of the Annual Report. The anticipated Revenues will fund next year's cost of marketing, security, maintenance, special projects and administration including costs for building, equipment, supplies, services, and personnel. Staffing for the DPOA consists of five full-time and one part-time position. Other services to the PBID are provided by consultants.

SERVICES AND IMPROVEMENTS

The following descriptions of on-going and future projects and improvements were provided by the DPOA:

SECURITY

The 2022-2023 security budgeted amount is \$576,925. Public safety and the perception of a safe downtown environment continue to be a priority for the DPOA. The various present and future security programs are defined on Page 3 of the Annual Report.

MARKETING

The 2022-2023 marketing budget is \$239,500. Aggressive marketing in previous years has resulted in well over 1 million visitors to the downtown each year. As a result, less funding is needed for Marketing for this coming year, while more funding is needed for security and maintenance. The Marketing Committee, which oversees the implementation of marketing programs and advertising in local and regional publications and for the social media program, is also responsible for the printing of the new Arts Colony Map, the creation and printing of the Antique Row visitor's guides and the hospitality brochures. Since the creation of the PBID, the DPOA has appropriated funding of approximately \$2 Million towards marketing the Downtown to prospective clients, businesses, residents and the general public. Marketing projects include the sponsorship of multiple events in the Downtown including the Christmas Parade, Farmers Market, Art Walk, Antique Street Collector's Faire, and Pomona Night Out. More noticeable marketing programs include the expanded seasonal banner program and the new trolley bus services for visitors to explore the downtown and experience arts galleries, shopping, dining and entertainment. Other marketing efforts by the DPOA are outlined on Pages 4 of the Annual Report.

MAINTENANCE

The 2022-2023 maintenance budgeted amount is \$372,430. The Joint Operations Committee oversees maintenance operations. The DPOA has four full time maintenance persons to perform power washing, trash clean up, weeding and other maintenance duties. The DPOA has implemented a comprehensive power washing program to clean all sidewalks and plazas in the downtown. Maintenance personnel use electric vehicles to service the trash receptacles. This year, the DPOA will purchase a new electric utility vehicle to replace its ageing fleet. Additionally, state-of-the-art machinery will continue to be used to facilitate this program and is compliant with SWPPS storm water prevention requirements. Since the creation of the PBID, the DPOA has funded well over \$2 million for cleaning and maintenance programs within the PBID. The addition of a GEM electric car (used) to the maintenance fleet has aided to further reduce the use of gasoline and oil expenses to the Maintenance Department. Details of various maintenance activities and plans for future enhancement to the PBID are illustrated on Pages 3-4 of the Annual Report.

The Annual Report and the budget that is reflected in the Annual Report were approved by the Board of Directors of the Downtown Pomona Owners Association (DPOA) at their meeting of June 23, 2022. In order to continue levying the special assessment with the PBID program for the next fiscal year, the City Council must adopt a resolution approving the Annual Report for the Downtown Pomona Property and Business Improvement District and levying the assessments for FY 2022-23.

ATTACHMENT(S):

Attachment No. 1-Resolution No. 2022- 146 with Exhibit A - Property and Business Improvement District 2022-2023 Annual Report which includes Detailed Budget and Assessment Calculation Tables (District Assessment Roll)

Attachment No. 2- Map of PBID Boundary