



# CITY COUNCIL STAFF REPORT



August 5, 2025

## ITEM TITLE

Improvement District Annual Report: Approve the 2025 Annual Report for the Downtown Chula Vista Property-Based Improvement District

**Report Number:** 25-0110

**Location:** An approximately sixteen-block area along Third Avenue commercial corridor, bounded by E Street to the north, Church Avenue to the east, Landis Avenue to the west, and I Street to the south. The property-based business improvement district also includes one block on F Street where the City of Chula Vista central library and police station are located.

**Department:** Economic Development

**G.C. § 84308 Regulations Apply:** No

**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.

## Recommended Action

Adopt a resolution approving the 2025 Annual Report for the Downtown Chula Vista Property-Based Improvement District.

## SUMMARY

The Downtown Chula Vista Property-Based Business Improvement District was organized in 2001 to implement various enhanced services within the Third Avenue Village and Downtown area and is directly administered for the City by an owner’s association. In accordance with Streets and Highways Code section 36650, the owner’s association 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 or method of levying assessment, or any changes to property classification and complies with the reporting requirements outlined in the California Streets and Highways Code. The total

annual assessments for 2025 are estimated at approximately \$545,159. Staff has reviewed the annual report and recommends the City Council approve the attached resolution.

**ENVIRONMENTAL REVIEW**

The Director of Development Services 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 the proposed activity consists of a governmental fiscal/administrative activity which does 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.

**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 was directly administered for the City by the owner’s association, known as the Third Avenue Village Association (TAVA). In September 2024, all rights and obligations assigned to TAVA under the Third Avenue Village Agreement and Encroachment Permit for Maintenance Services between the City of Chula Vista and the Third Avenue Village Association were assigned to the Greater Third Avenue Improvement Association (GTAIA), doing business as Downtown Chula Vista. In accordance with California Streets and Highways Code 36650, GTAIA 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 (Attachment 1).

GTAIA administers funds received from the PBID and receives approximately \$500,000 annually in PBID assessment revenue. In addition to PBID revenue, GTAIA receives business-improvement district revenue including business license fees, grants, and program revenues, bringing total annual revenue for GTAIA to approximately \$992,955. GTAIA’s fiscal years coincide with each calendar year.

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 ninth year of program operations within the current ten-year term. Pursuant to Streets and Highway Code Sections 36650-36651, GTAIA is required to report information found in the following sections of the 2025 Annual Report:

**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 \$902,872 in total expenditures as summarized in the following table.

<b>EXPENDITURES</b>	<b>2025 Budget</b>	<b>Percentage of Budget</b>
<b>Civil Sidewalks</b>		
<i>Personnel: Compensation &amp; Benefits</i>	\$170,000	
<i>District Utilities</i>	\$45,000	
<i>Contracted Third-Party Services</i>	\$31,000	
<i>Maintenance, Auto, Landscaping Supplies</i>	\$31,500	
<b>Total Civil Sidewalks</b>	<b>\$277,500</b>	<b>30.7%</b>
<b>District Identity &amp; Placemaking</b>	<b>\$69,900</b>	<b>7.8%</b>
<b>Event Expenditures</b>	<b>\$158,480</b>	<b>17.6%</b>
<b>Grant-Related Expenditures</b>	<b>\$105,972</b>	<b>11.7%</b>
<b>Administration</b>	<b>\$291,020</b>	
<b>Total District Expenditures</b>	<b>\$902,872</b>	<b>100%</b>
<b>REVENUES</b>	<b>2025 Budget</b>	<b>Percentage of Budget</b>
PBID Revenue	\$500,159	50.4%
BID Revenue	\$45,000	4.5%
Program & Events	\$275,500	27.8%
Grants & Sponsorships	\$80,000	8%
Carry Forward	\$92,296	9.3%
<b>Total District Income</b>	<b>\$992,955</b>	<b>100.0%</b>

#### **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 benefit zones, those parcels that front Third Avenue and those that do not. Since re-establishment of the PBID in June 2016, the GTAIA Board of Directors has only increased the assessment rate three times, in 2018, 2021, and in 2024. There was no increase in the assessments for fiscal year ("FY") 2025.

#### **Section 5: Surplus/Deficit Revenue**

In 2024, the process to wind down the Third Avenue Village Association was completed and all rights, responsibilities and obligations of the Association were assigned to the newly created Greater Third Avenue Improvement Association, doing business as Downtown Chula Vista Association ("DCVA"). At the time the report was prepared, DCVA income for all programs and operations for FY 2024 was \$888,654.88 and expenses were \$840,464.64. DCVA estimates that there will be \$92,295.66 in revenue carried forward from FY 2024. Of the 92,295.66, \$10,895.38 is FY 2025 assessment income received in FY 2024 and \$55,971.64 is from unspent County NRP grants received in FY 2025, leaving only \$25,428.64 in actual funds carried forward. As a result, DCVA will have no budget contingency or PBID unallocated amounts for FY 2025.

#### **Section 6: Other Funding Contributions**

The City of Chula Vista will contribute general benefit funding in the amount of \$5,901.88. No bonds will be issued to finance improvements in 2025.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item

does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

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**

The City of Chula Vista has contributed \$5,901.88 in general benefit funds to Downtown Chula Vista Association, which was included in the fiscal year 2024-25 budget. There are no additional fiscal impacts as a result of this action.

#### **ONGOING FISCAL IMPACT**

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

#### **ATTACHMENTS**

1. Downtown Chula Vista Annual Report – 2025

*Staff Contact: Kevin Pointer, Principal Economic Development Specialist  
David Graham, Economic Development Manager*