

**CITY OF ONTARIO
SPECIAL MEETING
CITY COUNCIL AND HOUSING AUTHORITY
AGENDA
AUGUST 20, 2019 AT 5:00 P.M.**

Paul S. Leon
Mayor

Ruben Valencia
Mayor pro Tem

Alan D. Wapner
Council Member

Jim W. Bowman
Council Member

Debra Dorst-Porada
Council Member



Scott Ochoa
City Manager

Scott E. Huber
City Attorney

Sheila Mautz
City Clerk

James R. Milhiser
Treasurer

WELCOME to a meeting of the Ontario City Council.

- All documents for public review are on file with the Records Management/City Clerk's Department located at 303 East B Street, Ontario, CA 91764.
- Anyone wishing to speak during public comment or on a particular item will be required to fill out a blue slip. Blue slips must be turned in prior to public comment beginning or before an agenda item is taken up. The Clerk will not accept blue slips after that time.
- Comments will be limited to 3 minutes. Speakers will be alerted when they have 1 minute remaining and when their time is up. Speakers are then to return to their seats and no further comments will be permitted.
- In accordance with State Law, remarks during public comment are to be limited to subjects within Council's jurisdiction. Remarks on other agenda items will be limited to those items.
- Remarks from those seated or standing in the back of chambers will not be permitted. All those wishing to speak including Council and Staff need to be recognized by the Chair before speaking.

ORDER OF BUSINESS The Special City Council and Housing Authority meeting begins at 5:00 p.m., immediately followed by Public Comments and the Special Meeting. No agenda item will be introduced for consideration after 10:00 p.m. except by majority vote of the City Council.

(EQUIPMENT FOR THE HEARING IMPAIRED AVAILABLE IN THE RECORDS MANAGEMENT OFFICE)

CALL TO ORDER (*OPEN SESSION*)

5:00 p.m.

ROLL CALL

Valencia, Wapner, Bowman, Dorst-Porada, Mayor/Chairman Leon

PLEDGE OF ALLEGIANCE

Council Member Wapner

PUBLIC COMMENTS

5:00 p.m.

The Public Comment portion of the Council/Housing Authority meeting is limited to 30 minutes with each speaker given a maximum of 3 minutes. An opportunity for further Public Comment may be given at the end of the meeting. Under provisions of the Brown Act, Council is prohibited from taking action on oral requests.

As previously noted -- if you wish to address the Council, fill out one of the blue slips at the rear of the chambers and give it to the City Clerk.

AGENDA REVIEW/ANNOUNCEMENTS The City Manager will go over all updated materials and correspondence received after the Agenda was distributed to ensure Council Members have received them. He will also make any necessary recommendations regarding Agenda modifications or announcements regarding Agenda items to be considered.

PUBLIC HEARINGS

Pursuant to Government Code Section 65009, if you challenge the City's zoning, planning or any other decision in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the public hearing.

I. FORMATION OF THE DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT

That the City Council take the following actions pertaining to the formation of the Downtown Ontario Community Benefit District:

- (A) Conduct the public hearing;
- (B) Consider oral and written testimony regarding the formation of the Downtown Ontario Community Benefit District; and
- (C) Tabulate assessment ballots returned to the City pursuant to the procedures set forth in Government Code Section 53753; and
- (D) If ballot tabulation results in a weighted majority in support of forming the District, adopt a Resolution of Formation to establish the Downtown Ontario Community Benefit District and to levy and collect assessments within such District pursuant to California Streets and Highways Code 36600.

Notice of public hearing has been duly given and affidavits of compliance are on file in the Records Management Department.

Written communication.

Oral presentation.

Public hearing closed.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, TO ESTABLISH THE DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE ESTABLISHMENT OF PROPERTY BUSINESS IMPROVEMENT DISTRICTS – SECTION 36600 OF THE CALIFORNIA STREETS AND HIGHWAY CODE.

STAFF MATTERS

City Manager Ochoa

COUNCIL MATTERS

Mayor Leon
Mayor pro Tem Valencia
Council Member Wapner
Council Member Bowman
Council Member Dorst-Porada

ADJOURNMENT

CITY OF ONTARIO

Agenda Report
August 20, 2019

SECTION:
PUBLIC HEARINGS

SUBJECT: FORMATION OF THE DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT


RECOMMENDATION: That the City Council take the following actions pertaining to the formation of the Downtown Ontario Community Benefit District:

- (A) Conduct the public hearing;
- (B) Consider oral and written testimony regarding the formation of the Downtown Ontario Community Benefit District; and
- (C) Tabulate assessment ballots returned to the City pursuant to the procedures set forth in Government Code Section 53753; and
- (D) If ballot tabulation results in a weighted majority in support of forming the District, adopt a Resolution of Formation to establish the Downtown Ontario Community Benefit District and to levy and collect assessments within such District pursuant to California Streets and Highways Code 36600.

**COUNCIL GOALS: Invest in the Growth and Evolution of the City's Economy
Operate in a Businesslike Manner
Focus Resources in Ontario's Commercial and Residential Neighborhoods**

FISCAL IMPACT: Formation of the District is estimated to generate approximately \$459,013.94 for Fiscal Year 2019-20 to fund improvements and services in the Downtown area. As a property owner in the District, the future assessments on City of Ontario owned properties within the District boundaries is estimated at \$150,000 for FY 2019-20. Assessments in future years may increase by no more than 5% annually for the life of the District. If approved and the District is established, the associated revenue and expenditure appropriations will be included in the FY 2019-20 First Quarter Budget Report to the City Council.

STAFF MEMBER PRESENTING: John P. Andrews, Executive Director Economic Development

Prepared by: Karla Tavera
Department: Economic Development
City Manager Approval: 

Submitted to Council/O.H.A. 08/20/2019 S
Approved: _____
Continued to: _____
Denied: _____

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BACKGROUND: For many years, the City of Ontario has been working to provide for a broad-based and comprehensive revitalization of the Downtown area to unlock its economic potential. The objective of the proposed Downtown Ontario Community Benefit District (CBD) is to provide services and improvements specially benefiting downtown property owners by increasing economic activity; customer, retail and business experience; and enhancing value of commercial and retail property. As a key component of the overall revitalization strategy, the implementation of this Downtown CBD will increase commerce, attract new business, and aid in the transformation of Downtown into a vibrant hub of residential and commercial activity.

In 2018, the City of Ontario contracted with New City America, a firm specializing in the formation and management of Special Benefit Districts across the country, to investigate the viability of establishing a benefit district in Downtown. A survey was sent to Downtown property owners in November 2018 and again in January 2019 to gauge support and prioritize the concerns of property owners and to identify key elements of the proposed Downtown CBD. Property owners were also invited to participate on a steering committee, to help guide the types of services and improvements the proposed district could offer. The input of the steering committee was essential for the creation of a Management District Plan, included as Attachment A, which establishes the CBD boundaries (Attachment B), the method of calculating property assessment values, a CBD budget, and the types of services and improvements to be funded by the CBD. The Assessment Engineer's Report (Attachment C) supporting the assessment has been prepared by an assessment engineer, certified by the State of California as required by state law, and reviewed by the City Attorney.

On July 2, 2019, the City Council adopted a Resolution of Intention to form the CBD as a result of receiving supportive petitions representing over 50% of the weighted assessment within the proposed district boundaries. In addition, the City Council directed the City Clerk to mail ballots to all property owners within the proposed boundaries. Ballot packets were mailed to each property owner on July 3, 2019, notifying each owner of the public hearing scheduled for August 20, 2019. The ballot packet included:

- Cover Letter
- Ballot notice, instructions, and announcement of August 20, 2019 public hearing
- Official Ballot
- District Management Plan
- Ballot Return Envelope

The purpose of this public hearing, which is required by the California Streets and Highways Code and the California State Constitution, is to give each property owner an opportunity to voice their support or opposition to the formation of the CBD.

Ballots may be accepted by the City Clerk until the close of the public testimony portion of the public hearing. At the close of public testimony, the City Clerk will open and count the ballots, determining the weight of each ballot submitted. Ballots are weighted based on the proportional financial burden of the assessment on that particular property. Once completed, the City Clerk will announce the outcome of the balloting. If the ballots received in support of the proposed Downtown Ontario CBD represent more than 50% of the weighted assessments counted, the City Council may adopt the Resolution of Formation.

Upon adoption of this Resolution, City staff will work with the San Bernardino County Auditor/Controller/Tax Collectors office to place the assessments on property tax rolls. Individual parcel assessment amounts are included in the Management District Plan and Assessment Engineer's Report.

Assessments totaling \$459,013.94 will be collected in year one and annual increases of no more than 5% may be assessed for years 2-5.

At a future City Council meeting, the City will enter into an agreement with a newly-formed District Management Corporation, which will be responsible for administering and managing the day-to-day operations and providing services to the district.



**The Proposed Downtown Ontario
Community Benefit District
(DOCBD)**

MANAGEMENT DISTRICT PLAN

*Being Established for a 5-year Term Pursuant to
California Streets and Highways Code Section 36600 et seq.
Property & Business Improvement District Act of 1994, as amended*

APRIL 15, 2019



Corporate Office ▪ 710 W. Ivy Street ▪ San Diego, CA 92101 ▪ 888-356-2726 ▪ 619-233-5009 ▪ Fax 619-239-7105
San Francisco Bay Area Office ▪ 954 Lee Avenue, ▪ San Leandro, CA 94577
New England Office: 42 Pearl Street, ▪ New Bedford, MA ▪ 02740
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MANAGEMENT DISTRICT PLAN SUMMARY

Background:

Beginning in the summer of 2018, the City of Ontario worked with a group of motivated property owners to gauge support within the community for a new *Special Benefits District* for both the Downtown property owners and business community alike. The City of Ontario has hired New City America – a company specializing in *Special Benefits District* formation and district management - to work with the Downtown property owners to investigate the viability of a new Community Benefit District (CBD) in Downtown.

Since its initiation last summer, New City America has worked with City staff to mail out a survey to Downtown property owners – one in November and another in January – informing them that once a reasonable number of survey responses had been tallied, updates would then be sent out regarding the survey results. The results were finalized in February with the Committee planning to meet regularly through late April to come up with a preliminary plan to present to the property owners. This newsletter outlines the key elements of the proposed **Downtown Ontario Community Benefit District (DOCBD)**.

Survey results

Since all properties (commercial as well as tax-exempt) would be included in the proposed CBD, the basis for support was analyzed reviewing parcel linear frontage, lot square footage, and building square footage. These figures are used because they are what each property has in common. In California, one cannot use assessed valuation to determine support since assessed valuation of a property is 1) based upon when someone bought the property, not upon its actual market value, and 2) not relevant to public parcels, which don't have an assessed valuation per se, but which will also be assessed due to the services they would be receiving.

The responses demonstrated that strong base of the responding property owners thought there was merit in the CBD concept. This proposed Downtown Ontario Community Benefit District can only be formed by a mail-in vote of the majority of *weighted property owners* within the proposed district boundaries.

Priority Special Benefit Services – According to the Survey

The survey asked a variety of specific questions regarding property owner-funding of services over and above what the City was currently providing. The priority services outlined by the **responding property owners** prioritized the following:

- By an almost a 9 to 1 margin, survey respondents believed that **Downtown** was *“relatively safe; however, suffered an unsafe image”* OR was *unsafe*

- By an 8 to 1 margin, property owners supported special benefit services which responded to issues including **homelessness, panhandling, and loitering** in Downtown
- By a 4 to 1 margin, property owners supported reoccurring, property owner-funded sidewalk and gutter sweeping in Downtown
- By a 4 to 1 margin, property owners supported services related to planting, trimming and maintenance of trees, plants, flowers, lighting installation, street furniture, and other amenities in Downtown Ontario
- By almost an 8 to 1 margin, property owner supported services for public relations and social media and events to support the branding of Downtown

Based upon these results, the Steering Committee determined that there was enough support to come up with a preliminary plan.

Proposed Plan:

The *Downtown Ontario CBD* is a Property and Community Benefit District (DOCBD) being established for a 5-year period by a consortium of property and business owners within the CBD area. The DOCBD was originally discussed in a series of meetings of property owners along Downtown Ontario Blvd. in the summer of 2018. Understanding that the timeline for formation in time for Fiscal Year 2020 would be very challenging, property owners felt that the time had come for such a special benefits district and that these services would be needed to accommodate hundreds of new apartments and new businesses opening in 2019, and these services would be needed by the beginning of 2020.

The purpose of establishing this CBD is to provide and manage supplemental services and improvements for this important, historic and growing business center, including landscaping, beautification, marketing, district identity, safety, and administration services, programs and improvements. The DOCBD is a unique benefit assessment district that will enable the DOCBD property owners and businesses working as a unit, to fund needed property and business-related improvement programs, services and programs above what is provided by the City of Ontario.

Management Plan at a Glance:

Name: The name of the CBD is the Downtown Ontario Community Benefit District (DOCBD).

Location: The proposed DOCBD is in the Downtown Ontario community run along both sides of Euclid Avenue from the underpass just south of W. Emporia Street northward to the parcels to the south side of G Street. The western most boundary is predominantly along North Palm Avenue and the eastern boundary is predominantly along North Lemon Avenue.

Benefit Zones: There is one benefit zone within the proposed DOCBD. The boundaries of the benefit zone are coterminous with the boundaries of the proposed DOCBD.

Services: Civil Sidewalks, District Identity and Placemaking, Administration services, and Contingency. These services are proposed to be performed in the first year, and in each subsequent year, of the proposed DOCBD. 80% of the revenue generated by the proposed district will directly fund services to the property owners with less than 20% allocated to the oversight and administration of those services.

Finance: The financing of the CBD is based upon a benefit assessment of real property (204 parcels with 99 property owners). No bonds shall be issued to fund DOCBD programs.

Budget: CBD assessment revenue for Year 1 is projected to be \$ 461,405.00. It is noted that the Assessment Engineer has determined that general benefits equate to 2% of the total adjusted CBD program costs of \$470,821.00 or \$ 9,416. General benefit costs shall be derived from non-assessment revenue sources such as grants, program income, credits, interest, memberships and other sources. Revenues from the assessment will increase by a maximum of 5% each year.

Year 1 – PROPOSED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT COSTS)

Category of Special Benefit Services 2020	Approximate Annual Amount, First Year	Approximate Percentage of total budget
Civil Sidewalks	\$ 275,000	60%
District Identity/Placemaking	\$ 92,000	20%
Administration	\$ 75,000	16%
Contingency	\$ 19,405	4%
Total	\$ 461,405.00	100%

Benefits: “General Benefit” is defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special Benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the DOCBD or to the public at large.

Formula: There is one benefit zone in the DOCBD. (A map showing the DOCBD boundaries is shown in Chapter 2 of this Plan). Year 1 property assessment rates per parcel are as follows:

YEAR 1 –Assessment Rates

Benefit Zone	Annual Building Square Footage Cost	Annual Lot Size Cost	Annual Linear Frontage Cost
All parcels	\$0.16	\$0.06	\$ 6.00
Residential Condos	\$0.25	0	0

Assessments for the County of San Bernardino Property Tax Year fiscal beginning July 1, 2019 and ending June 30, 2023, are proposed to be collected at the same time and in the same manner as ad valorem taxes paid to the County of San Bernardino (Operation Years 2020-2024). The District assessments shall appear as a separate line item on the property tax bills issued by the San Bernardino County Assessor. The City of Ontario is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

Cap: Assessment increases are capped at a maximum of 5% per year, subject to approval by the DOCBD Property Owner Association Board of Directors.

Establishment:

CBD Established is a two-step process. First, petitions signed by CBD property owners representing at least 50% of the total assessment to be levied must be secured. Second, property owners will be sent a ballot to vote on forming the CBD and levying the assessment. Returned ballots in support of the CBD Established must outweigh those in opposition based on the amount of assessment to be levied. Ballots are weighted based on the total assessment attributable to each parcel.

Duration

As allowed by State PBID Law, the District will have a five (5) year operational term from January 1, 2020 to December 31, 2024. The proposed established District operation is expected to begin services on January 1, 2020. If the District is not renewed, services will end on December 31, 2024.

II. CBD BOUNDARIES

General: The proposed Downtown Ontario CBD is located along Euclid Avenue (SR83) in Downtown Ontario, just south of Interstate 10 and north of Highway 60. The DOCBD is a grid based commercial district with its eastern boundary proposed as predominantly on North Lemon Avenue and its west boundary proposed as predominantly along S. Palm Avenue. The district boundaries run the underpass just south of Emporia Street northward to the south side of G Street.

All of the property owners along this corridor have been sent two mailings in the process of this investigation process. The first, sent in early November, was to determine their support for the establishment of a special benefits district and the response to this survey was used to determine the final boundaries of the proposed district. The second mailing, sent in early January, was a property verification form to verify the property data that New City America had obtained from the County records and have them compare it with the data the property owners had.

Boundary Description

The Downtown Ontario CBD encompasses approximately 23 square blocks centered by Euclid Avenue.

Benefit Zones

The District consists of one benefit zone.

District Boundary Rationale

The Downtown Ontario CBD boundaries are comprised of the commercial core parcels where the main economic activity of Downtown Ontario Blvd. is centered. The commercial parcels fronting Euclid Avenue are the historic heart of the commercial core of the city of Ontario. These parcels showcase an array of commercial retailers, restaurants, retailers, service stores, the vast Town Center block, churches and soon will be home to a full block of market rate housing and a full block of a new university. After years of little if any new development, the corridor is now experiencing a renaissance of new market rate housing development in the form of new mixed use, market rate housing. Its proximity to Interstate 10, Highway 60, the Ontario Airport and the Metrolink station in Upland makes it an ideal place to live in and conduct commerce in the region. The new housing and excellent historic and contemporary housing surrounding Downtown is evolving into an emerging 21st century mixed use community. New retail in the form of stores, restaurants and coffee shops are following the growth of high density residential on the Euclid Avenue.

Northern Boundary

The northern boundary of the CBD is defined by the commercial parcels which are located just south of G Street from the east side of North Laurel Avenue on the west and the west side of North Lemon Avenue on the east. The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided north of the northern District boundary.

Western Boundary

The western boundary of the Downtown Ontario CBD is at the southeastern corner parcel at the intersection of West G Street and North Laurel Avenue (parcel 1048-356-01) and runs south along the eastern side of North Laurel to the intersection of West D Street and North Laurel Avenue. The boundary then runs straight west along the south side of West D Street to the intersection of North Palm Avenue and West G Street. From there, the boundary runs south along the east side of North Palm Avenue from parcel 1048-561-13 southward to parcel 1049-056-06 at the intersection of West Emporia Street and North Palm Avenue. The boundary then runs west along the south side of West Emporia Street to include the western most parcel 1049-059-07.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided west of the western District boundary.

Southern Boundary

The southern boundary of the CBD is begins at parcel 1049-059-07 on West Emporia Street and runs on the south side of all the parcels on West Emporia Street to the parcel at the west side of the intersection of West Emporia Street and North Plum Street, ending at parcel 1049-064-14.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided south of the southern District boundary.

Eastern Boundary

The eastern boundary of the CBD begins at the parcel at the west side of the intersection of West Emporia Street and North Plum Street, at parcel 1049-064-14 and runs northward along the west side of North Plum Avenue to the parcel at the southwestern corner of the intersection of East Holt Blvd and North Plum Avenue, parcel 1049-063-05. The boundary then runs westward for one block on the south side of East Holt Blvd. to the southeastern parcel of the intersection of South Lemon Avenue and East Holt Blvd., parcel 1049-063-01, and then runs northward along the western side of North Lemon Avenue up to the parcel at the southwestern corner of the intersection of East G Street and North Lemon Avenue, ending at parcel 1048-361-05.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided east of the eastern District boundary.

Summation:

A list of all parcels included in the proposed DOCBD are shown as Appendix 1, attached to this report identified by their respective San Bernardino County assessor parcel numbers. The boundary of the proposed DOCBD is shown on the map of the DOCBD is to be found on page 10 of this report.

All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental programs, services and improvements that provide a special benefit to assessed parcels, as outlined in this Management District Plan. All DOCBD funded services, programs and improvements shall be provided within the above described boundaries and no services shall be provided outside of the DOCBD. Each assessed parcel within the DOCBD will specially benefit from the District funded programs and services (i.e. Civil Sidewalks, District Identity and Place Making, Administration and Contingency).

These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates and investment viability of individually assessed parcels and businesses within the DOCBD. The DOCBD confers special benefits on each individually assessed parcel by reducing crime, improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses and residential rental units within the District, all considered supplemental in a competitive properly managed Downtown district.

All District funded services programs and improvements are supplemental, above normal base level services provided by the City of Ontario and are only provided for the special benefit of assessed parcels within the boundaries of the proposed established DOCBD.

The District includes 204 parcels of which all are identified as assessable which are listed in the Assessment Roll included as Appendix 1.

Ontario District



III. PROPOSED FIVE-YEAR CBD WORK PLAN AND BUDGET

Overview

The Programs and activities to be funded by the DOCBD may include Civil Sidewalks, District Identity and Place Making, Administration services, and Contingency. The property uses within the boundaries of the District that will receive special benefits from District funded programs, services and improvements are currently a unique mix of retail, office, grocery, restaurant, ecumenical, banking, public space, mixed use housing developments, service and other commercial uses. District funded activities are primarily designed to provide special benefits as described below to identified assessed parcels and array of land uses within the boundaries of the District.

These benefits are distinct to each identified assessed parcel within the DOCBD and are not provided to non-assessed parcels outside of the District. These programs, services and improvements will only be provided to each individual assessed parcel within the District boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

In the case of the DOCBD, the very nature of the purpose of this District is to fund supplemental programs, services and improvements to assessed parcels within the District boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Ontario does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the District are for services, programs and improvements directly benefiting each individual assessed parcel within the District. No District funded services, activities or programs will be provided outside of the District boundaries.

The projected program special benefit cost allocation of the District assessment revenues for the 5-year District term assuming a 5% maximum annual assessment rate increase is shown in the Table on page 14 of this Plan.

Work Plan Details

The services to be provided by the DOCBD are all designed to contribute to the cohesive commercial fabric and to ensure economic success and vitality of the District. The assessed parcels in the CBD will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the CBD goals: to improve sanitation, beautification, landscaping, and to attract new and retain existing businesses and services, and ultimately to increase commerce and improve the economic viability of each individual assessed parcel. The following programs, services and improvements are proposed by the DOCBD to specially benefit each individually assessed parcel within the District boundaries. DOCBD services, programs and improvements will not be provided to parcels outside the District boundary.

Year 1 – PROPOSED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT COSTS)

The proposed “bundles” of special benefit services are listed below.

CIVIL SIDEWALKS:

Examples of this category of special benefit services and costs may include, but is not limited to:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning
- Beautification of the district
- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces supplemental to what is current being provided by the City of Ontario
- Installation of and maintenance of hanging plants, planting flowers throughout the district
- Private security or case workers to respond to homeless issues, aggressive panhandling and mentally ill people behaving poorly in the public rights of way, including possible hiring of Ontario PD Bike patrols and/or a camera system

DISTRICT IDENTITY AND PLACEMAKING:

Examples of this category of special benefit services and costs may include, but is not limited to:

- Web site development and updating
- Management and coordination of special events
- Social media
- Public relations firm
- Holiday and seasonal decorations
- Branding of the Downtown Ontario CBD properties so a positive image is promoted to the public
- Banner programs
- Public art displays
- Logo development
- Public space design and improvements

ADMINISTRATION/PROGRAM MANAGEMENT

Examples of this category of special benefit services and costs may include, but is not limited to:

- Staff and administrative costs
- Directors and Officers Insurance, General Liability and other insurance coverages
- Office related expenses
- Rent
- Financial reporting and accounting, and legal services

CONTINGENCY/CITY AND COUNTY FEES/RESERVE

As with other plans in similar CBDs, this management plan sets aside a 4% contingency/reserve which provides for costs related to operating the district. Those costs may include, but not be limited to:

- City and/or County fees associated with their oversight and implementation of the District,
- the implementation of the Management District Plan and the Engineer's Report.
- City fees to collect and process the assessments, delinquencies and non-payments. A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties. This component also funds the expenses charged by the County of San Bernardino for collection and distribution of DOCBD revenue.
- Other unanticipated costs related to the compliance of the Management District Plan and Engineer's report.
- Funding for renewal of the District;

METHOD OF FINANCING:

The financing of the Downtown Ontario CBD is based upon the levy of special assessments upon real property that receive special benefits from the improvements and activities. There will be five factors used in the determination of proportional benefit to the parcels in the CBD. Those four factors are:

- Linear frontage
- Lot size or the footprint of the parcel
- Building square footage (excluding parking structures built within the building that predominantly serve the tenants of the building and are not open to the public) and
- New Residential condominiums built within the District boundaries

PROGRAM & ACTIVITY BUDGET

Each identified assessed parcel within the DOCBD will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of District funded services provided, except those tax-exempt owner-occupied parcels which shall only for the direct special benefits they will be receiving along the frontage of their parcels facing streets within the DOCBD. The projected District program special benefit (assessment) cost allocation budget for Year 1 is shown in the following Table:

Year 1 – PROPOSED BUDGET (ASSESSMENT REVENUES/SPECIAL BENEFIT COSTS)

Category of Special Benefit Services 2020	Approximate Annual Amount, First Year	Approximate Percentage of total budget
Civil Sidewalks	\$ 275,000	60%
District Identity/Placemaking	\$ 92,000	20%
Administration	\$ 75,000	16%
Contingency	\$ 19,405	4%
Total	\$ 461,405.00	100%

To carry out the District programs outlined in the previous section, a Year 1 assessment budget of \$461,405.00 is projected. Since the District is planned for a 5-year term, projected program costs for future years (Years 2-5) are set at the inception of the District. While future inflationary, new development assessments and other program cost increases are unknown at this point, a built-in maximum increase of 5% per annum, commensurate to special benefits received by each assessed parcel, is incorporated into the projected program costs and assessment rates for the 5-year District term. The District shall adhere to the budget and Management District Plan. While some variation is permissible to account for unexpected circumstances, the funding allocated to each funding category expressed as a percentage of the total budget, shall not vary by more than 10% of total budget from each year’s percentage in the Management District Plan. Any proposed variation that exceeds 10% of total budget shall be subject to review and approval of the City Clerk’s office. Any surplus or unspent funds, per category, may accumulate year to year over the life of the CBD. A 5-year projected DOCBD budget is shown in the following Table:

YEAR 1-5 PROJECTED DISTRICT ASSESSMENT BUDGET SUMMARY (Special Benefit Costs)
(Assumes 5% max rate increase per year)

Year	Civil Sidewalks	District Identity and Placemaking	Administration	Contingency	Total
%	60%	20%	16%	4%	
1	\$ 275,000.00	\$ 92,000.00	\$ 75,000.00	\$ 19,405.00	\$461,405
2	\$ 288,750.00	\$ 96,600.00	\$ 78,750.00	\$ 20,375.00	\$484,475
3	\$ 303,187.00	\$ 101,430.00	\$ 82,687.00	\$ 21,394.00	\$508,699
4	\$ 318,346.00	\$ 106,501.00	\$ 86,821.00	\$ 22,464.00	\$534,132
5	\$ 334,264.00	\$ 111,826.00	\$ 91,162.00	\$ 23,586.00	\$560,840

The Assessment Engineer (see attached Engineer’s Report) has found that the general benefits (i.e. general benefits to assessed parcels within the District, the general public and surrounding parcels outside the DOCBD) of the proposed programs, services and improvements (i.e. Civil Sidewalks, District Identity and Placemaking, Administration services, and Contingency) represent 2% of the total benefits generated and, in turn, 2% (\$ 9,416) of the total adjusted costs of the DOCBD funded improvements, activities and services provided.

Total Year 1 adjusted costs are estimated at \$ 470,821.00. General benefits are factored at 2% of the total adjusted costs (see Finding 2 in the attached Engineer’s Report) with special benefits set at 98%. Article XIID Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit cost is computed to be \$ 9,416 with a resultant 98% special benefit limit computed at \$ 461,405.00. Based on current property data and land uses, this is the maximum amount of Year 1 revenue that can be derived from property assessments from the subject District.

All program costs associated with general benefits will be derived from sources other than District assessments. Sample “other” revenue sources are shown in the following Table:

Special and General Benefit Revenue Sources

Revenue Source	Revenue	% of Total
District Assessments	\$ 461,405.00	98%
Grants, donations, sponsors, program income, etc.	\$9,416.00	2%
TOTAL	\$ 470,821.00	100.0%

The DOCBD assessments may increase for each individual parcel each year during the 5-year effective operating period, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners' Association Board of Directors, included in the Annual Planning Report and adopted by the Ontario City Council.

Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners' Association Board of the Directors (Property Owner's Association of the DOCBD) shall determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The Owners' Association Executive Director or staff shall communicate the annual increase to the City each year in which the District operates at a time determined in the Administration Contract held between the Owners' Association and the City of Ontario.

No bonds are to be issued in conjunction with the proposed established District.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 5th year of operation will be rolled over into the renewed budget or returned to stakeholders. District assessment funds may be used to pay for costs related to the following District established term. If the District is not established or terminated for any reason, unexpended funds will be returned to the property owners in the same proportion in which they were collected.

Manner of Collection

Assessments for the County of San Bernardino Property Tax Year fiscal beginning July 1, 2019 and ending June 30, 2023, are proposed to be collected at the same time and in the same manner as ad valorem taxes paid to the County of San Bernardino (Operation Years 2020-2024). The District assessments shall appear as a separate line item on the property tax bills issued by the San Bernardino County Assessor. The City of Ontario is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

IV PROPOSED ASSESSMENT FORMULA

The CBD programs and services described in this Management District Plan will be funded through benefit assessments against real property in the CBD and non-assessment revenues to fund the costs associated with general benefits conferred on assessed parcels within the District, the public at large and surrounding parcels outside of the DOCBD boundaries. The assessment formula has been developed to ensure that no parcel will be assessed an amount that exceeds the cost of the proportional special benefit that parcel derives from the programs, services and improvements to be funded by the proposed benefit assessments. The assessment rates are based on the anticipated benefit to be derived by each individual parcel within the boundary of the DOCBD.

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed established DOCBD (i.e. Civil Sidewalks, District Identity and Placemaking, Administration services, and contingency), the assessment factors on which to base assessment rates relate directly to the proportionate amount of land area and street frontage within district boundaries.

The “Basic Benefit Units” will be expressed as a combined function of land square footage (Benefit Unit “A”), street frontage (Benefit Unit “B”) and building square footage, (Benefit unit “C”). Based on the shape of the proposed established DOCBD, as well as the nature of the District program elements, it is determined that all identified assessed properties will gain a direct and proportionate degree of special benefit based on the respective amount of land area, street frontage and building square footage.

For the array of land uses within the District, the interactive application of land area, street frontage and building square footage quantities are a proven method of fairly and equitably spreading special benefit costs to these beneficiaries of District funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each assessed parcel will receive from District funded activities.

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, land area, should generate approximately 26% of the total first year District revenue.

Linear Frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on District funded activities, many of which are linear in nature (i.e. Landscaping, Sanitation and Beautification). The targeted weight of this factor, street frontage, should generate approximately 36% of the total District revenue.

Building Square Footage is a direct measure of the current and future improvements to the building square footage of each parcel and its corresponding impact or draw on District funded activities. The targeted weight of this factor, building square footage, should generate approximately 38% of the total District revenue. Assessing for building square footage is an appropriate gauge of the impact of employees, visitors, shopper and clients to a specific parcel. Currently the Downtown Ontario CBD ratio of building to land is roughly .50% to 1, which is well below a thriving commercial corridor in a Downtown environment. With all the new mixed-use development underway in the Downtown Ontario CBD area, it is anticipated that the ratio of building to land area will reach 1 to 1 by the end of the first term of the district. There is currently 1,094,440 building square footage in the proposed CBD area and doubling that building square footage will increase the building assessment component from approximately \$175,000 per year to \$350,000 per year. Over the five-year period. This is over and above any percentage increase proposed by the Owners Association as is allowable under this plan.

Building square footage that is allocated to parking solely for tenants and is NOT available to the public at any time, at market rates, shall have that portion of the building square footage exempted from the individual parcel's gross building square footage. This reduction or exemption only applies to the building square footage of structured parking that is not available to public access and use. The individual parcel owner has the responsibility to inform the Management Corporation (Owners Association) if such deductions are applicable since County records to not reveal this information via County tax records.

Enhanced Residential Condominium Unit Improvements: *(currently don't exist within the boundaries of the District)*

Future residential condominium development within the boundaries of the District will be assessed separately due to their unique characteristics and special benefit needs. Residential condominiums or town homes will have the following special benefit services conferred on the frontage their parcels. These services may include, but will not be limited to:

- Installation, stocking and upkeep of pet waste stations on the frontages adjacent to high concentrations of residential condominium individually assessed parcels;
- Enhancement and beautification of sidewalks on the frontages adjacent to high concentrations of residential individually assessed parcels;
- Installation of hanging plants and enhanced upkeep of the sidewalks surrounding frontages adjacent to residential condominiums;
- Other services requested by residents that confer special benefits to the areas directly adjacent to parcels with high concentrations of residential condominiums;
- Proportional share of the Administrative and Contingency costs to cover the oversight of enhanced beautification special benefit services.

Considering all identified specially benefiting parcels within the District and their respective assessable benefit units, the rates, cumulative quantities and assessment revenues by factor and zone are shown in the following tables:

Data generated from County records and validated by request of owner verification by mail:

Land Area/Lot size: 2,035,879 feet of assessable land area square footage
Linear Frontage: 27,357 linear feet of assessable linear frontage
Gross Building Square footage 1,094,440 feet of assessable building square footage
Residential Condominiums 0

Note: Tax-exempt owner-occupied parcels will only be assessed for the lot square footage and linear frontage of the individual parcels fronting on any street within the boundaries of the DOCBD since *civil sidewalks and administration* are the only special benefit services that will be provided to those individual parcels according to this Management Plan. The lot square footage and linear frontage will be calculated along the same property lines as adjacent parcels.

Year 1 – Projected DOCBD Assessment Revenue

	LAND AREA ASSMT REVENUE	LINEAR FRONTAGE ASSMT REVENUE	BUILDING SQUARE FOOTAGE ASSMT. REVENUE	RESIDENTIAL CONDOMINIUM UNIT REVENUE	SUBTOTAL ASSMT REVENUE
Revenue	\$122,153	\$ 164,142	\$ 175,110	0	\$ 461,405
Percentage of total	26%	36%	38%	0%	100%

The number of Benefit Units for each identified benefiting parcel within the proposed DOCBD was computed from data extracted from County Assessor records and maps as well as property verification forms mailed out to each parcel owner in the proposed District. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel.

The assessment formula for the proposed established DOCBD is as follows:

Assessments = Land Area (Unit A) Sq Ft x Unit A Rate, plus
 Street Frontage (Unit B) Lin Ft x Unit B Rate, plus
 Building Square footage (Unit C) Sq Ft x Unit C rate

YEAR 1 – Assessment Rates

Land Area annual assessment	Linear Frontage annual assessment	Building square forage annual assessment	Residential Condominiums
Unit A	Unit B	Unit C	
\$ 0.06 per square foot	\$ 6.00 per linear foot	\$0.16 per square foot	\$0.25 per square foot for building square footage

Changes to Frontage, Building or Lot Parcel Size

Any changes in frontage, building and lot parcel size as a result of all three land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such parcel adjustments.

Other Future Development

Other than future maximum rates with the frontage, building or parcel size assessment methodology delineated in this report, per State Law (Government Code Section 53750), future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Plan would require a new Proposition 218 ballot procedure in order to approve any such changes.

Future Residential Condominium Unit Parcels Defined:

Future residential condominium units building square footage is defined as the livable building square footage within the walls of the condominium residential unit parcel. They are included in a special category to designate their unique special benefits relative to the other commercial parcels within the Downtown Ontario CBD. Unlike the other commercial parcels in the district, including commercially operated apartment buildings, residential condominium parcels are assessed for building square footage only, and are not assessed for linear frontage and lot square footage.

Future residential condominium individually assessed parcels are assessed as a separate category. These future residential condominium individual parcels will be assessed for their building square footage only at the rate of \$0.25 per square foot per year, commencing the first year of their completion, *if the assessment rate has not been adjusted annually as allowed in this plan*. The rationale for assessing future residential condominiums only for the building square footage rate is provided below and its cost will be based upon the year that the residential condominium may be completed, (please see chart on page 23).

Residential condominium parcels are assessed differently than multi-unit, for-rent apartment buildings, due to the frequency of special benefit services required by each parcel as described below. The multi-unit apartment buildings are commercial properties in which the tenant and landlord have an economic relationship as opposed to residential condominium buildings where individual property owners own separate "air space parcels" on a single floor. Future residential apartment buildings can be bought or sold just as like commercial buildings whereas residential condominium units are separately owned and must be individually bought and sold.

Distinctions between residential apartment buildings with tenants and residential condominium building with individual parcel owners are as follows:

1. *The Davis Sterling Act establishes rules and regulations for residential condominium owners based upon "separate interests" (i.e. ownership rights), as opposed to renters who only have a possessory interest.*
2. *Generally, residential condominium unit owners demonstrate greater care for their property and concerns about quality of life issues due to their investment in real estate.*
3. *Residential owners have the right to vote in a Proposition 218 hearing, tenants do not have that right.*
4. *Residential condominium owners are required to contribute to legally established Homeowners Associations to oversee building maintenance, tenants are not.*
5. *Residential tenants may have their dwelling units sold or have their rent raised arbitrarily due the lack of ownership of their residential units.*

The assessment methodology has been written to confer special benefits to future residential condominium individual assessed parcels since future residential condominium owners have unique investment backed expectations about the care and maintenance of the building and its surroundings compared to the interest of residential tenants who have a possessory not an ownership interest. The future residential condominiums' special assessment methodology ensures that a fund will be established to maintain high levels of special benefit services that apply directly and proportional to the blocks that demand virtually seven days per week, 365 days per year special benefits.

**DOCBD – 5-year Maximum Assessment Rates
(Includes a 5%/Yr. Maximum Increase)**

Year	Lot Square Foot Assessment Rate	Linear Frontage Assessment Rate	Building Square Footage Assessment Rate	Residential Condominium (only assessed for building sq. ft.)
1	\$ 0.06000	\$ 6.00	\$ 0.1600	\$ 0.25000
2	\$ 0.06300	\$ 6.30	\$ 0.1680	\$ 0.26250
3	\$ 0.06615	\$ 6.62	\$ 0.1764	\$ 0.27563
4	\$ 0.06946	\$ 6.95	\$ 0.1852	\$ 0.28941
5	\$ 0.07293	\$ 7.29	\$ 0.1944	\$ 0.30388

SAMPLE DOCBD FIRST YEAR ANNUAL ASSESSMENT CALCULATION:

A 5,000 sq. ft. lot with 50 linear feet in Downtown Ontario in street frontage and a 2,500 square foot building

Land/Lot size square footage: 5,000 x \$.06 cents per square foot = \$300.00 plus

Liner Frontage: 50 linear feet x \$6.00 per linear foot = \$300.00 plus

Building Square Footage 2,500 x \$.16 cents per square foot = \$400.00

TOTAL YEAR 1 ASSESSMENT: \$ 1,000.00

Cost Per Month: \$ 83.33

Cost Per Day: \$ 2.74

A residential condominium, once built, would pay as follows: (based upon the chart above if no annual increases have been applied to the overall budget)

Building Square footage: 1,000 square feet x \$0.25 per sq. ft. =\$250.00

The complete Year 1 – assessment roll of all parcels to be assessed by this CBD is included in this Plan as Appendix I.

V. PUBLICLY OWNED PARCELS

The State Constitution - Article 13D (Proposition 218) states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are 67 publicly owned parcels within the District, all of which are identified as assessable and for which special benefit services will be provided. 46 identified assessed parcels are owned by the City of Ontario, 19 are owned by the City of Ontario Housing Authority, one is owned by the US Postal Service and one is owned by the San Bernardino County Housing Authority. All publicly owned parcels will be assessed as all other commercial parcels are assessed in accordance to this plan, that is on their parcel lot size, linear frontage and building square footage.

Each of these publicly owned parcels will directly receive special benefit from improved Civil Sidewalks, District Identity and Placemaking, Administration services, and contingency.

These 67 identified assessed publicly owned parcels/facilities will specially benefit from DOCBD funded programs and services from cleaner and safer facility entrances and street frontages as well as serve for a better, improved district for the hundreds of City employees and residents in the City, Housing Authority and Postal Service owned parcels.

In the opinion of the Assessment Engineer, there is no evidence that these 67 publicly owned parcels will not proportionately specially benefit from District services, programs and improvements; therefore, each publicly owned parcel will be assessed at the rates with assessments to be based on the lot square footage area, street linear frontage and building square footage of each parcel.

The Table below lists all publicly owned parcels within the proposed established DOCBD and their Year 1 assessment amounts:

City of Ontario, Ontario Housing Authority, San Bernardino County Housing Authority and US Postal Service publicly owned parcels

APN	Legal Owner	Site Street	Annual Assessment
1048-354-12-0000	CITY OF ONTARIO	D ST	\$ 3,455.28
1048-354-13-0000	CITY OF ONTARIO	LAUREL AVE	\$ 814.80
1048-355-02-0000	CITY OF ONTARIO		\$ 796.14
1048-355-11-0000	CITY OF ONTARIO		\$ 961.02
1048-356-08-0000	CITY OF ONTARIO	603 N. EUCLID AVE	\$ 731.60
1048-356-11-0000	CITY OF ONTARIO	F ST	\$ 917.94

1048-363-02-0000	CITY OF ONTARIO	LEMON AVE	\$ 4,751.16
1048-363-03-0000	CITY OF ONTARIO	LEMON AVE	\$ 2,034.72
1048-363-04-0000	CITY OF ONTARIO	404 N. EUCLID AVE	\$ 3,514.80
1048-363-05-0000	CITY OF ONTARIO	414 N. EUCLID AVE	\$ 8,589.74
1048-551-10-0000	CITY OF ONTARIO	116 E. D ST	\$ 5,376.12
1048-552-13-0000	CITY OF ONTARIO	126 E. C ST	\$ 5,350.74
1048-552-14-0000	CITY OF ONTARIO	124 E. C ST	\$ 1,727.76
1048-552-18-0000	CITY OF ONTARIO	N. EUCLID AVE	\$ 131.34
1048-553-02-0000	CITY OF ONTARIO	118 E. B ST	\$ 1,509.76
1048-553-03-0000	CITY OF ONTARIO	B ST	\$ 797.76
1048-553-04-0000	CITY OF ONTARIO	127 N. LEMON AVE	\$ 1,859.76
1048-553-16-0000	CITY OF ONTARIO	126 N. EUCLID AVE	\$ 1,237.24
1048-553-17-0000	CITY OF ONTARIO	128 N. EUCLID AVE	\$ 3,665.40
1048-563-06-0000	CITY OF ONTARIO	HOLT BLVD	\$ 1,917.90
1048-564-06-0000	CITY OF ONTARIO	121 N. EUCLID AVE	\$ 834.72
1048-564-13-0000	CITY OF ONTARIO	LAUREL AVE	\$ 725.94
1048-564-14-0000	CITY OF ONTARIO	LAUREL AVE	\$ 1,140.72
1048-565-13-0000	CITY OF ONTARIO	LAUREL AVE	\$ 950.16
1048-565-14-0000	CITY OF ONTARIO	LAUREL AVE	\$ 506.88
1048-566-01-0000	CITY OF ONTARIO	123 W. D ST	\$ 1,176.00
1048-566-08-0000	CITY OF ONTARIO	301 W. C ST	\$ 144.00
1048-566-09-0000	CITY OF ONTARIO	W. C ST.	\$ 1,479.72
1048-566-10-0000	CITY OF ONTARIO	LAUREL AVE	\$ 1,859.76
1048-566-11-0000	CITY OF ONTARIO	324 N. LAUREL AVE	\$ 1,037.04
1049-056-01-0000	CITY OF ONTARIO	221 W. TRANSIT ST	\$ 2,437.50
1049-056-02-0000	CITY OF ONTARIO	211 W. TRANSIT ST	\$ 580.32
1049-056-03-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 580.32
1049-056-04-0000	CITY OF ONTARIO	200 S. LAUREL AVE	\$ 1,220.40
1049-056-05-0000	CITY OF ONTARIO	208 W. EMPORIA ST	\$ 4,813.50
1049-056-06-0000	CITY OF ONTARIO	228 W. EMPORIA ST	\$ 2,413.50
1049-057-06-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 1,272.00
1049-057-07-0000	CITY OF ONTARIO	206 W. TRANSIT ST	\$ 523.38
1049-058-02-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 712.62
1049-059-14-0000	CITY OF ONTARIO	EMPORIA ST	\$ 4,794.18
1049-062-01-0000	CITY OF ONTARIO	225 S. EUCLID AVE.	\$ 6,815.22
1049-062-02-0000	CITY OF ONTARIO	TRANSIT ST	\$ 4,804.80
1049-063-02-0000	CITY OF ONTARIO	214 E. HOLT BLVD	\$ 3,218.88
1049-064-12-0000	CITY OF ONTARIO		\$ 483.84
1049-064-13-0000	CITY OF ONTARIO	217 S. LEMON AVE	\$ 2,588.08
1049-064-14-0000	CITY OF ONTARIO	204 E. TRANSIT ST	\$ 7,611.64
		TOTAL	\$ 104,866.10
1048-551-11-0000	ONTARIO HOUSING AUTHORITY	312 N. EUCLID AVE	\$ 3,887.16
1048-551-12-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE	\$ 2,996.40
1048-551-13-0000	ONTARIO HOUSING AUTHORITY	334 E. C ST	\$ 1,621.80

1048-552-15-0000	ONTARIO HOUSING AUTHORITY	C ST	\$ 206.34
1048-552-16-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE	\$ 3,147.60
1048-552-17-0000	ONTARIO HOUSING AUTHORITY	240 N. EUCLID AVE	\$ 3,055.58
1048-553-01-0000	ONTARIO HOUSING AUTHORITY	E. B ST	\$ 1,556.04
1048-553-05-0000	ONTARIO HOUSING AUTHORITY	115 N. LEMON AVE	\$ 585.60
1048-553-06-0000	ONTARIO HOUSING AUTHORITY	127 E. HOLT BLVD	\$ 1,170.60
1048-553-07-0000	ONTARIO HOUSING AUTHORITY	123 E. HOLT BLVD	\$ 449.46
1048-553-08-0000	ONTARIO HOUSING AUTHORITY	121 E. HOLT BLVD	\$ 721.86
1048-553-09-0000	ONTARIO HOUSING AUTHORITY	E. HOLT BLVD	\$ 381.36
1048-553-10-0000	ONTARIO HOUSING AUTHORITY	E. HOLT BLVD	\$ 1,027.20
1048-553-11-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE	\$ 420.36
1048-553-12-0000	ONTARIO HOUSING AUTHORITY	110 N. EUCLID AVE	\$ 420.36
1048-553-13-0000	ONTARIO HOUSING AUTHORITY	112 N. EUCLID AVE	\$ 2,440.72
1048-553-14-0000	ONTARIO HOUSING AUTHORITY	118 N. EUCLID AVE	\$ 448.08
1048-553-15-0000	ONTARIO HOUSING AUTHORITY	122 N. EUCLID AVE	\$ 1,037.44
1049-059-07-0000	ONTARIO HOUSING AUTHORITY	303 W. EMPORIA ST	\$ 680.16
		TOTAL	\$ 26,254.12
1049-058-03-0000	SAN BERNARDINO COUNTY HOUSING AUTH	200 S. EUCLID AVE	\$ 5,096.76
1049-057-01-0000	UNITED STATES POSTAL SERVICE	123 W. HOLT BLVD	\$ 3,937.92

VI. CBD DISTRICT GOVERNANCE

The governance or management of a CBD typically requires an “Owners’ Association” to carry out the CBD services and activities. State CBD Law (36600 Streets & Highways Code) also requires that the Owner’s Association carry out specific additional functions. This includes preparation of an Annual Report to the City Council on the CBD activities for the past fiscal year and those proposed for the next fiscal year. The Owner’s Association may also recommend to the City Council from time to time, changes to the CBD boundaries, benefit zones, assessment formula or CBD programs and activities, all subject to public notification and, in some cases petition/balloting requirements.

Meetings of the Owners’ Association and its standing Committees shall be subject to the State of California “Brown Act” open meeting law.

VII. PROPOSED RULES AND REGULATION APPLIED TO THE DISTRICT

There are no specific rules or regulations applied to this CBD or its Owners’ Association.

VIII. OTHER ITEMS

No bonds will be issued for any DOCBD projects in conjunction with this formation.

IX. IMPLEMENTATION TIMETABLE

Task	Estimated Deadline
The Downtown CBD Steering Committee approves the rough draft CBD Management Plan	The Steering Committee approves the preliminary plan in March or early April, including boundaries, benefit zones, budget and the percentage allocation of each special service category.
Management District Plan (MDP) submitted to City and Assessment Engineer	The state constitution requires that the Management District Plan be certified as compliant with Proposition 218 by an Assessment Engineer. The Plan must also be approved by the City Attorney and City Manager. Estimated time for completion of this process is the middle of April.
Management District Plan is approved by the City Attorney and Assessment Engineer and petition drive is launched	We anticipate the petition drive to be launched by the CBD Steering Committee in mid-April, with the target completion date by the end of May. 50% of the assessment amount paid by property owners must sign a petition endorsing the CBD Plan to initiate a mail balloting procedure of property owners
Resolution of Intent	In early July , the City Council will receive a staff report and consider and adopt a "Resolution of Intent" to form the Downtown CBD. The requisite number of weighted petitions must be submitted to the City to trigger this process and allow the balloting to proceed. The City Council would then instruct the City Clerk to mail ballots to all affected property owners within the CBD boundaries. The ballots will be due by the public hearing date and will allow each property owner to vote yes or no on the mail ballot.
Public Hearing	It is anticipated that the public hearing will be held the last Council meeting in August . Testimony will be given by property owners and the City Clerk will open and calculate the ballots. The CBD may be formed if the <i>weighted majority of returned, signed ballots</i> support the formation of the district.
Resolution of Formation	Once the weighted return ballots are calculated and demonstrate support for the formation of the Downtown CBD, the City Council may then adopt a "Resolution of Formation" to create the CBD. The City Council may vote to levy the assessments on the benefitting parcels.
Management Corporation set up	Between August and November , a new non-profit district management corporation will be created from the CBD Steering Committee members. They will elect interim officers, create articles of incorporation, incorporate with the state, adopt bylaws, and enter into a contract with the City to administer the new CBD on behalf of the property owners. This new district management corporation will be open to business or property owners wishing to participate in the CBD funded improvement to Downtown.

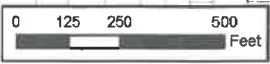
First assessments transferred	<p>The first assessment billings would be due with the December 2019 property tax bills. Sometime in the Fall, the City will enter into a contract with the new property owner-controlled district management corporation. The first assessments will be transferred from the City to the new CBD District Management Corporation after the first installments of assessments were collected by the County and the City in December 2019.</p> <p><i>(If the timeline is set back a few months, the City may decide to manually bill the property owners for the first year of the district. Revenues would still come in by the end of 2019; however, the assessments would only then be collected through the County property tax bills from 2020 through 2024.)</i></p>
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APPENDIX 1

YR 1 ASSESSMENT ROLL

APN	Annual Assessment		
1048-354-01-0000	\$1,809.48	1048-362-05-0000	\$1,646.16
1048-354-02-0000	\$3,724.44	1048-362-06-0000	\$1,122.80
1048-354-03-0000	\$3,041.60	1048-362-07-0000	\$2,621.12
1048-354-04-0000	\$1,038.50	1048-362-08-0000	\$3,036.44
1048-354-05-0000	\$306.00	1048-362-09-0000	\$5,189.80
1048-354-06-0000	\$401.40	1048-362-10-0000	\$2,264.10
1048-354-07-0000	\$1,724.60	1048-363-01-0000	\$1,284.16
1048-354-08-0000	\$655.20	1048-363-02-0000	\$4,751.16
1048-354-09-0000	\$1,038.50	1048-363-03-0000	\$2,034.72
1048-354-10-0000	\$916.36	1048-363-04-0000	\$3,514.80
1048-354-11-0000	\$3,937.00	1048-363-05-0000	\$8,589.74
1048-354-12-0000	\$3,455.28	1048-551-10-0000	\$5,376.12
1048-354-13-0000	\$814.80	1048-551-11-0000	\$3,887.16
1048-355-02-0000	\$796.14	1048-551-12-0000	\$2,996.40
1048-355-03-0000	\$2,177.32	1048-551-13-0000	\$1,621.80
1048-355-04-0000	\$1,268.56	1048-552-13-0000	\$5,350.74
1048-355-05-0000	\$687.06	1048-552-14-0000	\$1,727.76
1048-355-06-0000	\$870.40	1048-552-15-0000	\$206.34
1048-355-07-0000	\$1,708.48	1048-552-16-0000	\$3,147.60
1048-355-08-0000	\$1,329.94	1048-552-17-0000	\$3,055.58
1048-355-09-0000	\$1,781.48	1048-552-18-0000	\$131.34
1048-355-10-0000	\$2,087.32	1048-552-19-0000	\$2,785.94
1048-355-11-0000	\$961.02	1048-553-01-0000	\$1,556.04
1048-355-13-0000	\$912.28	1048-553-02-0000	\$1,509.76
1048-355-15-0000	\$4,170.16	1048-553-03-0000	\$797.76
1048-356-01-0000	\$3,689.28	1048-553-04-0000	\$1,859.76
1048-356-02-0000	\$3,254.16	1048-553-05-0000	\$585.60
1048-356-03-0000	\$1,190.84	1048-553-06-0000	\$1,170.60
1048-356-04-0000	\$1,264.76	1048-553-07-0000	\$449.46
1048-356-05-0000	\$2,824.72	1048-553-08-0000	\$721.86
1048-356-06-0000	\$700.68	1048-553-09-0000	\$381.36
1048-356-07-0000	\$420.36	1048-553-10-0000	\$1,027.20
1048-356-08-0000	\$731.60	1048-553-11-0000	\$420.36
1048-356-09-0000	\$1,162.00	1048-553-12-0000	\$420.36
1048-356-10-0000	\$447.12	1048-553-13-0000	\$2,440.72
1048-356-11-0000	\$917.94	1048-553-14-0000	\$448.08
1048-356-12-0000	\$2,657.52	1048-553-15-0000	\$1,037.44
1048-356-13-0000	\$3,595.44	1048-553-16-0000	\$1,237.24
1048-361-01-0000	\$3,315.24	1048-553-17-0000	\$3,665.40
1048-361-02-0000	\$748.86	1048-561-07-0000	\$2,406.48
1048-361-03-0000	\$715.80	1048-561-08-0000	\$2,221.34
1048-361-04-0000	\$1,897.12	1048-561-09-0000	\$1,023.96
1048-361-05-0000	\$1,101.60	1048-561-10-0000	\$797.76
1048-361-06-0000	\$849.12	1048-561-11-0000	\$1,432.40
1048-361-07-0000	\$2,048.48	1048-561-12-0000	\$1,182.24
1048-361-08-0000	\$2,559.84	1048-561-13-0000	\$24,568.08
1048-361-09-0000	\$2,638.02	1048-562-01-0000	\$8,404.20
1048-361-10-0000	\$1,682.80	1048-562-02-0000	\$2,528.24
1048-361-11-0000	\$840.72	1048-562-03-0000	\$7,451.34
1048-361-12-0000	\$843.30	1048-562-06-0000	\$806.28
1048-362-02-0000	\$764.52	1048-562-07-0000	\$2,623.68
1048-362-03-0000	\$4,140.72	1048-563-01-0000	\$1,606.80
1048-362-04-0000	\$1,330.24	1048-563-02-0000	\$797.76
		1048-563-03-0000	\$2,678.24

1048-563-04-0000	\$1,344.00	1049-055-08-0000	\$546.06
1048-563-05-0000	\$3,956.40	1049-055-09-0000	\$4,231.76
1048-563-06-0000	\$1,917.90	1049-056-01-0000	\$2,437.50
1048-563-07-0000	\$1,564.80	1049-056-02-0000	\$580.32
1048-563-08-0000	\$4,266.24	1049-056-03-0000	\$580.32
1048-563-09-0000	\$785.76	1049-056-04-0000	\$1,220.40
1048-563-10-0000	\$1,859.76	1049-056-05-0000	\$4,813.50
1048-563-11-0000	\$552.40	1049-056-06-0000	\$2,413.50
1048-564-01-0000	\$2,618.88	1049-057-01-0000	\$3,937.92
1048-564-02-0000	\$3,473.60	1049-057-02-0000	\$1,310.16
1048-564-03-0000	\$4,209.20	1049-057-03-0000	\$2,098.72
1048-564-04-0000	\$1,402.50	1049-057-04-0000	\$1,466.00
1048-564-05-0000	\$887.64	1049-057-05-0000	\$4,314.00
1048-564-06-0000	\$834.72	1049-057-06-0000	\$1,272.00
1048-564-07-0000	\$2,866.20	1049-057-07-0000	\$523.38
1048-564-08-0000	\$791.62	1049-058-01-0000	\$3,224.00
1048-564-09-0000	\$1,319.52	1049-058-02-0000	\$712.62
1048-564-10-0000	\$2,089.40	1049-058-03-0000	\$5,096.76
1048-564-11-0000	\$1,383.72	1049-058-04-0000	\$2,471.68
1048-564-12-0000	\$3,203.32	1049-058-05-0000	\$2,651.96
1048-564-13-0000	\$725.94	1049-059-07-0000	\$680.16
1048-564-14-0000	\$1,140.72	1049-059-08-0000	\$1,398.00
1048-565-01-0000	\$3,149.28	1049-059-09-0000	\$824.40
1048-565-02-0000	\$642.00	1049-059-14-0000	\$4,794.18
1048-565-03-0000	\$7,429.56	1049-059-21-0000	\$7,062.30
1048-565-04-0000	\$620.16	1049-061-01-0000	\$13,042.62
1048-565-05-0000	\$2,487.36	1049-061-02-0000	\$3,773.76
1048-565-06-0000	\$2,090.64	1049-061-03-0000	\$557.28
1048-565-07-0000	\$1,019.28	1049-062-01-0000	\$6,815.22
1048-565-08-0000	\$969.60	1049-062-02-0000	\$4,804.80
1048-565-09-0000	\$1,315.60	1049-063-01-0000	\$2,567.02
1048-565-10-0000	\$2,866.80	1049-063-02-0000	\$3,218.88
1048-565-11-0000	\$7,021.20	1049-063-03-0000	\$358.64
1048-565-12-0000	\$1,436.96	1049-063-04-0000	\$699.28
1048-565-13-0000	\$950.16	1049-063-05-0000	\$1,380.96
1048-565-14-0000	\$506.88	1049-063-06-0000	\$1,664.16
1048-566-01-0000	\$1,176.00	1049-063-07-0000	\$819.04
1048-566-02-0000	\$1,775.52	1049-063-08-0000	\$1,117.26
1048-566-03-0000	\$797.76	1049-063-09-0000	\$1,131.54
1048-566-04-0000	\$3,759.04	1049-063-10-0000	\$1,195.54
1048-566-05-0000	\$7,535.56	1049-064-12-0000	\$483.84
1048-566-06-0000	\$1,633.12	1049-064-13-0000	\$2,588.08
1048-566-07-0000	\$3,937.56	1049-064-14-0000	\$7,611.64
1048-566-08-0000	\$144.00		
1048-566-09-0000	\$1,479.72		
1048-566-10-0000	\$1,859.76		
1048-566-11-0000	\$1,037.04		
1049-055-01-0000	\$3,146.08		
1049-055-02-0000	\$1,074.36		
1049-055-03-0000	\$1,259.42		
1049-055-04-0000	\$1,202.26		
1049-055-05-0000	\$1,238.32		
1049-055-06-0000	\$1,080.06		
1049-055-07-0000	\$532.98		



LEGEND

- District Parcel
- Parcel

**DOWNTOWN ONTARIO
COMMUNITY BENEFIT DISTRICT
ESTABLISHMENT**

**ASSESSMENT ENGINEER'S
REPORT**

*Being Established for a 5 Year Term Pursuant to
California Streets and Highways Code Section 36600 et seq.
Property & Business Improvement District Act of 1994, as amended*

*Prepared by
Edward V. Henning
California Registered Professional Engineer # 26549
Edward Henning & Associates*

APRIL 11, 2019

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ASSESSMENT ENGINEER’S REPORT

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Downtown Ontario Community Benefit District ("DOCBD") being established for a five (5) year term will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

Prepared by Edward V. Henning, California Registered Professional Engineer # 26549



Edward V. Henning

RPE #26549

April 11, 2019

Date

(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)

Introduction

This report serves as the “detailed engineer’s report” required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the benefit property assessments to be levied within the proposed DOCBD in the City of Ontario, California being established for a five (5) year term. The discussion and analysis contained within this Report constitutes the required “nexus” of rationale between assessment amounts levied and special benefits derived by real properties within the proposed DOCBD.

Background

The DOCBD is a property-based benefit assessment type district being established for a five (5) year term pursuant to Section 36600 et seq. of the California Streets and Highways Code (as amended), also known as the Property and Business Improvement District Law of 1994 (the “Act”). Due to the benefit assessment nature of assessments levied within a property and business improvement district (“PBID”), district program costs are to be distributed amongst all identified benefiting properties based on the proportional amount of special program benefit each property is expected to derive from the assessments levied. Within the Act, frequent references are made to the concept of relative “benefit” received from District programs and activities versus amount of assessment paid. Only those properties expected to derive special benefits from District funded programs and activities may be assessed and only in an amount proportional to the relative special benefits expected to be received.

Supplemental Article XIID Section 4(b) California Constitution
Proposition 218 Procedures and Requirements

Proposition 218, approved by the voters of California in November of 1996, adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the DOCBD. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chaptered” into law as Article XIID Section 4(b) of the California Constitution.

Since Article XIID provisions will affect all subsequent calculations to be made in the final assessment formula for the DOCBD, these supplemental requirements will be taken into account. The key provisions of Article XIID along with a description of how the DOCBD complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”.

Setting:

The proposed Downtown Ontario CBD is located along Euclid Avenue (SR83) in Downtown Ontario, just south of Interstate 10 and north of Highway 60. (See attached map in Appendix 2).

General Boundary Description

The Downtown Ontario CBD encompasses approximately 23 blocks centered along Euclid Street in Downtown Ontario generally between N. Lemon/N. Plum Avenues on the east, N. Laurel/N. Palm Avenues on the west, W. D/W. G Streets on the north and the transit line on the south, just south of Emporia Street.

Benefit Zones

There is one benefit zone within the proposed District.

District Boundary Rationale

The Downtown Ontario CBD boundaries are comprised of the commercial core parcels where the main economic activity of Downtown Ontario Blvd. is centered. The commercial parcels fronting Euclid Avenue are the historic heart of the commercial core of the city of Ontario. These parcels showcase an array of commercial retailers, restaurants, service stores, the vast Town Center block, churches and soon will be home to a full block of market rate housing and a full block of a new university. After years of little if any new development, the corridor is now experiencing a renaissance of new market rate housing development in the form of new mixed use, market rate housing. Its proximity to Interstate 10, Highway 60, the Ontario Airport and the Metrolink station in Upland makes it an ideal place to live in and conduct commerce in the region. The new housing and excellent historic and contemporary housing surrounding Downtown is evolving into an emerging 21st century mixed use community. New retail in the form of stores, restaurants and coffee shops are following the growth of high density residential on the Euclid Avenue.

Northern Boundary

The northern boundary of the CBD is defined by the commercial parcels which are located just south of G Street from the east side of North Laurel Avenue on the west and the west side of North Lemon Avenue on the east.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided north of the northern District boundary.

Eastern Boundary

The eastern boundary of the CBD begins at the parcel at the west side of the intersection of West Emporia Street and North Plum Street, at parcel 1049-064-14 and runs northward along the west side of North Plum Avenue to the parcel at the southwestern corner of the intersection of East Holt Blvd and North Plum Avenue, parcel 1049-063-05. The boundary then runs westward for one block on the south side of East Holt Blvd. to the southeastern parcel of the intersection of South Lemon Avenue and East Holt Blvd., parcel 1049-063-01, and then runs northward along the western side of North Lemon

Avenue up to the parcel at the southwestern corner of the intersection of East G Street and North Lemon Avenue, ending at parcel 1048-361-05.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided east of the eastern District boundary.

Southern Boundary

The southern boundary of the CBD is begins at parcel 1049-059-07 on West Emporia Street and runs on the south side of all the parcels on West Emporia Street to the parcel at the west side of the intersection of West Emporia Street and North Plum Street, ending at parcel 1049-064-14.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided south of the southern District boundary.

Western Boundary

The western boundary of the Downtown Ontario CBD is at the southeastern corner parcel at the intersection of West G Street and North Laurel Avenue (parcel 1048-356-01) and runs south along the eastern side of North Laurel to the intersection of West D Street and North Laurel Avenue. The boundary then runs straight west along the south side of West D Street to the intersection of North Palm Avenue and West G Street. From there, the boundary runs south along the east side of North Palm Avenue from parcel 1048-561-13 southward to parcel 1049-056-06 at the intersection of West Emporia Street and North Palm Avenue. The boundary then runs west along the south side of West Emporia Street to include the western most parcel 1049-059-07.

The District will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided west of the western District boundary.

Summation:

A list of all parcels included in the proposed DOCBD are shown as Appendix 1, attached to this Report identified by their respective San Bernardino County assessor parcel numbers. The boundary of the proposed DOCBD is shown on the map of the DOCBD found on Appendix 1, of this Report.

All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in the Management District Plan and this Report. All DOCBD funded services, programs and improvements provided within the above described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the DOCBD will proportionately and specially benefit from the District funded programs and services (i.e. Civil Sidewalks, District Identity and Place Making, Administration and Contingency).

These services, programs and improvements are intended to improve commerce, employment, rents and occupancy rates and investment viability of individually assessed parcels and businesses within the DOCBD. The DOCBD confers special benefits on each individually assessed parcel by reducing crime,

improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses and residential rental units within the District, all considered supplemental in a competitive properly managed Downtown district.

All District funded services programs and improvements are supplemental, above normal base level services provided by the City of Ontario and are only provided for the special benefit of assessed parcels within the boundaries of the proposed established DOCBD.

The District includes 204 parcels of which all are identified as assessable which are listed in the Assessment Roll included as Appendix 1.

Finding 2. From Section 4(a): “Separate general benefits (if any) from the special benefits conferred on parcel(s). Only special benefits are assessable. “

QUANTITATIVE BENEFIT ANALYSIS

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

The property uses within the boundaries of the District that will receive special benefits from District funded programs and services are currently a unique mix of retail, office, grocery, restaurant, ecumenical, mixed use housing developments, auto service and other neighborhood serving retail uses. Services, programs and improvements provided and funded by the District (i.e. Civil Sidewalks, District Identity and Place Making, Administration and Contingency) are designed to provide special benefits to identified assessed parcels and the array of land uses within the boundaries of the DOCBD as described in the Work Plan Details starting on page 10 of this Report.

The proposed District programs, improvements and services and Year 1 – 2020 budget allocations are shown in the Table below:

Year 1 – 2020 District Special Benefit Budget (Assessment Revenue Only)

WORK PLAN CATEGORY	ALLOCATION	%
Civil Sidewalks	\$275,000	60%
District Identity/Placemaking	\$92,000	20%
Administration	\$75,000	16%
Contingency	\$19,405	4%
TOTAL	\$461,405	100%

The special benefits conferred on assessed parcels within the DOCBD are particular and distinct to each and every identified assessed parcel within the DOCBD and are not provided to non-assessed parcels outside of the DOCBD. These programs, services and improvements will only be provided to each individual assessed parcel within the District boundaries and, in turn, confer proportionate “special benefits” to each assessed parcel.

In the case of the DOCBD, the very nature of the purpose of this DOCBD is to fund supplemental programs, services and improvements to assessed parcels within the District boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Ontario does not provide these programs and services. All benefits derived from the assessments to be levied on assessed parcels within the District are for services, programs and improvements directly benefiting each individual assessed parcel within the District. No District funded services, activities or programs will be provided outside of the District boundaries.

While every attempt is made to provide District services and programs to confer benefits only to those identified assessed parcels within the District, the California State Constitution was amended via Proposition 218 to stipulate that general benefits exist, either by design or unintentional, in all assessment districts and that a portion of the program costs must be considered attributable to general benefits and assigned a value. General benefits cannot be funded by assessment revenues. General benefits might be conferred on parcels within the DOCBD, or “spillover” onto parcels surrounding the DOCBD, or to the public at large who might be passing through the DOCBD with no intention of transacting business within the DOCBD or interest in the DOCBD itself.

Empirical assessment engineering analysis throughout California has found that general benefits within a given business improvement district tend to range from 2-6% of the total costs. There are three methods that have been used by this Engineer for determining general and special benefit values within assessment districts:

- (1) The parcel by parcel allocation method
- (2) The program/activity line item allocation method, and
- (3) The composite district overlay determinant method.

A majority of PBIDs in California for which this Assessment Engineer has provided assessment engineering services since the enactment of Proposition 218, (Article XIID Section 4(b) of the California Constitution) have used Method #3, the composite district overlay determinant method which will be used for the DOCBD. This method of computing the value of general benefit involves a composite of three distinct types of general benefit – general benefit to assessed parcels within the DOCBD, general benefit to the public at large within the DOCBD and general benefit to parcels outside the DOCBD.

General Benefit – Assessed Parcels within District

DOCBD funded programs are narrowly designed and carefully implemented to specially benefit the assessed District parcels and are only provided for the special benefit to each and every assessed parcel within the District. Based on empirical data derived from hundreds of California assessment districts that are similar in assessment methodology and focused scope of funded programs and activities, it has

been determined that nearly 100% of benefits conferred on assessed parcels within the District are distinct and special. In the case of the DOCBD, it is projected that there are 0.25% general benefits conferred on these assessed parcels. This high ratio of special benefits to general benefits is because the DOCBD funded programs and services are specially geared to the unique needs of each assessed parcel within the DOCBD and are directed specially only to these assessed parcels within the DOCBD. This concept is further reinforced by the proportionality of special benefits conferred on each assessed parcel within the District as determined by the special benefit assessment formula as it is applied to the unique and varying property characteristics of each assessed parcel. The computed 0.25% general benefit value on the 204 assessed parcels within the DOCBD equates to \$1,154 or (.25% x \$461,405).

General Benefit – Public At Large

While the DOCBD funded programs are narrowly designed and carefully implemented to specially benefit the assessed District properties and are only provided for the special benefit to each and every assessed parcel within the District, these District funded programs may also provide an incidental general benefit to the public at large within the District. Assessment Engineering experience and detailed intercept surveys conducted in various California cities, has found that generally well over 95% of people moving about within District boundaries are engaged in business related to assessed parcels and businesses contained on them within the District, while the public at large “just passing through” is typically much less than 5%. Based on this experience curve and empirical data derived from hundreds of California assessment districts that are similar in assessment methodology and focused scope of funded programs and activities, it has been determined that general benefit factors for each of the District funded special benefit program element costs that might provide an immediate general benefit to the public at large are as shown in the chart below. These factors are applied to each program element costs in order to compute the dollar and percent value of general benefits to the public at large. The total dollar value of this general benefit type equates to \$5,038 as delineated in the Table below:

GENERAL BENEFITS TO “PUBLIC AT LARGE”

	A	B	C	E
Program Element	Dollar Allocation	General Benefit Percent	General Benefit Factor	General Benefit Value (A x C)
Civil Sidewalks	\$275,000	1.50%	0.0150	\$4,125
District Identity & Placemaking	\$92,000	0.50%	0.0050	\$460
Administration	\$75,000	0.50%	0.0050	\$375
Contingency	\$19,405	0.40%	0.0040	\$78
Total	\$461,405			\$5,038

Spillover General Benefits to Parcels Outside of District

While District programs and services will not be provided directly to parcels outside the District boundaries, it is reasonable to conclude that District services may confer an indirect general benefit on

parcels immediately adjacent to the District boundaries. An inventory of the District boundaries finds that the District is surrounded by 51 parcels, of which 20 are commercial uses and 31 are residential or public uses adjacent to or across a street or alley from the proposed DOCBD. There are 0 non-identified (i.e. not assessed) exempt parcels within the proposed DOCBD.

The 51 parcels outside the District boundaries adjacent to or across streets or alleys from assessed parcels within the District can reasonably be assumed to receive some indirect general benefit as a result of District funded programs, services and improvements. Based on empirical data derived from hundreds of California assessment districts that are similar in assessment methodology and focused scope of funded programs and activities, it has been determined that a benefit factor of 1.0 be attributed to the 204 identified assessed parcels within the District; a benefit factor of 0.05 be attributed to general benefits conferred on the 20 commercial parcels adjacent to or across a street or alley from the proposed DOCBD; and a benefit factor of 0.007 be attributed to general benefits conferred on the 31 residential and public parcels adjacent to or across a street or alley from the proposed DOCBD. The cumulative dollar value of this general benefit type equates to \$2,760 (\$2,262 + \$498) as delineated in the Table below.

“Spillover” General Benefits

Parcel Type	Quantity	Benefit Factor	Benefit Units	Benefit Percent	Benefit Value
Assessed Parcels Inside BID	204	1.000	204.00	99.4055%	\$461,405
Commercial Perimeter Parcels Outside BID	20	0.050	1.00	0.4873%	\$2,262
Other Perimeter Parcels Outside BID	31	0.007	0.22	<u>0.1072%</u>	<u>\$498</u>
TOTAL			205.22	100.00%	\$464,164

Composite General Benefit

Based on the general benefit values delineated in the three sections above, the total value of general benefits conferred on assessed parcels within the District, the public at large and parcels outside the District equates to \$8,952 (\$1,154 + \$5,038 + \$2,760) or 1.90% of the total adjusted costs. This general benefit factor of 1.90% will be conservatively rounded up to 2% (\$9,416). This leaves a value of 98% assigned to special benefit related costs. The general benefit value of \$9,416 when added to the special benefit value of \$461,405 (Year 1 –2020 assessments) equates to a total adjusted Year 1 – 2020 program cost of \$470,821. Remaining costs that are attributed to general benefits, will need to be derived from other sources. A comparison of special and general benefit funding sources is shown in the Table below.

Special and General Benefit Revenue Sources

Revenue Source	Revenue	% of Total
District Assessments	\$461,405	98 %
Grants, donations, sponsors, program income, etc.	\$9,416	2%
TOTAL	\$470,821	100.0%

A breakdown of projected special and general benefit costs for each year of the 5-year renewal term is shown in the Table below:

5 Year Special + General Benefit Costs

YR	PROGRAM CATEGORY	SPECIAL BENEFIT ASSESSMENT COSTS	GENERAL BENEFIT NON- ASSESSMENT COSTS	TOTAL ADJUSTED COSTS	% OF TOTAL
1	Civil Sidewalks	\$275,000	\$5,650	\$280,650	60%
	District Identity & Placemaking	\$92,000	\$1,883	\$93,883	20%
	Administration	\$75,000	\$1,507	\$76,507	16%
	Contingency	<u>\$19,405</u>	<u>\$377</u>	<u>\$19,782</u>	<u>4%</u>
	Total	\$461,405	\$9,416	\$470,822	100%
2	Civil Sidewalks	\$288,750	\$5,933	\$294,683	60%
	District Identity & Placemaking	\$96,600	\$1,977	\$98,577	20%
	Administration	\$78,750	\$1,582	\$80,332	16%
	Contingency	<u>\$20,375</u>	<u>\$396</u>	<u>\$20,771</u>	<u>4%</u>
	Total	\$484,475	\$9,888	\$494,363	100%
3	Civil Sidewalks	\$303,188	\$6,230	\$309,418	60%
	District Identity & Placemaking	\$101,430	\$2,076	\$103,506	20%
	Administration	\$82,688	\$1,661	\$84,349	16%
	Contingency	<u>\$21,394</u>	<u>\$416</u>	<u>\$21,810</u>	<u>4%</u>
	Total	\$508,700	\$10,383	\$519,083	100%
4	Civil Sidewalks	\$318,347	\$6,542	\$324,889	60%
	District Identity & Placemaking	\$106,502	\$2,180	\$108,682	20%
	Administration	\$86,822	\$1,744	\$88,566	16%
	Contingency	<u>\$22,464</u>	<u>\$437</u>	<u>\$22,901</u>	<u>4%</u>
	Total	\$534,135	\$10,903	\$545,038	100%
5	Civil Sidewalks	\$334,264	\$6,869	\$341,133	60%
	District Identity & Placemaking	\$111,827	\$2,289	\$114,116	20%
	Administration	\$91,163	\$1,831	\$92,994	16%
	Contingency	<u>\$23,587</u>	<u>\$459</u>	<u>\$24,046</u>	<u>4%</u>
	Total	\$560,841	\$11,448	\$572,289	100%

DISTRICT WORK PLAN

Overview

The Programs and activities to be funded by the DOCBD include Civil Sidewalks, District Identity and Place Making, Administration services, and Contingency. The property uses within the boundaries of the District that will receive special benefits from District funded programs, services and improvements are currently a retail, office, grocery, restaurant, ecumenical, banking, public space, mixed use housing developments, service and other commercial uses. District funded activities are primarily designed to provide special benefits as described below to identified assessed parcels and array of land uses within the boundaries of the District.

These benefits are particular and distinct to each and every identified assessed parcel within the DOCBD and are not provided to non-assessed parcels outside of the District. These programs, services and improvements will only be provided to each individual assessed parcel within the District boundaries and, in turn, confer proportionate "special benefits" to each assessed parcel.

In the case of the DOCBD, the very nature of the purpose of this District is to fund supplemental programs, services and improvements to assessed parcels within the District boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. The City of Ontario does not provide these supplemental programs and services. All benefits derived from the assessments to be levied on assessed parcels within the District are for services, programs and improvements directly benefiting each individual assessed parcel within the District. No District funded services, activities or programs will be provided outside of the District boundaries.

The projected program special benefit cost allocation of the District assessment revenues for the 5-year District term assuming a 5% maximum annual assessment rate increase is shown in the Table on page 13 of this Report.

WORK PLAN DETAILS

The services to be provided by the DOCBD are all designed to contribute to the cohesive commercial fabric and to ensure economic success and vitality of the District. The assessed parcels in the CBD will specially benefit from the District programs in the form of increasing commerce and improving economic success and vitality through meeting the CBD goals: to improve sanitation, beautification, landscaping, and to attract new and retain existing businesses and services, and ultimately to increase commerce and improve the economic viability of each individual assessed parcel.

The following programs, services and improvements are proposed by the DOCBD to specially benefit each individually assessed parcel within the District boundaries. DOCBD services, programs and improvements will not be provided to parcels outside the District boundary.

CIVIL SIDEWALKS:

Examples of this category of special benefit services and costs may include, but is not limited to:

- Regular sidewalk and gutter sweeping
- Regular sidewalk steam cleaning
- Beautification of the district

- Enhanced trash emptying (over and above city services)
- Timely graffiti removal, within 24 hours as necessary
- Tree and vegetation maintenance (over and above city services)
- Maintenance of existing and new public spaces supplemental to what is current being provided by the City of Ontario
- Installation of and maintenance of hanging plants, planting flowers throughout the district
- Private security or case workers to respond to homeless issues, aggressive panhandling and mentally ill people behaving poorly in the public rights of way, including possible hiring of Ontario PD Bike patrols and/or a camera system

The goal of the Civil Sidewalks work plan component is to ensure that all identified assessed parcels are clean and well maintained, thereby creating an attractive District for the special benefit of each and every assessed District parcel. These supplemental services will assist in creating a clean and orderly environment for the special benefit of each assessed parcel in the District. A dirty environment deters commerce and may fail to attract patrons and visitors, and reduce commercial rents and commercial occupancies. For the array of land uses within the District (i.e. retail, office, grocery, restaurant, auto service, offices, parking, mixed-use residential), this work plan component is designed to increase pedestrian traffic, increase commerce and customer activity, attract and retain new business and patrons, and may increase commercial rents and commercial occupancies for the assessed parcels within the DOCBD boundaries. Each assessed parcel will specially benefit from the Sidewalk Operations programs which will only be provided to, and for the direct benefit of, each identified assessed parcel within the District boundaries.

DISTRICT IDENTITY AND PLACEMAKING:

Examples of this category of special benefit services and costs may include, but is not limited to:

- Web site development and updating
- Management and coordination of special events
- Social media
- Public relations firm
- Holiday and seasonal decorations
- Branding of the Downtown Ontario CBD properties so a positive image is promoted to the public
- Banner programs
- Public art displays
- Logo development
- Public space design and improvements

The District Identity program is also designed with the intent to increase the public’s awareness of the DOCBD as a single destination in order to attract consumers to the rich collection of attractions, events, and services which will ultimately lead to increased commerce. For example, the District may publish a regular e-newsletter to keep property owners informed of upcoming events and services. The Owners’ Association will continue to use its website to promote the assessed DOCBD parcels in an effort to increase awareness of the District as a destination for consumers and tenants and increase occupancy and commerce on the assessed parcels. The website is designed to provide visitors information about the DOCBD and comply with the open meetings and records provisions of the Brown Act.

ADMINISTRATION

Examples of this category of special benefit services and costs may include, but is not limited to:

- Staff and administrative costs
- Directors and Officers Insurance, General Liability and other insurance coverages
- Office related expenses
- Rent
- Financial reporting and accounting, and legal services

The Administration component is key to the proper expenditure of District assessment funds and the administration of District programs and activities for the special benefit of all parcels and land uses within the DOCBD. The Administration work plan component exists only for the purposes of the District and directly relates to the implementation of cleaning and beautification, district identity and improvement programs and services, which specially benefit each identified assessed parcel within the District boundaries.

CONTINGENCY

As with other plans in similar CBDs, the Management Plan sets aside a 4% contingency/reserve which provides for costs related to operating the district. Those costs may include, but not be limited to:

- City and/or County fees associated with their oversight and implementation of the District,
- the implementation of the Management District Plan and the Engineer’s Report.
- City fees to collect and process the assessments, delinquencies and non-payments. A percent of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties. This component also funds the expenses charged by the City of Ontario and County of San Bernardino for collection and distribution of DOCBD revenue.
- Other unanticipated costs related to the compliance of the Management District Plan and Engineer’s report.
- Funding for renewal of the District;

In summary, all District funded services, programs and improvements described above confer special benefits to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the DOCBD will proportionately specially benefit from the Civil Sidewalks, District Identity & Placemaking, Administration and Contingency components of the Management Plan. All District funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Ontario and are only provided for the special benefit of each assessed parcel within the boundaries of the DOCBD.

WORK PLAN BUDGET

Each identified assessed parcel within the DOCBD will be assessed the full amount of the proportionate special benefit conferred upon it based on the level of District funded services provided. The projected District program special benefit (assessment) cost allocation budget for Year 1 (2020) is shown in the Table below:

DOCBD Year 1 (2020) Special Benefit Assessment Budget

WORK PLAN CATEGORY	ALLOCATION	%
Civil Sidewalks	\$275,000	60%
District Identity/Placemaking	\$92,000	20%
Administration	\$75,000	16%
Contingency	\$19,405	4%
TOTAL	\$461,405	100%

In order to carry out the District programs outlined in the previous section, a Year 1 assessment budget of \$461,405 is projected. Since the District is planned for a 5-year term, projected program costs for future years (Years 2-5) are set at the inception of the District. While future inflationary and other program cost increases are unknown at this point, a built in maximum increase of 5% per annum, commensurate to special benefits received by each assessed parcel, is incorporated into the projected program costs and assessment rates for the 5-year District term. It is noted that the 5% maximum annual rate increase is deemed necessary in order to offset substantial service and improvement cost increases projected over the next several years and to provide levels of service and types of improvements expected and requested by District stakeholders. Carryovers, if any, may be reapportioned the following year for related programs, services and improvements. Detailed annual budgets will be prepared by the Owner’s Association Board and included in an Annual Plan for the City Council’s review and approval.

It is recognized that market conditions may cause the cost of providing goods and services to fluctuate from year to year during the 5-year term of the proposed District. Accordingly, the Owners’ Association shall have the ability to reallocate up to 10% of any budget line item within the budget categories based on such cost fluctuations subject to the review and approval by the Owners’ Association Board and included in the Annual Planning Report that will be approved by the Ontario City Council pursuant to Streets and Highways Code Section 36650. Any accrued interest or delinquent payments may be expended in any budget category. A 5-year projected DOCBD budget is shown in the Table below:

YEAR 1-5 PROJECTED DISTRICT ASSESSMENT BUDGET SUMMARY (Special Benefit Costs)
 (Assumes 5% max rate increase per year)

Year	Civil Sidewalks	District Identity and Placemaking	Administration	Contingency	Total
	60%	20%	16%	4%	
1	\$ 275,000.00	\$ 92,000.00	\$ 75,000.00	\$ 19,405.00	\$461,405
2	\$ 288,750.00	\$ 96,600.00	\$ 78,750.00	\$ 20,375.00	\$ 484,475
3	\$ 303,187.00	\$ 101,430.00	\$ 82,687.00	\$ 21,394.00	\$508,698
4	\$ 318,346.00	\$ 106,501.00	\$ 86,821.00	\$ 22,464.00	\$534,132
5	\$ 334,264.00	\$ 111,826.00	\$ 91,162.00	\$ 23,586.00	\$560,838

The DOCBD assessments may increase for each individual parcel each year during the 5-year effective operating period, but not to exceed 5% per year, commensurate to special benefits received by each assessed parcel, and must be approved by the Owners’ Association Board of Directors, included in the Annual Planning Report and adopted by the City of Ontario City Council. Any accrued interest and delinquent payments will be expended within the budgeted categories. The Owners’ Association Board of the Directors (“Property Owner’s Association of the DOCBD) shall determine the percentage increase to the annual assessment and the methodology employed to determine the amount of the increase. The Owners’ Association Executive Director shall communicate the annual increase to the City each year in which the District operates at a time determined in the Administration Contract held between the Owners’ Association and the City of Ontario.

No bonds are to be issued in conjunction with the proposed District.

Pursuant to Section 36671 of the Streets and Highways Code, any funds remaining after the 5th year of operation will be rolled over into the renewal budget or returned to stakeholders. District assessment funds may be used to pay for costs related to the following District renewal term. If the District is not renewed or terminated for any reason, unexpended funds will be returned to the property owners.

Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.

Each identified assessed parcel within the district will be assessed based on property characteristics unique only to that parcel. Based on the specific needs and corresponding nature of the program activities to be funded by the proposed DOCBD (i.e. Civil Sidewalks, District Identity and Place Making, Administration and Contingency). It is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage within one benefit zone, except as noted otherwise, herein.

The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified assessed parcel within the district. Larger buildings and parcels and/or ones with larger frontages are expected to impact the demand for services and programs to a greater extent than smaller building, land and/or street frontages and thus, are assigned a greater proportionate degree of assessment program and service costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified property attributes.

The proportionate special benefit cost for each parcel has been calculated based on proportionate formula components and is listed as an attachment to the Management District Plan and this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related program and activity costs) is computed by dividing the individual parcel assessment by the total special benefit program costs.

Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Not only are the proposed program costs reasonable due to the benefit of group purchasing and contracting which would be possible through the proposed DOCBD, they are also considerably less than other options considered by the DOCBD Renewal Committee. The actual assessment rates for each parcel within the District directly relate to the level of service and, in turn, special benefit to be conferred on each parcel based on the respective building area, land area and street frontage of each parcel within one benefit zone, except as noted otherwise herein.

Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”

The State Constitution - Article 13D (Proposition 218) states that “parcels within a District that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly-owned parcels in fact receive no special benefit.”

There are 67 publicly owned parcels within DOCBD, all of which are identified and assessable for which CBD funded special benefit programs, services and improvements will be provided. 46 of the assessed publicly owned parcels are owned by the City of Ontario, 19 by the City of Ontario Housing Authority, 1 by the San Bernardino County Housing Authority and 1 by the United States of America (Post Office).

Each identified and assessable publicly owned parcel and facility within DOCBD will proportionately specially benefit as delineated herein from the DOCBD funded supplemental services, programs and improvements, but differently than privately owned parcels. It is the opinion of this Assessment Engineer that publicly owned parcels and public facilities do not specially benefit to the same extent as privately owned parcels from District funded services, programs and improvements. To offset this special benefit differential, publicly owned parcels with public facilities on them will not be assessed for public building areas located on these parcels. Publicly owned parcels with non-government facilities/uses on them (16 parcels), will be assessed for building areas not occupied by government uses and facilities.

DOCBD services are designed to improve the cleanliness and image of assessed publicly owned parcels and facilities for visitors, their employees and users of public facilities on publicly owned parcels within the District by reducing litter and debris, each considered detractions to employment, visitation and use of public facilities if not contained and properly managed. In turn, these services will serve to enhance the public purpose provided by public facilities and parcels within DOCBD.

There is no compelling evidence that these identified assessable publicly owned parcels and facilities would not proportionately specially benefit from DOCBD funded programs, services and improvements as delineated herein and, thus, will be assessed similar to privately owned parcels, except as noted herein.

DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT – ASSESSMENT ENGINEER’S REPORT

The Table below lists all publicly owned parcels within the proposed DOCBD and their Year 1 assessment amounts:

District Publicly Owned parcels

APN	Legal Owner	Site Street	Annual Assessment
1048-354-12-0000	CITY OF ONTARIO	D ST	\$ 3,455.28
1048-354-13-0000	CITY OF ONTARIO	LAUREL AVE	\$ 814.80
1048-355-02-0000	CITY OF ONTARIO		\$ 796.14
1048-355-11-0000	CITY OF ONTARIO		\$ 961.02
1048-356-08-0000	CITY OF ONTARIO	603 N. EUCLID AVE.	\$ 731.60
1048-356-11-0000	CITY OF ONTARIO	F ST	\$ 917.94
1048-363-02-0000	CITY OF ONTARIO	LEMON AVE.	\$ 4,751.16
1048-363-03-0000	CITY OF ONTARIO	LEMON AVE.	\$ 2,034.72
1048-363-04-0000	CITY OF ONTARIO	404 N. EUCLID AVE.	\$ 3,514.80
1048-363-05-0000	CITY OF ONTARIO	414 N. EUCLID AVE.	\$ 8,589.74
1048-551-10-0000	CITY OF ONTARIO	116 E. D ST.	\$ 5,376.12
1048-552-13-0000	CITY OF ONTARIO	126 E. C ST.	\$ 5,350.74
1048-552-14-0000	CITY OF ONTARIO	124 E. C ST.	\$ 1,727.76
1048-552-18-0000	CITY OF ONTARIO	N. EUCLID AVE.	\$ 131.34
1048-553-02-0000	CITY OF ONTARIO	118 E. B ST.	\$ 1,509.76
1048-553-03-0000	CITY OF ONTARIO	B ST.	\$ 797.76
1048-553-04-0000	CITY OF ONTARIO	127 N. LEMON AVE.	\$ 1,859.76
1048-553-16-0000	CITY OF ONTARIO	126 N. EUCLID AVE.	\$ 1,237.24
1048-553-17-0000	CITY OF ONTARIO	128 N. EUCLID AVE.	\$ 3,665.40
1048-563-06-0000	CITY OF ONTARIO	HOLT BLVD.	\$ 1,917.90
1048-564-06-0000	CITY OF ONTARIO	121 N. EUCLID AVE.	\$ 834.72
1048-564-13-0000	CITY OF ONTARIO	LAUREL AVE.	\$ 725.94
1048-564-14-0000	CITY OF ONTARIO	LAUREL AVE.	\$ 1,140.72
1048-565-13-0000	CITY OF ONTARIO	LAUREL AVE.	\$ 950.16
1048-565-14-0000	CITY OF ONTARIO	LAUREL AVE.	\$ 506.88
1048-566-01-0000	CITY OF ONTARIO	123 W. D ST	\$ 1,176.00
1048-566-08-0000	CITY OF ONTARIO	301 W. C ST	\$ 144.00
1048-566-09-0000	CITY OF ONTARIO	W. C ST.	\$ 1,479.72
1048-566-10-0000	CITY OF ONTARIO	LAUREL AVE.	\$ 1,859.76
1048-566-11-0000	CITY OF ONTARIO	324 N. LAUREL AVE	\$ 1,037.04
1049-056-01-0000	CITY OF ONTARIO	221 W. TRANSIT ST	\$ 2,437.50
1049-056-02-0000	CITY OF ONTARIO	211 W. TRANSIT ST	\$ 580.32
1049-056-03-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 580.32
1049-056-04-0000	CITY OF ONTARIO	200 S. LAUREL AVE	\$ 1,220.40
1049-056-05-0000	CITY OF ONTARIO	208 W. EMPORIA ST	\$ 4,813.50
1049-056-06-0000	CITY OF ONTARIO	228 W. EMPORIA ST	\$ 2,413.50
1049-057-06-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 1,272.00
1049-057-07-0000	CITY OF ONTARIO	206 W. TRANSIT ST	\$ 523.38

DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT – ASSESSMENT ENGINEER’S REPORT

1049-058-02-0000	CITY OF ONTARIO	W. TRANSIT ST	\$ 712.62
1049-059-14-0000	CITY OF ONTARIO	EMPORIA ST	\$ 4,794.18
1049-062-01-0000	CITY OF ONTARIO	225 S. EUCLID AVE.	\$ 6,815.22
1049-062-02-0000	CITY OF ONTARIO	TRANSIT ST	\$ 4,804.80
1049-063-02-0000	CITY OF ONTARIO	214 E. HOLT BLVD	\$ 3,218.88
1049-064-12-0000	CITY OF ONTARIO		\$ 483.84
1049-064-13-0000	CITY OF ONTARIO	217 S. LEMON AVE	\$ 2,588.08
1049-064-14-0000	CITY OF ONTARIO	204 E. TRANSIT ST	\$ 7,611.64
		TOTAL	\$ 104,866.10
1048-551-11-0000	ONTARIO HOUSING AUTHORITY	312 N. EUCLID AVE.	\$ 3,887.16
1048-551-12-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE.	\$ 2,996.40
1048-551-13-0000	ONTARIO HOUSING AUTHORITY	334 E. C ST.	\$ 1,621.80
1048-552-15-0000	ONTARIO HOUSING AUTHORITY	C ST.	\$ 206.34
1048-552-16-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE.	\$ 3,147.60
1048-552-17-0000	ONTARIO HOUSING AUTHORITY	240 N. EUCLID AVE.	\$ 3,055.58
1048-553-01-0000	ONTARIO HOUSING AUTHORITY	E. B ST	\$ 1,556.04
1048-553-05-0000	ONTARIO HOUSING AUTHORITY	115 N. LEMON AVE.	\$ 585.60
1048-553-06-0000	ONTARIO HOUSING AUTHORITY	127 E. HOLT BLVD.	\$ 1,170.60
1048-553-07-0000	ONTARIO HOUSING AUTHORITY	123 E. HOLT BLVD.	\$ 449.46
1048-553-08-0000	ONTARIO HOUSING AUTHORITY	121 E. HOLT BLVD.	\$ 721.86
1048-553-09-0000	ONTARIO HOUSING AUTHORITY	E. HOLT BLVD	\$ 381.36
1048-553-10-0000	ONTARIO HOUSING AUTHORITY	E. HOLT BLVD	\$ 1,027.20
1048-553-11-0000	ONTARIO HOUSING AUTHORITY	N. EUCLID AVE	\$ 420.36
1048-553-12-0000	ONTARIO HOUSING AUTHORITY	110 N. EUCLID AVE.	\$ 420.36
1048-553-13-0000	ONTARIO HOUSING AUTHORITY	112 N. EUCLID AVE.	\$ 2,440.72
1048-553-14-0000	ONTARIO HOUSING AUTHORITY	118 N. EUCLID AVE.	\$ 448.08
1048-553-15-0000	ONTARIO HOUSING AUTHORITY	122 N. EUCLID AVE.	\$ 1,037.44
1049-059-07-0000	ONTARIO HOUSING AUTHORITY	303 W. EMPORIA ST	\$ 680.16
		TOTAL	\$ 26,254.12
1049-058-03-0000	SAN BERNARDINO COUNTY HOUSING AUTH	200 S. EUCLID AVE	\$ 5,096.76
1049-057-01-0000	UNITED STATES OF AMERICA	123 W. HOLT BLVD	\$ 3,937.92
	TOTAL – ALL PUBLICLY OWNED PARCELS	67 PARCELS	\$ 140,154.90

Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.

This report serves as the “detailed engineer’s report” to support the benefit property assessments proposed to be levied within the proposed DOCBD.

Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”

The individual and total parcel assessments attributable to special property benefits are shown in Appendix 1 to the Management District Plan and this Report. The proposed District and resultant assessment levies will continue for 5-years and may be renewed again at that time. The reasons (purposes) for the proposed assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to building area, land area and street frontage, except as otherwise noted herein.

Assessment Formula Methodology

Step 1. Select “Basic Benefit Unit(s)”

Background - Assessment Formula Development

The method used to determine special benefits derived by each identified assessed property within a PBID (generic for the CBD) begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the DOCBD, the benefit unit may be measured in linear feet of street frontage or parcel size in square feet or building size in square feet or any combination of these factors. Factor quantities for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to specific programs and improvements to be funded by the District in order to determine any levels of different benefit that may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of programs and activities proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different “weights” or percentage of values based on their relationship to programs/services to be funded.

Next, all program and activity costs, including incidental costs, District administration and ancillary program costs, are estimated. It is noted, as stipulated in Article XIID Section 4(b) of the California Constitution, and now required of all property-based assessment Districts, indirect or general benefits costs may not be incorporated into the assessment formula and levied on the District properties; only direct or “special” benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a “net” cost figure. In addition, Article XIID Section 4(b) of the California Constitution also no longer automatically exempts publicly owned property from being assessed unless the respective public agency can provide clear and convincing evidence that their property does not specially benefit from the programs and services to be funded by the proposed special assessments. If special benefit is determined to be conferred upon such properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments. (See pages 15-17 of this Report for discussion regarding assessment of publicly owned parcels within the DOCBD).

From the estimated net program costs, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net program costs by the total number of benefit units. The amount of assessment for each parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all benefitting properties within the District.

The method and basis of spreading program costs varies from one District to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the district.

DOCBD Assessment Formula

Based on the specific needs and corresponding nature of the program activities to be funded by the proposed DOCBD (i.e. maintenance, safety, image enhancement, streetscape beautification and operations) it has been determined that the assessment factors on which to base assessment rates relate directly to the proportionate amount of building area, land area and street frontage within one benefit zone except as noted herein.

The “Basic Benefit Units” will be expressed as a combined function of gross building square footage (Benefit Unit “A”), land square footage (Benefit Unit “B”), street frontage (Benefit Unit “C”), and in the case of Residential Condominiums, building square footage (Unit D). Based on the shape of the proposed DOCBD, as well as the nature of the District program elements, it is determined that all identified properties will gain a direct and proportionate degree of special benefit based on the respective amount of building area, land area and street frontage within one benefit zone, except as noted herein.

For the array of land uses within the District, the interactive application of building and land areas and street frontage quantities are a proven method of fairly and equitably spreading special benefit costs to these beneficiaries of District funded services, programs and improvements. Each of these factors directly relates to the degree of special benefit each assessed parcel will receive from District funded activities. There are no parcels zoned solely residential within DOCBD.

Building area is a direct measure of the static utilization of each parcel and its corresponding impact or draw on District funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, building area, should generate approximately 40% of the total District revenue (37.95147% when adjusted for precise parcel measurements and program costs).

Land area is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on District funded activities. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 25% of the total District revenue (26.47414% when adjusted for precise parcel measurements and program costs).

Street Frontage is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on District funded activities. Street frontage includes all public street

frontages of a parcel. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 35% of the total District revenue (35.57439% when adjusted for precise parcel measurements and program costs).

Special Circumstances

1. Structured Parking

It has been determined that building square footage that is allocated to parking solely for tenants and is NOT available to the public at any time, at market rates, shall have that portion of the building square footage exempted from the individual parcel’s gross building square footage. This reduction or exemption only applies to the building square footage of structured parking that is not available to public access and use. The individual parcel owner has the responsibility to inform the Assessment Engineer if such deductions are applicable since County records do not reveal this information via County tax records.

2. Publicly Owned-Occupied Parcels

It has been determined that the assessment for publicly owned-occupied parcels will only be based on the land area and street frontage of the individual parcels fronting on any street within the boundaries of the DOCBD since those are the only special benefit services that will be provided to those individual parcels per this Report and the Management Plan. The land areas and street frontages will be calculated along the same property lines as adjacent parcels. Building areas on such parcels will not be assessed.

3. Residential Condominiums

It has been determined that land area and street frontage quantities do not relate precisely to the building orientation and configurations of multi-unit and/or multi floor residential condominium complexes. Thus, it is the opinion of this Engineer that the assessment for residential condominiums shall be based on a building area rate per unit which is a proven method of fairly and equitably spreading special benefit costs to these unique property ownerships and land uses. This assessment factor directly relates to the proportionate amount of special benefit each residential condominium parcel will receive from DOCBD funded services, programs and improvements for this land use.

4. Commercial Condominiums

It has been determined that commercial condominium units, if and when built, when located on ground floors shall be assessed based on actual land area covered, condo building area and direct street frontage or pro-rated street frontage as determined by the Assessment Engineer for each unit. Upper floor commercial condominiums shall be assessed on condo building area and pro-rated land area and street frontage as determined by the Assessment Engineer.

5. Changes to Building or Parcel Size

Any changes in building size, parcel size and street frontage(s) as a result of new construction or demolition or land adjustments including but not limited to lot splits, consolidations, subdivisions, street dedications, right of way setbacks shall have their assessment adjusted upon final City approval of such parcel adjustments.

6. Other Future Development

Other than future maximum rates and the assessment methodology delineated in this Report, per State

Law (Government Code Section 53750), future assessments may increase for any given parcel if such an increase is attributable to events other than an increased rate or revised methodology, such as a change in the density, intensity, or nature of the use of land. Any change in assessment formula methodology or rates other than as stipulated in this Plan would require a new Proposition 218 ballot procedure in order to approve any such changes.

Step 2. Quantify Total Basic Benefit Units

Taking into account all identified specially benefiting parcels within the District and their respective assessable benefit units, the rates, cumulative quantities and assessment revenues by factor are shown in the Tables below:

Year 1 – 2019/2020 - Assessable Benefit Units

BLDG AREA (SF)	LAND AREA (SF)	STREET FRONTAGE (LF)	# OF ASSESABLE PARCELS
1,094,440	2,035,879	27,357	204

Year 1 – 2019/20 Projected Assessment Revenue

BLDG ASSMT \$	LAND ASSMT \$	STREET FRONTAGE ASSMT REVENUE	SUBTOTAL ASSMT REVENUE
\$175,110	\$122,153	\$164,142	\$461,405
37.95147%	26.47414%	35.57439%	100.00%

Step 3. Calculate Benefit Units for Each Property.

The number of Benefit Units for each identified benefiting parcel within the proposed DOCBD was computed from data extracted from County Assessor records and maps. These data sources delineate current land uses, building areas, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property-based assessments. All respective property data being used for assessment computations will be provided to each property owner in the District for their review. If a property owner believes there is an error on a parcel’s assessed footages, the District may confirm the data with the County Assessor’s office. If District data matches Assessor’s data, the property owner may opt to work with the Assessor’s office to correct the data so that the District assessment may be corrected.

Step 4. Determine Assessment Formula

Based on the nature of the programs to be funded as well as other rationale outlined in Step 1 above, it is the opinion of this Engineer that the DOCBD assessments will be based on building area, land area, and street frontage, except as noted herein.

The proposed assessment formula is as follows:

$$\text{Assessment} = \text{Building Area (Unit A) Sq Ft x Unit A Rate, plus} \\ \text{Land Area (Unit B) Sq Ft x Unit B Rate, plus} \\ \text{Street Frontage (Unit C) Lin Ft x Unit C Rate}$$

YEAR 1 –2019/20 Assessment Rates

BLDG ASSMT RATE (\$/SF)	LAND ASSMT RATE (\$/SF)	STREET FRONTAGE ASSMT RATE (\$/LF)
\$0.16	\$0.06	\$6.00

The complete Year 1 – 2019-20 assessment roll of all parcels to be assessed by this District is included in this Plan as Appendix I.

Assessment Formula Unit Rates

Using figures from the Assessable Benefit Units Table and the Projected Assessment Revenue Table on page 21 of this Report, the assessment rates and weighted multipliers for each factor are calculated as follows:

Building Area Rate (Unit A)

$$(\$461,405 \times 37.95147\%) / 1,094,440 \text{ units} = \$0.16/\text{sq ft building area}$$

Land Area Rate (Unit B)

$$(\$461,405 \times 35.60674\%) / 1,246,824 \text{ units} = \$0.06/\text{sq ft land area}$$

Street Frontage Rate (Unit C)

$$(\$461,405 \times 43.31913\%) / 18,961 \text{ units} = \$6.00/\text{lin ft street frontage}$$

Residential Condo Building Area Rate (Unit D) = \$0.25/sq ft building area

Step 5. Estimate Total District Costs

The total projected 5-year special benefit costs for 2020 – 2024 of the District are shown in the Table on page 13 of this Report assuming a maximum increase of 5% per year, commensurate to special benefits received by each assessed parcel.

Step 6. Separate General Benefits from Special Benefits and Related Costs (Article XIID Section 4(b) of the California Constitution – Proposition 218)

Total Year 1 adjusted costs are estimated at \$470,821. General benefits are factored at 2% of the total adjusted costs (see Finding 2 on pages 5-9 of this Report) with special benefits set at 98%. Article XIID Section 4(b) of the California Constitution limits the levy of property assessments to costs attributed to special benefits only. The 2% general benefit cost is computed to be \$9,416 with a resultant 98% special benefit limit computed at \$461,405. *Based on current property data and land uses, this is the maximum amount of Year 1 (2019-20) revenue that can be derived from property assessments from the subject District.*

All program costs associated with general benefits will be derived from sources other than District assessments. Sample “other” revenue sources are shown in the Table below:

Special and General Benefit Revenue Sources

Revenue Source	Revenue	% of Total
District Assessments	\$461,405	98%
Grants, donations, sponsors, program income, etc.	\$9,416	2%
TOTAL	\$470,821	100.0%

Step 7. Calculate “Basic Unit Cost”

With a YR 1 - 2020 assessment revenue portion of the budget set at \$461,405 (special benefit only), the Basic Unit Costs (rates) are shown earlier in Step 4. Since the District is proposed to be established for a 5-year term, maximum assessments for future years (2021-2024) must be set at the inception of the proposed District. An annual inflationary assessment rate increase of up to 5%, commensurate to special benefits received by each assessed parcel, may be imposed for future year assessments, on approval by the District Property Owner’s Association. The maximum assessment rates for the 5-year proposed District term of 2020-2024 are shown in the Table below. The assessment rates listed constitute the maximum assessment rates that may be imposed for each year of the proposed District term (2020-2024).

**DOCBD – 5 Year Maximum Assessment Rates
(Includes a 5%/Yr. Max Increase)**

YEAR	BLDG ASSMT RATE (\$/SF)	LAND ASSMT RATE (\$/SF)	FRONTAGE ASSMT RATE (\$/LF)
1	\$0.160	\$0.10	\$6.00
2	\$0.1680	\$0.1050	\$6.3000
3	\$0.1764	\$0.1103	\$6.6150
4	\$0.1852	\$0.1158	\$6.9458
5	\$0.1945	\$0.1216	\$7.2931

Step 8. Spread the Assessments

The resultant assessment spread calculation results for each parcel within the District are shown in Appendix I to this Report and were determined by applying the District assessment formula to each identified specially benefiting property.

Miscellaneous District Provisions

Time and Manner of Collecting Assessments:

Assessments for the Property Tax Year beginning July 1, 2019 and ending June 30, 2023, shall be collected at the same time and in the same manner as ad valorem taxes paid to the San Bernardino County (Operation Years 2020-2024). The District assessments shall appear as a separate line item on the property tax bills issued by the San Bernardino County Assessor. The City of Ontario is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement the Management District Plan.

Bonds:

No bonds are to be issued in conjunction with this proposed District.

Duration

As allowed by State PBID Law, the District will have a five (5) year operational term from January 1, 2020 to December 31, 2024. The proposed District operation is expected to begin services on January 1, 2020. If the District is not renewed at the end of its proposed 5 year term, services will end on December 31, 2024.

APPENDIX 1

DOCBD YR 1 – 2019/2020 ASSESSMENT ROLL

DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT – ASSESSMENT ENGINEER’S REPORT

APN	Year 1 Assessment
1048-354-01-0000	\$1,809.48
1048-354-02-0000	\$3,724.44
1048-354-03-0000	\$3,041.60
1048-354-04-0000	\$1,038.50
1048-354-05-0000	\$306.00
1048-354-06-0000	\$401.40
1048-354-07-0000	\$1,724.60
1048-354-08-0000	\$655.20
1048-354-09-0000	\$1,038.50
1048-354-10-0000	\$916.36
1048-354-11-0000	\$3,937.00
1048-354-12-0000	\$3,455.28
1048-354-13-0000	\$814.80
1048-355-02-0000	\$796.14
1048-355-03-0000	\$2,177.32
1048-355-04-0000	\$1,268.56
1048-355-05-0000	\$687.06
1048-355-06-0000	\$870.40
1048-355-07-0000	\$1,708.48
1048-355-08-0000	\$1,329.94
1048-355-09-0000	\$1,781.48
1048-355-10-0000	\$2,087.32
1048-355-11-0000	\$961.02
1048-355-13-0000	\$912.28
1048-355-15-0000	\$4,170.16
1048-356-01-0000	\$3,689.28
1048-356-02-0000	\$3,254.16
1048-356-03-0000	\$1,190.84
1048-356-04-0000	\$1,264.76
1048-356-05-0000	\$2,824.72
1048-356-06-0000	\$700.68
1048-356-07-0000	\$420.36
1048-356-08-0000	\$731.60
1048-356-09-0000	\$1,162.00
1048-356-10-0000	\$447.12
1048-356-11-0000	\$917.94
1048-356-12-0000	\$2,657.52
1048-356-13-0000	\$3,595.44
1048-361-01-0000	\$3,315.24
1048-361-02-0000	\$748.86
1048-361-03-0000	\$715.80
1048-361-04-0000	\$1,897.12
1048-361-05-0000	\$1,101.60
1048-361-06-0000	\$849.12
1048-361-07-0000	\$2,048.48
1048-361-08-0000	\$2,559.84
1048-361-09-0000	\$2,638.02
1048-361-10-0000	\$1,682.80
1048-361-11-0000	\$840.72
1048-361-12-0000	\$843.30
1048-362-02-0000	\$764.52
1048-362-03-0000	\$4,140.72
1048-362-04-0000	\$1,330.24

1048-362-05-0000	\$1,646.16
1048-362-06-0000	\$1,122.80
1048-362-07-0000	\$2,621.12
1048-362-08-0000	\$3,036.44
1048-362-09-0000	\$5,189.80
1048-362-10-0000	\$2,264.10
1048-363-01-0000	\$1,284.16
1048-363-02-0000	\$4,751.16
1048-363-03-0000	\$2,034.72
1048-363-04-0000	\$3,514.80
1048-363-05-0000	\$8,589.74
1048-551-10-0000	\$5,376.12
1048-551-11-0000	\$3,887.16
1048-551-12-0000	\$2,996.40
1048-551-13-0000	\$1,621.80
1048-552-13-0000	\$5,350.74
1048-552-14-0000	\$1,727.76
1048-552-15-0000	\$206.34
1048-552-16-0000	\$3,147.60
1048-552-17-0000	\$3,055.58
1048-552-18-0000	\$131.34
1048-552-19-0000	\$2,785.94
1048-553-01-0000	\$1,556.04
1048-553-02-0000	\$1,509.76
1048-553-03-0000	\$797.76
1048-553-04-0000	\$1,859.76
1048-553-05-0000	\$585.60
1048-553-06-0000	\$1,170.60
1048-553-07-0000	\$449.46
1048-553-08-0000	\$721.86
1048-553-09-0000	\$381.36
1048-553-10-0000	\$1,027.20
1048-553-11-0000	\$420.36
1048-553-12-0000	\$420.36
1048-553-13-0000	\$2,440.72
1048-553-14-0000	\$448.08
1048-553-15-0000	\$1,037.44
1048-553-16-0000	\$1,237.24
1048-553-17-0000	\$3,665.40
1048-561-07-0000	\$2,406.48
1048-561-08-0000	\$2,221.34
1048-561-09-0000	\$1,023.96
1048-561-10-0000	\$797.76
1048-561-11-0000	\$1,432.40
1048-561-12-0000	\$1,182.24
1048-561-13-0000	\$24,568.08
1048-562-01-0000	\$8,404.20
1048-562-02-0000	\$2,528.24
1048-562-03-0000	\$7,451.34
1048-562-06-0000	\$806.28
1048-562-07-0000	\$2,623.68
1048-563-01-0000	\$1,606.80
1048-563-02-0000	\$797.76
1048-563-03-0000	\$2,678.24

DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT – ASSESSMENT ENGINEER’S REPORT

1048-563-04-0000	\$1,344.00
1048-563-05-0000	\$3,956.40
1048-563-06-0000	\$1,917.90
1048-563-07-0000	\$1,564.80
1048-563-08-0000	\$4,266.24
1048-563-09-0000	\$785.76
1048-563-10-0000	\$1,859.76
1048-563-11-0000	\$552.40
1048-564-01-0000	\$2,618.88
1048-564-02-0000	\$3,473.60
1048-564-03-0000	\$4,209.20
1048-564-04-0000	\$1,402.50
1048-564-05-0000	\$887.64
1048-564-06-0000	\$834.72
1048-564-07-0000	\$2,866.20
1048-564-08-0000	\$791.62
1048-564-09-0000	\$1,319.52
1048-564-10-0000	\$2,089.40
1048-564-11-0000	\$1,383.72
1048-564-12-0000	\$3,203.32
1048-564-13-0000	\$725.94
1048-564-14-0000	\$1,140.72
1048-565-01-0000	\$3,149.28
1048-565-02-0000	\$642.00
1048-565-03-0000	\$7,429.56
1048-565-04-0000	\$620.16
1048-565-05-0000	\$2,487.36
1048-565-06-0000	\$2,090.64
1048-565-07-0000	\$1,019.28
1048-565-08-0000	\$969.60
1048-565-09-0000	\$1,315.60
1048-565-10-0000	\$2,866.80
1048-565-11-0000	\$7,021.20
1048-565-12-0000	\$1,436.96
1048-565-13-0000	\$950.16
1048-565-14-0000	\$506.88
1048-566-01-0000	\$1,176.00
1048-566-02-0000	\$1,775.52
1048-566-03-0000	\$797.76
1048-566-04-0000	\$3,759.04
1048-566-05-0000	\$7,535.56
1048-566-06-0000	\$1,633.12
1048-566-07-0000	\$3,937.56
1048-566-08-0000	\$144.00
1048-566-09-0000	\$1,479.72
1048-566-10-0000	\$1,859.76
1048-566-11-0000	\$1,037.04
1049-055-01-0000	\$3,146.08
1049-055-02-0000	\$1,074.36

1049-055-03-0000	\$1,259.42
1049-055-04-0000	\$1,202.26
1049-055-05-0000	\$1,238.32
1049-055-06-0000	\$1,080.06
1049-055-07-0000	\$532.98
1049-055-08-0000	\$546.06
1049-055-09-0000	\$4,231.76
1049-056-01-0000	\$2,437.50
1049-056-02-0000	\$580.32
1049-056-03-0000	\$580.32
1049-056-04-0000	\$1,220.40
1049-056-05-0000	\$4,813.50
1049-056-06-0000	\$2,413.50
1049-057-01-0000	\$3,937.92
1049-057-02-0000	\$1,310.16
1049-057-03-0000	\$2,098.72
1049-057-04-0000	\$1,466.00
1049-057-05-0000	\$4,314.00
1049-057-06-0000	\$1,272.00
1049-057-07-0000	\$523.38
1049-058-01-0000	\$3,224.00
1049-058-02-0000	\$712.62
1049-058-03-0000	\$5,096.76
1049-058-04-0000	\$2,471.68
1049-058-05-0000	\$2,651.96
1049-059-07-0000	\$680.16
1049-059-08-0000	\$1,398.00
1049-059-09-0000	\$824.40
1049-059-14-0000	\$4,794.18
1049-059-21-0000	\$7,062.30
1049-061-01-0000	\$13,042.62
1049-061-02-0000	\$3,773.76
1049-061-03-0000	\$557.28
1049-062-01-0000	\$6,815.22
1049-062-02-0000	\$4,804.80
1049-063-01-0000	\$2,567.02
1049-063-02-0000	\$3,218.88
1049-063-03-0000	\$358.64
1049-063-04-0000	\$699.28
1049-063-05-0000	\$1,380.96
1049-063-06-0000	\$1,664.16
1049-063-07-0000	\$819.04
1049-063-08-0000	\$1,117.26
1049-063-09-0000	\$1,131.54
1049-063-10-0000	\$1,195.54
1049-064-12-0000	\$483.84
1049-064-13-0000	\$2,588.08
1049-064-14-0000	\$7,611.64
TOTAL	\$461,405.14

APPENDIX 2

DOCBD BOUNDARY MAP

Ontario District



RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, TO ESTABLISH THE DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE ESTABLISHMENT OF PROPERTY BUSINESS IMPROVEMENT DISTRICTS – SECTION 36600 OF THE CALIFORNIA STREETS AND HIGHWAY CODE.

WHEREAS, The Property Business Improvement District Ordinance of 1994, (the “Law”) authorizes cities to establish, in perpetuity, Property Business Improvement Districts (“PBID”) to promote the economic revitalization and physical maintenance of mixed use and business districts; and

WHEREAS, The Law authorizes cities to levy and collect assessments on real property within such districts for the purpose of providing improvements and promoting activities that specially benefit real property within such districts; and

WHEREAS, No real properties deriving special benefit within the proposed Downtown Ontario Community Benefit District (“District” or “CBD”) will be exempted from payment into the CBD; and

WHEREAS, Articles XIIC and XIID of the California Constitution and Section 53753 of the California Government Code impose certain procedural and substantive requirements relating to the levy of new or increased assessments; and

WHEREAS, Petitions were signed by property owners in the proposed CBD who will pay more than fifty percent (50%) of the assessments proposed to be levied; and

WHEREAS, On July 2, 2019 the City Council adopted a Resolution of Intention (2019-088) to form the CBD, levy assessments on CBD property owners and direct the City Clerk to mail ballots to all affected property owners within the proposed CBD boundaries, which Resolution was entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ONTARIO, CALIFORNIA, STATING ITS INTENTION TO ESTABLISH THE DOWNTOWN ONTARIO COMMUNITY BENEFIT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE ESTABLISHMENT OF PROPERTY BUSINESS IMPROVEMENT DISTRICTS – SECTION 36600 OF THE CALIFORNIA STREETS AND HIGHWAY CODE - AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO.

WHEREAS, A Management District Plan entitled the “Downtown Ontario CBD Management District Plan” (the “Management District Plan”) has been approved and submitted to the City Clerk, containing all of the information required by Section 36622 of

the California Streets and Highway Code, Section 36600, and the local Law, including a description of the boundaries of the CBD, the improvements and activities proposed for the CBD, and the cost of such improvements and activities; and

WHEREAS, A detailed Assessment Engineer's Report, dated April 2019 has been approved and submitted to the City Clerk, as prepared by Edward V. Henning, California Registered Professional Engineer No. 26549, entitled "Downtown Ontario Community Benefit District Establishment Assessment Engineer's Report", supporting the assessments within the proposed CBD; and

WHEREAS, Ballots have been mailed and submitted by CBD property owners requesting the City Council to initiate proceedings pursuant to the Law to establish the District for a five year term; and

WHEREAS, A public hearing concerning the formation of the proposed Downtown Ontario Community Benefit District and the proposed levy of assessments within such District was held on August 20, 2019 at 5:00 PM at the Ontario City Hall Council Chambers located at 303 East B Street, Ontario, CA 91764; and

WHEREAS, At the public hearing, the testimony of all interested persons for or against the proposed formation of the CBD and the levy of assessments on property within the CBD, was heard and considered; and

WHEREAS, The City Council heard and considered all objections or protests to the proposed assessments and the City Clerk tabulated the assessment ballots submitted and not withdrawn, in support of or in opposition to the proposed assessments, and the City Clerk determined that a majority of the ballots cast (weighted according to the proportional financial obligations of the property) by the owners of record of the property located within the proposed District did not oppose establishing the proposed District; and

NOW THEREFORE, the City of Ontario City Council hereby resolves the following:

SECTION 1. MANAGEMENT DISTRICT PLAN, DISTRICT ASSESSMENT ENGINEER'S REPORT, AND BOUNDARIES MAP.

The City Council hereby approves the Management District Plan and District Assessment Engineer's Report, including the estimate of the costs of the property-related services, activities and improvements set forth in the plan, and the assessment of said costs on the properties that will specially benefit from such services, activities and improvements. The Council also hereby approves the Boundaries, showing the exterior boundaries of the District. A copy of the Management District Plan, the District Assessment Engineer's Report, and the Boundaries Map are on file with the City Clerk, which is hereby declared to be a part of this Resolution as if set forth fully herein.

SECTION 2. FINDING OF NO MAJORITY PROTEST.

The City Council hereby finds that ___% of the ballots submitted, representing \$_____ of the total assessment of \$_____, were submitted in favor of the proposed assessment and formation of the CBD. The City Council further finds that ___% of the ballots submitted, representing \$_____ of the total assessment of \$_____.

were submitted in opposition to the proposed assessment and formation of the CBD. Therefore, the City Council hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIII D of the California Constitution and Section 53753 of the California Government Code with respect to the formation of the Downtown Ontario Community Benefit District. All objections or protests both written and oral, are hereby duly overruled.

SECTION 3. ESTABLISHMENT OF DISTRICT.

Pursuant to the local Law and Section 36621(a) of the California Streets and Highway Code declares the establishment of the Downtown Ontario Community Benefit District and to levy and collect assessments against lots and parcels of real property within the District commencing with Fiscal Year 2019-20.

SECTION 4. DESCRIPTION OF DISTRICT.

The boundaries of the proposed District generally include all properties listed within the boundaries of the map on file in the Management District Plan filed in the Clerk's office.

SECTION 5. FINDING OF BENEFIT.

The City Council hereby finds that the properties within the District will be specially benefited by the improvements and activities funded by the assessments proposed to be levied.

SECTION 6. SYSTEM OF ASSESSMENTS.

(a) Annual assessments will be levied to pay for the services and activities to be provided within the District, commencing with FY 2019-2020, and continuing for five years, ending with FY 2023-2024. For purposes of levying and collecting assessments within the District, a fiscal year shall commence on each July 1st and end on the following June 30th.

(b) The amount of the proposed assessments to be levied and collected for FY 2019-2020 shall be \$459,013.94 (as shown in the Management District Plan and Engineer's Report dated April 2019). The amount of assessments to be levied and collected in fiscal years two through five may be increased annually by the Downtown Ontario Community Benefit District Corporation Board of Directors by an amount not to exceed five (5) percent per year. The amount levied in any year shall be equal to the total amount of special benefit conferred on property within the CBD

(c) The method and basis of levying and collecting the assessment shall be as set forth in the Management District Plan.

SECTION 7. USE OF REVENUES.

The improvements, services, and activities to be conferred on properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within the district shall not be used to issue bonds or provide improvements, services, or activities outside the district or for any purpose other than the purposes specified in the Resolution of Intention. Bonds will not be issued.

The proposed activities for the District may include sidewalk cleaning, private security, beautification, marketing and promotional activities, administration of the services, public space development and enhancement for residential property owners in the CBD and contingency/reserves. All proposed services and improvements benefit real property owners located in the District.

SECTION 8. AUTHORITY TO CONTRACT.

The City Council may contract with a separate private entity to administer the improvements, services and activities set forth in Section 7, as provided in California Streets and Highways Code, Sections 36612 and 36650.

SECTION 9. AMENDMENTS

The properties in the CBD established by this Resolution shall be subject to any amendments to the Property Business Improvement District Ordinance of 1994.

SECTION 10. RECORDATION OF NOTICE AND DIAGRAM.

The City Clerk is hereby authorized and directed to record a notice and an assessment diagram pursuant to Section 36627 of the California Streets and Highways Code, following adoption of this Resolution.

SECTION 11. LEVY OF ASSESSMENT.

The adoption of this Resolution and recordation of the notice and assessment diagram pursuant to Section 36627 of the California Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years referred to in the District Management Plan. Each year, the Assessor shall enter on the County Assessment Roll opposite each lot or parcel of land the amount of the assessment and such assessment shall be collected in the same manner as the County property taxes are collected.

The City Clerk of the City of Ontario shall certify as to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED at a special meeting this 20th day of August 2019.

PAUL S. LEON, MAYOR

ATTEST:

SHEILA MAUTZ, CITY CLERK

APPROVED AS TO FORM:

COLE HUBER LLP
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF ONTARIO)

I, SHEILA MAUTZ, City Clerk of the City of Ontario, DO HEREBY CERTIFY that foregoing Resolution No. 2019- was duly passed and adopted by the City Council of the City of Ontario at a special meeting held August 20, 2019 by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

SHEILA MAUTZ, CITY CLERK

(SEAL)

The foregoing is the original of Resolution No. 2019- duly passed and adopted by the Ontario City Council at a special meeting held August 20, 2019.

SHEILA MAUTZ, CITY CLERK

(SEAL)