



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** June 12, 2012
From: Orlando Acevedo, Economic Development Mgr. **Item No:** 9
Economic Development
Subject: RENEWAL AND BOUNDARY MODIFICATION OF THE APPLE VALLEY
VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT
(PBID)

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council adopt a Resolution of Intention to renew and modify the boundaries of the Apple Valley Village Property and Business Improvement District (Village PBID) and to levy and collect assessments therein and to hold a public hearing thereon on August 14, 2012.

SUMMARY:

The Village PBID was approved for a five-year period by the Town Council in 2007 in an effort to revitalize the Village Business District. During that period, the Village PBID has funded or assisted in the funding of several notable projects, including; the Highway 18 median landscape project (completion east to Central expected later this year), enhanced public safety services, installation of streetlamp banners, kiosk business directory signs (currently ready for installation), a storefront and property rehabilitation rebate program, a periodic newsletter, a direct mail ad campaign, and additional marketing and advertising activities.

Unless the Village PBID is renewed, however, FY2011-12 is the final year of property assessments. Accordingly, the Village PBID Association (Association), comprised of Village property owners, has expressed its desire to renew the Village PBID for another five-year period. As a result, a PBID Renewal Committee of Village property and business owners has been meeting since 2011 to formulate the details of the PBID renewal. The Committee has determined that the Village PBID renewal will be for a five-year period (10 years maximum is permitted by State Law for renewals), that the boundaries will be reduced slightly on the west side of Central Road and expanded along both sides of Navajo Road north and south of Highway 18 and that a FY2012-13 budget revenue projection of \$200,000 be set to continue to provide and manage supplemental services and improvements for this important business district.

PBID Renewal Process California State Law Section 36600 et seq Streets and Highways Code allows for the formation and renewal of PBIDs. The steps to renew a PBID are identical to its initial establishment:

1. Gather support petitions signed by property owners who represent more than 50-percent of the proposed total assessment to be levied. *This has been accomplished in the Village PBID renewal effort.*
2. Council adopts a Resolution of Intention to renew the PBID, authorizing the Town Clerk to:
3. Conduct a Proposition 218 ballot procedure by mailing a ballot to all property owners within the proposed renewed district.
4. Conduct a public hearing. *Scheduled for the August 14, 2012 Town Council meeting.*
5. In order for the PBID to be renewed, a weighted majority of the ballots returned (as determined by assessment dollars to be paid into the PBID) must be in favor of the renewal. *The Town Council may then renew the Village PBID by adopting a Resolution of Renewal.*

Accordingly, staff recommends adoption of the form motion.

BACKGROUND:

PBIDs have been used successfully in over 200 commercial districts throughout the State to increase sales, attract new tenants, increase occupancies, and stabilize property values. Since 2007, the Apple Valley Village has experienced similar positive results.

The Village PBID assessments are collected by the County with the annual property tax billing. The County returns the PBID assessment funds to the Town, who then either spends them directly for specified PBID programs (i.e. Highway 18 Median Landscape Project; supplemental County Sheriff services) or remits them, as applicable, to the Village PBID Association to pay for and manage other PBID related programs and improvements (i.e. marketing/promotions, administration). An annual budget report and financial review are required of the Association.

Proposed Management District Plan (Plan) and Budget The proposed PBID property assessments will be reduced approximately 40-percent from the previous annual assessment rates. The PBID boundaries include parcels along both sides of Highway 18 between just west of Navajo to just east of Central and surrounding commercial properties extending in part to Esaws on the north and Ottawa on the south. *Please see the map included at the end of the attached Plan.*

The proposed five-year Plan and Budget include the following activities and improvements:

- **Supplemental Public Security:** May include additional sheriff patrolling and security seminars for property/business owners. Annual budget: \$30,000
- **Marketing and Promotions:** May include print, TV, radio, mail advertising, website design and maintenance. \$50,000
- **Streetscape Beautification/Image Enhancement:** May include decorative streetlamps, Highway 18 drainage and parking improvements, themed and holiday banners. \$75,000
- **Special Projects/Programs:** May include continuation of the property rehabilitation rebate program, ARGP, etc., as warranted and appropriate. \$25,000
- **Management/Operations:** May include professional services (i.e. legal, marketing, accounting), insurance, postage, phone, etc., reserves for unforeseen expenses. \$20,000

FISCAL IMPACT:

Although there is no direct financial impact associated with the recommended action, there will be a financial impact in the form of assessments levied on fifteen (15) Town-owned properties within the Village PBID, totaling \$7,643.17 for FY2012-13; this represents 3.82% of the total Village PBID assessment to be levied.

Attachment 1

Resolution No. 2012-27

RESOLUTION NO. 2012-27

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY STATING ITS INTENTION TO RENEW AND MODIFY THE BOUNDARIES OF THE APPLE VALLEY VILLAGE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994, PART 7 OF DIVISION 18 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

WHEREAS, the Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code, commencing with Section 36600, (the "Law") authorizes cities and counties to establish property and business improvement districts to promote the economic revitalization and physical maintenance of business districts; and

WHEREAS, the Law authorizes cities and counties 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, on July 10, 2007, the Town Council of the Town of Apple Valley established a property and business improvement district in the Apple Valley Village for a five year period known as the Apple Valley Village Property and Business Improvement District ("Village PBID"); and

WHEREAS, unless renewed again by the Town Council, the Village PBID's authority to levy assessments will have ended with FY2011-2012; and

WHEREAS, written petitions have been submitted by property owners within the Apple Valley Village requesting the Town Council to initiate proceedings pursuant to the Law to renew the Village PBID; and

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

WHEREAS, a Management District Plan entitled the "Apple Valley Village PBID Management District Plan" (the "Management Plan") has been prepared and submitted to the Town Clerk, containing all of the information to renew the District required by Section 36622 of the Law, including a description of the modified boundaries of the district, the term of the renewed Village PBID (five years), the improvements and activities proposed for the district, and the cost of such improvements and activities; 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, including mailing of a notice to each affected property owner regarding the proposed assessment, conducting a ballot procedure; and holding a public hearing; now therefore be it

RESOLVED, that the Town of Apple Valley Town Council declares as follows:

Section 1. Pursuant to Section 36621(a) of the Law, the Town Council declares its intention to renew and modify the boundaries of the "Apple Valley Village Property and Business Improvement District" (the "Village PBID") for five (5) years, and to levy and collect assessments against lots and parcels of real property within the Village PBID, commencing with FY2012-13

Section 2. The Town Council hereby approves the Management Plan, on file in the office of the Town Clerk.

Section 3. The Town Clerk shall make the Management Plan and other documents related to the Village PBID available to the public for review during normal business hours.

Section 4. NOTICE IS HEREBY GIVEN that the Town Council shall conduct a public hearing on the renewal and boundary modification of the Village PBID and the levy and collection of assessments for FY2012-13 on August 14, 2012 at 6:30 p.m. or as soon thereafter as the matter may be heard, in the Town Council Chambers located at 14955 Dale Evans Parkway, Apple Valley, California 92307. At the public hearing, the Town Council will consider all objections or protests, if any, to the proposed renewal and boundary modification of the Village PBID and the proposed assessment. Any interested person may present written or oral testimony at the public hearing.

Section 5. The boundaries of the proposed renewed and modified Village PBID generally includes all parcels fronting along Highway 18 between just west of Navajo to just east of Central and surrounding commercial properties generally between Esaws on the north and Ottawa on the south.

Section 6. The proposed activities for the Village PBID include supplemental public security, marketing and promotions, streetscape beautification improvements/image enhancements, other special projects/programs and management/operations which benefit businesses and real property located therein.

Section 7. The assessment proposed to be levied and collected for FY2012-13 is approximately \$200,000. A maximum increase of 5% per annum upon approval of the Village PBID's Association Board may be imposed for each of the four remaining fiscal years. Assessments may also be increased where new building construction occurs on parcels within the Village PBID which exceeds the current building area.

Section 8. No bonds shall be issued in conjunction with the renewal of the Village PBID.

Section 9. The Town Clerk is hereby authorized and directed to give notice of the public hearing as provided in Section 53753 of the Government Code and Article XIID, Section 4 of the California Constitution.

APPROVED and **ADOPTED** this 12th day of June, 2012 by the Town Council of the Town of Apple Valley.

Barb Stanton, Mayor

ATTEST:

La Vonda M. Pearson, Town Clerk

Attachment 2

Management District Plan
of the
Apple Valley Village Business and Property Improvement District

APPLE VALLEY VILLAGE

PROPERTY & BUSINESS IMPROVEMENT DISTRICT

MANAGEMENT DISTRICT PLAN

Prepared pursuant to the State of California
Property and Business Improvement District Law of 1994
To Renew a Property and Business Improvement District in Apple Valley Village

By

Apple Valley Village Property & Business Owners

JANUARY 2012

V1.2

TABLE OF CONTENTS

- 1.0 DISTRICT SUMMARY page 2
- FAQ (FREQUENTLY ASKED QUESTIONS) page 4
- 2.0 INTRODUCTION page 5
- 2.1 PBID ELIGIBLE USE OF FUNDS page 5
- 3.0 PBID DETAILS page 6
- 3.1 PBID BOUNDARY page 6
- 3.2 PBID ACTIVITIES/PROGRAMS/COSTS/BUDGET page 7
- 3.3 PBID ASSESSMENTS page 10
- 3.4 SPECIFIC ANNUAL ADJUSTMENTS page 12
- 3.5 PBID GOVERNANCE page 12
- 3.6 SPECIAL PBID RULES AND REGULATIONS page 13
- 4.0 TIME AND MANNER FOR COLLECTING ASSESSMENTS page 13
- 5.0 PBID DURATION page 13
- 6.0 BONDS page 13
- 7.0 PBID IMPLEMENTATION TIMELINE page 14
- APPENDIX A - BOUNDARY MAP
- APPENDIX B - ASSESSMENT ROLL

1.0 DISTRICT SUMMARY

The Apple Valley Village PBID is a property-based Business Improvement District that was established for a five year term in 2007 by a consortium of business and property owners within the Apple Valley Village business area and is now being renewed for a five year period. The purpose of this district is to continue to provide and manage supplemental services and improvements for this important business center, including supplemental public safety services, marketing and promotions, additional streetscape beautification/image enhancements, other business related special projects/ programs and District management/operations.

The renewed District annual budget is being reduced 41% from the current level of \$337,000 per year to \$200,000. In turn, individual property assessments will generally be reduced by 40-60% of current assessment rates. There are some minor assessment formula and boundary changes being made in the renewed District.

The renewed PBID will enable the District property owners, working as a unit, to continue to fund needed property and business related improvement programs and projects above what can be provided by the Town of Apple Valley on a regular basis. PBIDs such as the one being renewed have been successfully set up and renewed in over 200 business districts throughout California.

Location: Primarily along Highway 18 between just west of Navajo to just east of Central and surrounding certain commercial properties generally between Esaws on the north and Ottawa on the south (*map forthcoming*).

Services: Supplemental public security, marketing and promotions, streetscape beautification improvements/image enhancements, other special projects/programs and District management/operations.

Finance: Benefit assessment of real property (294 identified parcels)

Budget: Total district budget for renewed Year 1 is \$200,000. The budget allocations may be adjusted to reflect changing costs and priorities. The proposed general budget categories and allocations are as follows:

1. Security - \$30,000
2. Marketing - \$50,000
3. Streetscape beautification - \$75,000
4. Special Projects - \$25,000
5. Management/Operations/Contingency - \$20,000

Cost: There are two benefit zones; Zone A and Zone B. Assessment rates will have a 5% maximum annual increase cap. Year 1 property assessment rates per parcel in each zone are:

APPLE VALLEY VILLAGE PBID

ZONE A (Parcels with Hwy 18, Yucca Loma, Navajo and Central n/o Hwy 18 frontages)

- A. \$0.00325 per square foot of land, plus
- B. \$0.12 per square foot of building, plus
- C. \$1.50 per linear foot of Hwy 18, Yucca Loma, Navajo, and/or Central street frontage.
- D. \$0.66 per linear foot of all other street frontages

ZONE B (All other parcels in District)

- A. \$0.0013 per square foot of land, plus
- B. \$0.048 per square foot of building, plus
- C. \$0.66 per linear foot of street frontage.

Formation: District formation requires submission of petitions from property owners representing at least 50% of the total assessment to be levied. In addition, a balloting of property owners who will be assessed is required whereby, returned ballots in support of the PBID must not be “outweighed” by those returned in opposition to the PBID based on the amount of assessment to be levied.

Duration: The renewed district will have a term of five (5) years. After five years, the petition and balloting process must be repeated in order to renew the district again and continue to levy assessments.

PBID Q & A

1. *What is a PBID?*
A PBID is a unique funding tool which allows business district property owners to pool their financial resources by assessing themselves to pay for certain districtwide activities and improvements. PBID's have existed in California since 1995 and around the country for three decades and are the most effective and fair method to fund business district programs.
2. *What is the primary benefit of a PBID?*
Competition for trade dollars is increasing and improving all the time. Much more can be accomplished by working together as an organized unit than by working alone. There is the advantage of group purchasing power for funding areawide improvements and programs .
3. *Is a PBID just another government program?*
No. The local government agency's role is to approve the renewal of the PBID and to annually re-approve the PBID budget and facilitate fund collection from the County Tax Collector. The funds may only be used to pay for the programs and activities stipulated in the approved PBID Management Plan.
4. *Is a PBID assessment a new tax?*
No. Taxes go into government agency general funds to be used throughout their jurisdictions as needed. PBID assessments, however, can only be levied and used within the PBID boundaries to fund programs and activities authorized by the approved Management Plan. The PBID must be re-approved after the end of each renewal period (10 years max). The Town Council will contract with the Apple Valley Village Property Owner's Association to continue to manage PBID matters and make annual specific budget and work plan recommendations.
5. *Which properties are assessed?*
All properties within the boundaries of the renewed PBID will be assessed including government owned properties and facilities. Assessments will vary based on the projected proportionate special benefit to be conferred on each property.
6. *How much is each property charged?*
An equitable formula has been developed whereby assessments are computed based on various property related factors in proportion to the expected level of benefit to be derived from the programs, improvements and activities being funded.
7. *Can the assessment formula or programs be changed in the future?*
Other than as stipulated in the Management District Plan, the assessment formula and broad programs can only be changed by a process similar to the PBID initial formation involving support petitions, a ballot procedure, notices and a public hearing.

2.0 INTRODUCTION

There is an ever increasing awareness of social issues in business districts such as crime and environmental concerns (littering, natural resource depletion, graffiti), as well as a greater perceived need by the public for supplemental security and maintenance services.

Coupled with this, there is an ever-increasing amount of competition for business districts from malls, off-price centers, big box warehouse retailers and factory outlets as well as a myriad of internet and home shopping networks. There is a much greater need to aggressively market goods and services and create physical environments and services comparable to the competition. Business districts everywhere must work harder and smarter just to capture a portion of their proportionate marketplace share.

In order to survive and coexist in the myriad of competition, business districts cannot rely solely on discretionary government funding or normal tax supported programs and services. There is a need to pool private resources to independently fund, at least in part, vital activities, services and improvements. Business districts throughout California, from Eureka to San Diego, are finding that one of the most viable methods today to accomplish this is through a property and business improvement district (PBID).

This unique assessment mechanism can fund an exciting array of activities ranging from farmer's markets, art festivals and street fairs to beautification projects such as banners, holiday decorations and landscape planters, to more urgently needed services such as supplemental security and maintenance. By pooling property owner dollars, PBIDs are able to collectively pay for activities, programs and improvements which would not be possible on an individual owner basis. In a time of stretched public resources, PBIDs are one of the most valuable and effective business district finance tools available.

2.1 PBID ELIGIBLE USE OF FUNDS (Generic)

PBID assessments are levied directly on properties within a prescribed area on the basis of relative special benefit from the improvements and activities to be funded and defined in the State law as follows:

- **“Improvement”** means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

APPLE VALLEY VILLAGE PBID

- (a) Parking facilities
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs
- (c) Trash receptacles and public restrooms
- (d) Lighting and heating facilities
- (e) Decorations
- (f) Parks
- (g) Fountains
- (h) Planting areas
- (i) Closing, opening, widening, or narrowing of existing streets
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures

• **“Activities”** means, but is not limited to, all of the following:

- (a) Promotion of public events which benefit businesses or real property in the district.
- (b) Furnishing of music in any public place in the area.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Activities which benefit businesses and real property located in the district.

3.0 PBID DETAILS

3.1 PBID BOUNDARY

The Apple Valley Village PBID encompasses all properties along the Highway 18 corridor roughly bounded by just west of Navajo Rd. on the west, just east of Central Rd. on the east, Esaws Rd. on the north and Ottawa Rd. on the south. Based on information provided by the San Bernardino County Assessor’s Office and field reviews, there are 294 parcels within the proposed renewed PBID. All properties within this PBID will receive varying degrees of primary direct benefit from district programs and improvements within a two benefit zones: Zone A includes all properties fronting on Highway 18, Navajo Road and Central Road (north of Hwy 18) and Zone B includes all other properties within the District. A map showing the PBID boundaries is shown on Appendix A attached hereto.

3.2 PBID ACTIVITIES/PROGRAMS/COSTS/BUDGET

Supplemental Public Security services may include:

- additional sheriff patrolling
- security seminars for property/business owners

Marketing and Promotions may include:

- print, TV, radio, mail advertising
- website design and maintenance

Streetscape Beautification/Image Enhancement may include:

- decorative streetlight design/installation
- Hwy 18 drainage/parking improvement design/construction
- miscellaneous street paving
- theme/holiday banner design/purchase/installation/maintenance
- holiday decoration purchase/installation/maintenance

Special Projects/Programs may include:

- continuation of the property rehabilitation rebate program
- other special projects as warranted and appropriate

Management/Operations may include:

- professional services (i.e. coordinator, legal, marketing, accounting)
- insurance, postage, phone, internet and other related operation expenses and costs
- contingency/reserve for unforeseen expenses

APPLE VALLEY VILLAGE PBID

PROPOSED PBID BUDGET SUMMARY

PBID Program Costs and Budget

In order to carry out the renewed PBID programs outlined in the previous section, a first year budget of \$200,000 is estimated. Since the PBID is planned for a five year term, tentative projected program costs for future years (Years 2-5) are set at the inception of the PBID. These figures are shown in the table below. Carryovers, if any, could be reapportioned the following year for related programs, services and improvements. Budget allocations may be shifted by the Board from one year to the next between major work plan categories based on actual program costs, priorities, public input, design costs, contract prices, availability of matching funds and implementation schedules. Detailed annual budgets will be prepared by the Property Owner's Association Board for the Town's review and approval.

Projected Five Year Program Costs
(Based on 5% max annual assessment rate increase)

DESCRIPTION	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1. Security	\$30,000	\$31,500	\$33,075	\$34,729	\$36,465	\$165,769
2. Marketing	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775	\$276,282
3. Streetscape Beautification	\$75,000	\$78,750	\$82,688	\$86,822	\$91,163	\$414,422
4. Special Projects	\$25,000	\$26,250	\$27,563	\$28,941	\$30,388	\$138,141
5. Management/Operations/Contingency	\$20,000	\$21,000	\$22,050	\$23,153	\$24,310	\$110,513
Total	\$200,000	\$210,000	\$220,500	\$231,525	\$243,101	\$1,105,126

HOW VILLAGE STAKEHOLDERS BENEFIT

All property owners:

- Real and perceived public safety services
- Enhanced rental incomes from vacant and underutilized space
- Greater pedestrian activity
- Improved business climate and mix of desired and needed uses
- New businesses and investors
- Stronger and united voice in Village business district matters

Retail, restaurant, entertainment, and service businesses:

- Improved image to attract and keep customers

Professional, medical and financial businesses:

- Enhanced image & public safety programs for welfare of customers and employees

General office uses:

- Enhanced climate and opportunities for entertaining clients and guests

Churches, fraternal groups, government facilities and non-profits:

- Enhanced overall environment for members, visitors and contributors

Residents

- Enhanced image and safe living

APPLE VALLEY VILLAGE PBID

3.3 PBID ASSESSMENTS

Analysis of Basis and Method of Levying Assessments

The Apple Valley Village PBID is a benefit assessment type district whereby district program costs are to be apportioned amongst benefiting properties based on the special benefit each property is expected to derive from the PBID programs. The method and basis of spreading program costs varies from one PBID to another based on local geographic conditions, types of programs and activities proposed, and size and development complexity of the PBID. Some large PBIDs require secondary benefit zones to be identified to allow for a tiered assessment formula for variable benefits derived. Also, as required by Proposition 218, general benefits may not be incorporated into the assessment formula and levied on the PBID properties; only special benefits and costs may be considered. Furthermore, Proposition 218 no longer automatically exempts government owned property from paying benefit assessments unless it is demonstrated by clear and convincing evidence that the property in fact receives no special benefit. Thus, properties owned by the Town of Apple Valley, the Fire District, the Mojave Water Agency, the County School Board etc. will be assessed along with all of the privately owned parcels within the PBID.

Based on the linear/cross shape of the proposed renewed PBID, as well as the nature of the proposed PBID program elements, it is determined that two benefit zones exists in which all properties will gain special, albeit, proportional degrees of benefit. Zone A includes all properties fronting on Highway 18, Navajo Road and Central Road n/o Hwy 18 and Zone B includes all other properties within the District.

PBID assessment formulas typically relate to either property street frontage or parcel and building size and location which affect the amount of assessment to be paid. The formula may base assessments on a single factor or a combination of factors. Based on the program activities to be funded, which relate directly to the amount of street frontage, parcel size and current building improvements, it is determined that the assessments be based in part on three property related elements - the amount of adjacent street/sidewalk frontage, the parcel size and the building area. Within the PBID there are 294 parcels, 16,772 linear feet of "A" street frontage, 50,119 linear feet of "B" street frontage, 16,713,163 square feet of land and 1,388,494 square feet of building area. A list of all parcels in the PBID is shown on Appendix B attached hereto. Using the cumulative property related data totals from above, the base Year 1-5 assessment rates for Zone A and Zone B are shown on the charts on the next page.

Due to recognized diminished benefits, residential uses shall be exempt from the building area portion of the assessment fee.

APPLE VALLEY VILLAGE PBID

It is noted that properties zoned solely for residential use, by State law, may not be assessed; however, residential uses on non-residential zones may be assessed. No parcels within the PBID are zoned solely for residential use.

PBID ASSESSMENT FORMULA

Total Assessment = Street Frontage Assm't + Land Area Assm't + Building Area Assm't

- Street Frontage Assm't = parcel street frontage x street frontage rate (from chart below)
- Land Area Assm't = land area x land area rate (from chart below)
- Building Area Assm't = building area x building area rate (from chart below)

YEAR 1-5 ASSESSMENT RATES

(Based on 5% Max Annual Rate Increase)

Zone A					
"A" Street Frontage Rate (\$/LF)	\$1.50000	\$1.57500	\$1.65375	\$1.73644	\$1.82326
"B" Street Frontage Rate (\$/LF)	\$0.66000	\$0.69300	\$0.72765	\$0.76403	\$0.80223
Land Area Rate (\$/SF)	\$0.00325	\$0.00341	\$0.00358	\$0.00376	\$0.00395
Bldg Area Rate (\$/SF)	\$0.12000	\$0.12600	\$0.13230	\$0.13892	\$0.14586
Zone B					
Street Frontage Rate (\$/LF)	\$0.66000	\$0.69300	\$0.72765	\$0.76403	\$0.80223
Land Area Rate (\$/SF)	\$0.00130	\$0.00137	\$0.00143	\$0.00150	\$0.00158
Bldg Area Rate (\$/SF)	\$0.04800	\$0.05040	\$0.05292	\$0.05557	\$0.05834

SAMPLE CALCULATIONS:

Zone A - 18,000 sq ft parcel with a 10,119 sq ft building and 80 ft of Hwy 18 street frontage

$$\begin{aligned}
 &= 18,000 \text{ sq ft land} \times \$0.00325/\text{sq ft} + 10,119 \text{ sq ft bldg} \times \$0.12/\text{sq ft} + 80 \text{ LF frontage} \times \$1.50/\text{LF} \\
 &= \$58.50 + \$1,214.28 + \$120.00 = \$1,390.78 \text{ per year (old assmt = \$2,400.28 per year, a 42\% drop)} \\
 &= \$ 115.90 \text{ per month} \\
 &= \$ 3.86 \text{ per day} \\
 &= 1.1 \text{ cent per sq ft bldg per month}
 \end{aligned}$$

Same example as above but in Zone B

$$\begin{aligned}
 &= 18,000 \text{ sq ft land} \times \$0.0013/\text{sq ft} + 10,119 \text{ sq ft bldg} \times \$0.048/\text{sq ft} + 80 \text{ LF frontage} \times \$0.66/\text{LF} \\
 &= \$23.40 + \$485.71 + \$48.00 = \$557.11 \text{ per year (old assmt = \$1,093.59 per year, a 49\% drop)} \\
 &= \$ 46.42 \text{ per month} \\
 &= \$ 1.55 \text{ per day} \\
 &= \text{less than } 1/2 \text{ cent per sq ft bldg per month}
 \end{aligned}$$

3.4 SPECIFIC ANNUAL ADJUSTMENTS

During the term of the PBID, the annual budget may increase based on new developments and additional building stock added to the building inventory within the District. In addition, upon the Association Board's approval, the annual assessment rates may be increased up to 5% per year to offset program cost increases and inflation. Any annual budget surpluses will be incorporated into the subsequent year's PBID budget.

3.5 DISTRICT GOVERNANCE

The Apple Valley Village PBID Property Owners Association ("Association") will continue to be the agency responsible for the ongoing day-to-day management and administration of the Apple Valley Village PBID. The Association is a non-profit corporation formed by property owners located in the Apple Valley Village PBID. The Association may choose to contract with a third party entity such as the Town of Apple Valley and the Apple Valley Chamber of Commerce to carry out certain District improvements and services. The Association may also contract with professional service entities in conjunction with the planning and implementation of PBID programs and services as well as the next PBID renewal in five years.

The annual programs, budgets and assessments for the Apple Valley Village PBID shall be determined by the Association, which shall also serve as the PBID "property owners association" referenced in State PBID Law. This Board shall be responsible for the general oversight of the District including approval of the annual work programs and budgets, monitoring performance, and ensuring compliance with appropriate rules and regulations, including a PBID management agreement with the Town of Apple Valley. This Board shall generally meet on a monthly basis. When related to PBID matters, such meetings shall be subject to the State of California "Brown Act" open meeting requirements. Records of this Association pertaining to PBID related matters shall be available for public review as stipulated by State Law. Pursuant to State law, the Association Board shall file, for approval by the Town Council, an annual report for the upcoming year for which assessments shall be levied. Upon PBID renewal, the Town Council and the Association shall execute a contract, as applicable, for the performance and delivery of the stipulated program services over the life of the PBID.

3.6 PBID SPECIAL RULES AND REGULATIONS

The Association has developed a policy of competitive bidding for outside service and improvement contracts. The policy aims to maximize service quality, efficiency and cost effectiveness of procured products and services. Other special rules and regulations may be adopted by the Association from time to time, as deemed appropriate and necessary.

4.0 TIME AND MANNER FOR COLLECTING ASSESSMENTS

As provided by statute, the Apple Valley Village PBID assessments will be collected by the County of San Bernardino in the same manner as annual property taxes are collected and will appear as a separate line item on the property tax statement prepared by and issued by the County. It is intended that the Town of Apple Valley and the Apple Valley Village Property Owners Association will renew an agreement under which the Town will remit, where applicable, the assessment revenues to the Association for implementation of the Management Plan. Existing laws and policies addressing enforcement and/or appeal of property taxes shall also apply to PBID assessments.

5.0 PBID DURATION

Pursuant to State PBID law, the Apple Valley Village PBID will have a five year operating duration extending from January 2013 through the end of December 2017 (Property Tax Years 2012-13 through 2016-17). Any continuation of the PBID after the renewed five year period will require compliance with all regulations and statutes in place at the time relative to renewal of a property and business improvement district. At present, this would require preparation of a new management plan for up to 10 years, circulation of a new majority support petition, a Prop 218 balloting and a public hearing and noticing process.

6.0 BONDS

There will be no bonds secured by PBID revenues issued to finance any PBID improvements.

7.0 PBID IMPLEMENTATION TIMELINE

The renewed Apple Valley Village PBID is expected to be operational by January 2013. In order to meet this goal, the following procedural timeline is proposed:

<u>Date</u>	<u>Action/Task</u>
Sep '11 - Jan '12	• Develop PBID Management Plan
Sep '11 - Feb '12	• Strategize renewal support campaign/meetings etc.
Sep '11 – May '12	• Conduct PBID outreach/education campaign
January '12	• Initiate petition drive
Jan - May '12	• Collect petitions signed by property owners
May '12	• Submit majority support petitions to Town along with Management District Plan
June 12, 2012	• Town Council adopts resolution of intention to renew the PBID
By June 29, 2012	• Town sends public hearing notice and ballot to each PBID property owner
August 14, 2012	• Town conducts public hearing (ballots due by this date)
August 14, 2012	• Open and tabulate ballots, providing no majority ballot protest, Council approves resolution renewing PBID
By mid Aug '12	• Assessment roll submitted to Assessor/Record Map and Notice
Dec 10, Apr 10 (due)	• Assessments collected by County
1st Qtr '13	• Revenues remitted to Association per contract
2013-2017 (5 yrs)	• Association carries out PBID programs and services

APPENDIX B

2012-13 ASSESSMENT ROLL

APPLE VALLEY VILLAGE PBID

APN	ASSM'T
0439-022-66-0000	\$13,417.00
3087-301-41-0000	\$1,395.34
3087-301-42-0000	\$84.63
3087-301-43-0000	\$601.36
3087-301-44-0000	\$387.83
3087-301-45-0000	\$10,840.02
3087-301-46-0000	\$558.88
3087-301-52-0000	\$1,604.69
3087-341-01-0000	\$491.52
3087-341-02-0000	\$377.50
3087-341-03-0000	\$1,392.78
3087-341-04-0000	\$825.32
3087-341-05-0000	\$389.59
3087-341-06-0000	\$8.13
3087-341-07-0000	\$16.25
3087-341-08-0000	\$1,017.77
3087-341-09-0000	\$159.61
3087-341-10-0000	\$933.29
3087-341-11-0000	\$996.44
3087-341-12-0000	\$478.46
3087-341-13-0000	\$302.59
3087-341-19-0000	\$508.83
3087-341-20-0000	\$895.13
3087-341-25-0000	\$1,001.64
3087-341-30-0000	\$1,727.43
3087-341-31-0000	\$1,451.45
3087-341-39-0000	\$526.76
3087-341-40-0000	\$208.47
3087-341-43-0000	\$1,743.03
3087-342-01-0000	\$603.98
3087-342-02-0000	\$550.25
3087-342-03-0000	\$526.66
3087-342-06-0000	\$668.96
3087-342-07-0000	\$916.30
3087-342-08-0000	\$1,099.57
3087-342-21-0000	\$685.20
3087-342-25-0000	\$1,160.59
3087-342-32-0000	\$276.17
3087-342-33-0000	\$466.85
3087-342-34-0000	\$9,823.69
3087-342-38-0000	\$4,059.95
3087-342-39-0000	\$729.43
3087-342-43-0000	\$1,759.86
3087-342-46-0000	\$646.50
3087-381-01-0000	\$0.00

APN	ASSM'T
3087-381-06-0000	\$495.38
3087-381-07-0000	\$136.50
3087-381-08-0000	\$78.25
3087-381-09-0000	\$78.25
3087-381-10-0000	\$224.16
3087-381-11-0000	\$767.37
3087-381-12-0000	\$385.28
3087-381-19-0000	\$587.90
3087-381-21-0000	\$564.96
3087-381-22-0000	\$274.10
3087-382-01-0000	\$1,178.66
3087-382-02-0000	\$1,972.77
3087-382-03-0000	\$553.89
3087-382-04-0000	\$700.01
3087-382-05-0000	\$995.12
3087-382-13-0000	\$161.25
3087-382-14-0000	\$573.19
3087-382-15-0000	\$1,287.14
3087-382-16-0000	\$158.81
3087-382-17-0000	\$161.25
3087-382-18-0000	\$158.92
3112-561-13-0000	\$912.34
3112-561-25-0000	\$383.72
3112-561-26-0000	\$2,421.77
3112-563-11-0000	\$3,066.31
3112-563-12-0000	\$185.63
3112-563-13-0000	\$185.63
3112-563-14-0000	\$584.75
3112-563-15-0000	\$569.63
3112-563-16-0000	\$633.19
3112-563-17-0000	\$423.59
3112-563-18-0000	\$185.63
3112-563-19-0000	\$521.63
3112-563-20-0000	\$185.63
3112-563-21-0000	\$853.07
3112-563-22-0000	\$821.63
3112-563-23-0000	\$605.63
3112-563-24-0000	\$321.98
3112-651-23-0000	\$3,300.30
3112-651-24-0000	\$3,884.17
3112-653-01-0000	\$623.00
3112-653-02-0000	\$509.63
3112-653-03-0000	\$713.63
3112-653-04-0000	\$366.83
3112-653-05-0000	\$473.15

APN	ASSM'T
3112-653-06-0000	\$421.07
3112-653-07-0000	\$500.99
3112-653-08-0000	\$425.63
3112-653-09-0000	\$701.39
3112-653-10-0000	\$605.63
3112-653-11-0000	\$185.63
3112-653-12-0000	\$1,987.65
3112-731-07-0000	\$2,723.47
3112-731-08-0000	\$895.93
3112-731-12-0000	\$370.84
3112-731-13-0000	\$370.84
3112-731-22-0000	\$1,324.13
3112-731-23-0000	\$5,010.87
3112-731-24-0000	\$1,344.10
3112-731-25-0000	\$780.73
3087-341-16-0000	\$2.86
3087-341-17-0000	\$26.00
3087-341-21-0000	\$571.43
3087-341-22-0000	\$600.55
3087-341-23-0000	\$202.19
3087-341-24-0000	\$287.61
3087-341-32-0000	\$529.76
3087-341-41-0000	\$571.73
3087-342-09-0000	\$452.67
3087-342-10-0000	\$716.36
3087-342-11-0000	\$3,278.64
3087-342-12-0000	\$136.42
3087-342-13-0000	\$7.80
3087-342-14-0000	\$42.90
3087-342-15-0000	\$18.85
3087-342-16-0000	\$2.60
3087-342-17-0000	\$42.90
3087-342-18-0000	\$54.51
3087-342-19-0000	\$57.12
3087-342-20-0000	\$16.32
3087-342-22-0000	\$406.47
3087-342-23-0000	\$4.94
3087-342-24-0000	\$413.44
3087-342-26-0000	\$398.83
3087-342-27-0000	\$875.04
3087-342-28-0000	\$605.42
3087-342-29-0000	\$704.70
3087-342-30-0000	\$347.10
3087-342-31-0000	\$277.78
3087-342-35-0000	\$345.95

APPLE VALLEY VILLAGE PBID

3087-342-36-0000	\$363.71
3087-342-37-0000	\$929.12
3087-342-40-0000	\$855.58
3087-342-41-0000	\$275.64
3087-342-42-0000	\$1,019.46
3087-342-44-0000	\$506.41
3087-342-45-0000	\$634.59
3087-351-01-0000	\$365.60
3087-351-02-0000	\$118.01
3087-351-03-0000	\$241.98
3087-351-04-0000	\$241.98
3087-351-05-0000	\$488.48
3087-351-07-0000	\$484.52
3087-351-11-0000	\$483.38
3087-351-13-0000	\$141.00
3087-351-15-0000	\$171.19
3087-351-16-0000	\$171.19
3087-351-30-0000	\$483.03
3087-351-31-0000	\$783.00
3087-351-32-0000	\$105.00
3087-351-33-0000	\$585.00
3087-351-34-0000	\$595.50
3087-351-35-0000	\$115.50
3087-351-36-0000	\$115.50
3087-351-37-0000	\$144.11
3087-351-38-0000	\$105.00
3087-351-39-0000	\$105.00
3087-351-40-0000	\$114.07
3087-351-41-0000	\$114.07
3087-351-42-0000	\$402.07
3087-351-43-0000	\$690.07
3087-351-44-0000	\$690.07
3087-351-45-0000	\$741.33
3087-351-46-0000	\$581.30
3087-351-47-0000	\$388.15
3087-351-48-0000	\$101.84
3087-351-49-0000	\$101.84
3087-351-50-0000	\$291.99
3087-381-02-0000	\$740.06
3087-381-03-0000	\$419.73
3087-381-04-0000	\$1,712.97
3087-381-05-0000	\$1,716.40
3087-381-15-0000	\$747.28
3087-381-16-0000	\$263.89
3087-381-17-0000	\$408.15
3087-381-18-0000	\$427.65
3087-381-20-0000	\$35.09
3087-381-23-0000	\$364.47

3087-381-25-0000	\$239.72
3087-382-10-0000	\$615.73
3087-382-11-0000	\$142.65
3087-382-12-0000	\$772.03
3087-382-19-0000	\$455.96
3087-382-20-0000	\$101.72
3087-382-21-0000	\$101.72
3087-382-22-0000	\$101.72
3087-382-23-0000	\$101.72
3087-382-24-0000	\$101.72
3087-382-25-0000	\$101.72
3087-382-26-0000	\$101.72
3087-382-27-0000	\$101.72
3087-382-28-0000	\$925.52
3087-382-29-0000	\$302.74
3087-382-30-0000	\$101.85
3087-382-31-0000	\$575.61
3087-382-32-0000	\$575.61
3087-382-33-0000	\$553.39
3087-382-34-0000	\$101.85
3087-382-35-0000	\$101.85
3087-382-36-0000	\$101.85
3087-382-37-0000	\$161.85
3087-382-38-0000	\$105.00
3087-391-01-0000	\$2,164.52
3087-391-02-0000	\$42.90
3087-391-03-0000	\$776.35
3087-391-04-0000	\$1,229.72
3087-391-05-0000	\$1,056.15
3087-391-06-0000	\$276.25
3087-391-09-0000	\$376.50
3087-391-10-0000	\$753.00
3087-391-11-0000	\$777.00
3087-391-12-0000	\$303.00
3087-391-13-0000	\$349.80
3087-391-14-0000	\$105.00
3087-391-15-0000	\$105.00
3087-391-16-0000	\$585.00
3087-391-17-0000	\$303.00
3087-391-18-0000	\$364.82
3087-391-19-0000	\$364.89
3087-391-20-0000	\$529.47
3087-391-21-0000	\$739.74
3087-391-22-0000	\$986.72
3087-391-23-0000	\$115.36
3087-391-24-0000	\$115.50
3087-391-25-0000	\$115.50
3087-391-26-0000	\$115.50

3087-391-27-0000	\$115.50
3087-391-28-0000	\$115.50
3087-391-29-0000	\$230.88
3087-391-30-0000	\$2,595.34
3087-392-05-0000	\$498.89
3087-392-06-0000	\$1,074.00
3087-392-07-0000	\$115.50
3087-392-08-0000	\$303.00
3087-392-09-0000	\$105.00
3087-392-12-0000	\$284.83
3087-392-13-0000	\$102.01
3087-392-14-0000	\$523.88
3087-392-15-0000	\$115.50
3087-392-16-0000	\$115.50
3087-392-19-0000	\$674.70
3087-392-20-0000	\$102.01
3087-392-21-0000	\$102.01
3087-392-22-0000	\$284.83
3087-392-23-0000	\$115.50
3087-392-24-0000	\$115.50
3087-392-25-0000	\$115.50
3087-392-26-0000	\$115.50
3087-392-27-0000	\$576.68
3087-392-28-0000	\$899.10
3087-392-29-0000	\$634.20
3087-392-30-0000	\$115.50
3087-392-31-0000	\$115.50
3087-392-32-0000	\$115.50
3087-392-33-0000	\$115.50
3087-392-34-0000	\$115.50
3087-392-35-0000	\$348.82
3087-392-36-0000	\$112.54
3087-392-37-0000	\$112.54
3087-392-38-0000	\$1,230.90
3087-392-39-0000	\$1,210.19
3112-651-25-0000	\$313.06
3112-651-26-0000	\$493.50
3112-651-27-0000	\$143.75
3112-651-28-0000	\$540.01
3112-721-01-0000	\$1,289.31
3112-721-02-0000	\$335.55
3112-721-03-0000	\$105.00
3112-721-04-0000	\$105.00
3112-721-05-0000	\$344.87
3112-721-06-0000	\$105.00
3112-721-07-0000	\$736.33
3112-721-08-0000	\$825.00
3112-721-09-0000	\$105.00

APPLE VALLEY VILLAGE PBID

3112-721-10-0000	\$436.50
3112-721-11-0000	\$105.00
3112-721-12-0000	\$105.00
3112-721-13-0000	\$736.33
3112-731-01-0000	\$595.36
3112-731-02-0000	\$115.36

3112-731-03-0000	\$115.36
3112-731-04-0000	\$585.00
3112-731-05-0000	\$585.00
3112-731-06-0000	\$136.50
3112-731-15-0000	\$402.76
3112-731-16-0000	\$122.14

3112-731-17-0000	\$163.43
3112-731-18-0000	\$2,056.62
3112-731-19-0000	\$594.15
3112-731-21-0000	\$983.32