

Attachment 2
Downtown Oceanside Property Business Improvement District
Annual Report 2024 - 2025

This report has been prepared in accordance with the Downtown Oceanside Property Business Improvement District (DTOPBID) Management District Plan, which was originally approved by City Council on August 7, 2019, and renewed on December 4, 2024. The annual report is required to be presented to City Council at the end of each year of the DTOPBID's operation. This report includes information on revenues to be carried over from the period January 1, 2024, to December 31, 2024, and prospective activities and expenditures for the period January 1, 2025, to December 31, 2025.

DTOPBID Boundaries – 2019-2024

The map below shows the original boundaries of the PBID. The service area included approximately 192 properties with 125 property owners.



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DTOPBID Boundaries – 2025 Renewal

The boundaries of the DTOPBID expanded in 2025. The new service area includes approximately 397 properties with 271 property owners. The DTOPBID boundary is illustrated by the map below.



Activities to be provided in 2025.

Maintenance

- Maintenance activities will be designed to maintain a clean and inviting district for the special benefit of the assessed parcels. The maintenance program will include:
 - Pressure washing sidewalks
 - Litter removal

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- Graffiti removal
- Landscape improvements and maintenance

Safety

- Safety activities will be designed to increase the usability of assessed parcels and address issues that discourage property owners, tenants, and customers from visiting the DTOPBID. The safety program will include:
 - Ambassadors to aid and direct pedestrians in need throughout the DTOPBID, welcoming visitors, creating a sense of place, and deterring safety issues.
 - Ambassadors and officers focused on preventing homelessness responding to reduce the presence of homelessness and loitering within the DTOPBID.
 - The DTOPBID entered into a contract with Gatekeepers Security Services, Inc. for 24-hour security patrol. The DTOPBID is contributing \$312,726.08 to the contract.

Economic Development/Capital Improvements

- Economic development/capital improvement activities include physical improvements to the DTOPBID designed to promote commerce and attract additional tenants and property owners. These activities will include:
 - Work continues on the Oceanside “O” placemaking art installation. A task force is being formed to determine the cost of construction and fundraising plan.

Administration and Advocacy

- The administration portion of the budget will be used for administrative costs incurred by MainStreet Oceanside associated with providing DTOPBID activities. Advocacy efforts will include representing the DTOPBID’s best interests at government agencies, providing property owner educational services, advocating for economic development and planning decisions, and leveraging DTOPBID funds to obtain additional funding to accomplish large-scale projects.

Contingency/Reserve

- In accordance with the Management District Plan, the DTOPBID annual budget includes a contingency line item to account for uncollected assessments, if any.

Estimated Cost of Providing 2025 Activities

Maintenance & Safety	Destination Development & Economic Enhancement	Advocacy & Administration	Contingency/ Reserve	Total
\$556,045.00	\$97,683.68	\$82,655.00	\$15,028.26	\$751,412.00

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Assessment Methodology

Base Formula

Each parcel will be assessed based on the proportional special benefits received. The variables used for the annual assessment formula are parcel type, parcel size, and building square footage. These variables are appropriate measures of the proportional special benefit because the need for services, level of services, and quantity of services are all relative to them; thus, the special benefit provided to each parcel by the services can be proportionally measured using these variables.

Determination of Assessment Rates

Not all parcels in the district are identical in size, so some will receive more special benefits than others. Each variable used directly relates to the service level and special benefits provided to each parcel. Parcel square footage measures the size of the parcel in square feet. The larger a parcel, the more services and benefits it will receive.

Because not all parcels in the DTOPBID are identical in their use, some will receive more special benefits than others. For instance, a religious or non-profit parcel will benefit to a lesser degree than a commercial parcel, as it will not enjoy an equivalent amount of gain from the increased commerce resulting from the services. Additionally, a religious or non-profit parcel will benefit less than a public parcel, as it will not receive a corresponding amount of advantage from the increased visitors resulting from the services. Further details on the benefits for each parcel type are found in the following pages. To determine the assessment rates, the assessed parcels were classified by the estimated benefit that each type of parcel receives; the estimated special benefit value of the improvements, maintenance, and activities provided to each type was based on the approximate cost of service provision, resulting in an assessment rate proportional to the estimated benefit received by each parcel type.

To determine the assessment rates, the estimated special benefit value for each parcel type was divided by the total assessable square footage of parcels, as shown in the tables below.

Parcel Type

Parcel types were categorized based on their typical levels of foot and vehicle traffic across the various parcels. Commercial parcels receive the highest level of services because their owners aim to attract more customers or increased visitor use, resulting in the highest volume of foot and vehicle traffic. In contrast, religious/non-profit and condo parcels receive a reduced level of services, as their owners primarily seek benefits from greater cleanliness and security, leading to lower foot and vehicle traffic. Meanwhile, public parcels do not experience the same level of benefits from foot and vehicle traffic due to lower commercial activity; however, they do benefit from increased foot traffic and more visitors utilizing their facilities. The approximate cost of special benefit services by parcel type was identified, and then, the special benefit cost of services by type was divided by the square footage of those parcels to determine the assessment rates.

Parcel Size

The DTOPBID's services will benefit each assessed parcel as a whole. The service budget, which in this Engineer's estimation, represents special benefits to the parcels, has been allocated based on parcel size.

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Parcel Type	Initial Parcel Size Budget	Parcel Square Footage	Initial Parcel Assessment Rate (\$/sq ft/yr)
Commercial	\$525,616.00	÷ 2,102,464	= \$0.25
Public Parcels	\$177,048.19	÷ 944,257.00	= \$0.1875
Religious/Non-Profit	\$23,053.88	÷ 184,431.00	= \$0.1250
Condos	\$25,694.88	÷ 205,559.00	= \$0.1250

Summary of Assessment Rates

Therefore, for the initial renewal year, the maximum annual assessment rates for parcels are shown below and in Appendix 6. If you want more information about parcel assessments, please call Civitas at (916) 437-4300 or (800) 999-7781.

To determine a commercial, public, religious or non-profit parcel's assessment, the applicable square footage in the table below is applied to the parcel and building's actual size. The initial assessment rates for commercial, public, and religious parcels are:

Parcel Type	Lot Square Footage
Commercial	\$0.25
Public	\$0.1875
Religious/Non-Profit	\$0.125

To determine a condominium parcel's assessment, the applicable building footage in the table below is applied to the parcel and the building's actual size. The initial assessment rates for condominium parcels are:

Parcel Type	Building Square Footage
Condos	\$0.125

Parcel Categorization

Assessment categories for each parcel were determined based on the parcel's land use code as shown in the Assessor's Records and supplemented by other available information. In general, the assessment category for each parcel reflects the use of the parcel as described by its land use code. In cases where the land use code and actual use differ, the actual use prevails for classification purposes.

1. Commercial Parcels

Commercial parcels will receive and benefit from all DTOPBID activities, maintenance and improvements, and will therefore be assessed the full rate.

2. Public Parcels

The California Constitution, in Article XIII D, provides 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." No public agency owning parcels in the district has made such a demonstration. However, because they do not have a for-profit commercial component, they will be assessed at a reduced rate commensurate with the special benefit they receive.

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3. Religious/Non-Profit Parcels

Because religious/non-profit parcels receive additional maintenance and security services provided by the City, religious/non-profit parcels will only receive limited maintenance and security from the DTOPBID. Additionally, religious/non-profit parcels will not benefit from destination development and economic enhancement efforts to the same degree as commercial and public parcels. Therefore, religious/non-profit parcels shall be assessed at a lower rate than commercial and public parcels, commensurate with the amount of benefit received.

4. Condo Parcels

Because condominium parcels receive additional maintenance and security services provided by the City, condominium parcels will only receive limited maintenance and security services from the DTOPBID. Additionally, condominium parcels will not benefit from destination development and economic enhancement efforts to the same degree as commercial and public parcels. Therefore, condominium parcels shall be assessed at a lower rate than commercial and public parcels, commensurate with the amount of benefit received.

5. Non-Assessed Parcels

There are thirty-one (31) parcels within the DTOPBID that will not be assessed. These parcels will not specially benefit from or directly receive the DTOPBID's improvements, maintenance, and activities. These parcels are accounted for in the analysis of general benefits provided to non-assessed parcels within the DTOPBID.

- Residential Parcels: The state legislature has determined that "properties zoned exclusively for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and services funded through these assessments and shall not be subject to any assessment." The activities and improvements to be provided are designed to specially benefit standard parcels via increased commerce, occupancy, and lease rates. None of these benefits apply to residential parcels, which will not be serviced or benefit from the DTOPBID's activities and improvements. Residential parcels are those parcels with four family units or less, residential common areas, residential condos and planned unit development of single-family residences. There are thirty-one (31) residential parcels within the DTOPBID that will not be assessed.

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Estimated Amount of Surplus or Deficit Revenues to be Carried Over from 2020- 2024 and Contributions from Other Sources

\$86,749.00 will be carried over from 2024. Main Street is requesting that funds be allocated for the reimbursement of \$78,714.00 for the 2025-2034 DTOBID Renewal Costs.

The City of Oceanside has contracted with MainStreet Oceanside to expand security services throughout the downtown district. The contract started on January 1, 2025, and ends on December 31, 2025. The contracted amount is \$1,366,108.00.

Governing Committee

In accordance with the Management District Plan, the Governing Committee will be comprised of up to nineteen (19) members, constituted as follows:

- The MainStreet Oceanside Executive Director serving in an ex officio capacity
- The Chair of the MainStreet Oceanside Board of Directors serving in an ex officio capacity
- Up to ten (10) members representing property in the Commercial category
- Up to two (2) members representing property in the Public category
- Up to two (2) members representing property in the Condo category
- Up to one (1) member representing property in the Religious category
- Up to two (2) additional advisory members who bring specific professional expertise to the committee