

Written materials relating to an item on this agenda that are distributed to the legislative bodies within 72 hours before the item is to be considered at its regularly scheduled meeting will be made available for public inspection at the City Clerk's Office, 300 West Third Street 4th Floor during customary business hours. Agenda reports are also on the City of Oxnard web site at www.oxnard.org.



AGENDA
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Council Chambers, 305 West Third Street
February 11, 2020
Regular Meeting - 4:30 to 5:45 PM

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

At this time, the legislative body will consider public comments for a maximum of fifteen minutes. A person may address the legislative body only on matters not appearing on the agenda and within the subject matter jurisdiction of the legislative body. Speaker cards will not be accepted after the beginning of the general public comment period. Based on the number of speaker cards submitted, the presiding officer may impose time limits per speaker. Typically, speakers are limited to two minutes, but shorter time may be established as deemed necessary. A person not able to address the legislative body at this time because the fifteen minutes expires may do so just prior to adjournment of the meeting. The legislative body cannot enter into a detailed discussion or take action on any items presented during public comments at this time. Such items may only be referred to the City Manager for administrative action or scheduled on a subsequent agenda for discussion.

C. CONSENT AGENDA

1. City Clerk Department

SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the January 28, 2020 regular meeting as presented.

Contact: Michelle Ascencion, (805) 385-7805

D. REPORTS

1. Community Development Department

SUBJECT: Update to Policies of Heritage Square Facility Rentals and Heritage Square Summer Concert Series. (10/10/10)

RECOMMENDATION: That the Housing and Economic Development Committee receive information on changes to the facility rental program and Summer Concert Series at Heritage Square.

Contact: Jeffrey Lambert, (805) 385-7882

E. ITEMS FOR FUTURE AGENDAS

F. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you require special assistance to participate in a meeting, please contact the City Clerk's Office at 385-7803. Notice at least 72 hours prior to the meeting will enable the City to reasonably arrange for your accessibility to the meeting.

Agenda Item time estimates: (Staff Presentation / Committee Discussion / Public Comment)

MINUTES
OXNARD CITY COUNCIL
HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE
Regular Meeting
January 28, 2020

A. ROLL CALL, POSTING OF AGENDA, FLAG SALUTE

At 4:33 p.m., Chair Madrigal called to order the regular meeting of the Oxnard City Council Housing and Economic Development Committee in the City Hall Council Chambers at 305 W. Third Street, Oxnard, California. The City Clerk called the roll and announced the posting of the agenda. Members Tim Flynn, Vianey Lopez, and Chair Oscar Madrigal were present.

Staff members present were Alexander Nguyen, City Manager; Ashley Golden, Assistant City Manager; Kenneth Rozell, Chief Assistant City Attorney; Rosie Ornelas, Economic Development Manager; Jeffrey Lambert, Community Development Director; and Michelle Ascencion, City Clerk.

B. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA (None received.)

C. CONSENT AGENDA

City Clerk Department

1. SUBJECT: Approval of Minutes.

RECOMMENDATION: That the Housing and Economic Development Committee approve the minutes of the January 14, 2020 regular meeting as presented.

It was moved by Member Lopez, seconded by Member Flynn, to approve the minutes as presented.
VOTE: Flynn, Lopez, and Madrigal voted in favor; the motion carried 3-0.

D. REPORTS

Community Development Department

1. SUBJECT: Formation of a Property and Business Improvement District and Zócalo in South Oxnard.

RECOMMENDATION: That the Housing and Economic Development Committee discuss the concept of forming of a Property and Business Improvement District (“PBID”) and creating a zócalo in South Oxnard.

The Economic Development Director gave a report. Public comments were received from Steve Nash. Discussion ensued among the Committee and staff. Committee members provided feedback to staff; no formal action was required.

E. ITEMS FOR FUTURE AGENDAS (No requests were made.)

F. ADJOURNMENT

There being no further business on the agenda, and without objection, Chair Madrigal adjourned the meeting at 5:09 p.m.

MICHELLE ASCENCION, CMC
City Clerk

OSCAR MADRIGAL
Chair



HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE AGENDA REPORT

REPORTS AGENDA ITEM NO. D.1.

DATE: February 11, 2020

TO: Housing and Economic Development Committee

FROM: Jeffrey Lambert, Community Development Director, (805) 385-7882,
jeffrey.lambert@oxnard.org

SUBJECT: Update to Policies of Heritage Square Facility Rentals and Heritage Square Summer Concert Series. (10/10/10)

RECOMMENDATION

That the Housing and Economic Development Committee receive information on changes to the facility rental program and Summer Concert Series at Heritage Square.

BACKGROUND

In 1991, the former redevelopment agency in the City of Oxnard ("City"), the Community Development Commission ("CDC"), purchased four of the fourteen buildings in Heritage Square as part of a redevelopment project: Heritage Square Hall (also known as the "chapel"), the Winery building, the Pump House, and the McGrath House, which currently houses a restaurant. In 2018, the McGrath House was sold to a private party who is currently operating the site as a restaurant, La Dolce Vita. With the dissolution of redevelopment, the three remaining properties were either transferred to the City or purchased by the City.

The Heritage Square Property Owners Association ("Association") owns, manages, and maintains the common areas of the Heritage Square development. Each property owner is required to contribute to the Association on a pro rata basis according to the square footage of each property. The amounts contributed by the CDC and the City to the Association as a "maintenance subsidy" varied from 21 percent to 49 percent (\$19,400 to \$59,000) of the Association's operating expenses. The City's 2020 share is \$13,009.32 per year.

On July 1, 2016 the City entered into a formal agreement with the Association for \$25,000 per fiscal year (over and above the association dues the City pays based on the square footage of the property owned) for the exclusive right to rent the common areas of Heritage Square. This agreement expires on June 30, 2020. Under this agreement the City operates the Heritage Square Summer Concert Series ("Summer Concert Series"), Heritage Square tours, facility rental activities, and other public events.

Maintenance and Repairs of City Buildings

Over the years, the buildings owned by the City have aged and maintenance and repair projects have begun to accumulate. There is currently \$118,000 budgeted in the Capital Improvement Project (CIP) fund to address some of the more significant repairs needed including exterior painting, dry rot, and water damage at the three

city properties. However, other major repairs have surfaced within the past 2 months (a broken fireline, extensive gas line repairs, etc.). The estimated cost to repair the fire line is \$18,400 and the cost to replace the gas heating system with an electric system is approximately \$10,000. Staff is exploring options to address these emergency repairs as soon as possible.

In addition to the monthly association assessment and the \$25,000 the City pays for use of the common areas, the City also pays for utilities, staff, and other operating expenses related to Heritage Square. Currently, the revenue that the City takes in from Heritage Square is not sufficient to cover the expenses, much less any facility maintenance or repairs that arise. Moreover, the property assessments have increased and are likely to continue to do so (see Attachment A.) It is imperative for the City to reduce expenses, increase revenues, and allocate funding for maintenance, to keep and properly maintain these properties.

HERITAGE SQUARE FACILITY RENTALS

The City markets and rents the chapel, courtyard, and other common areas for weddings, parties, and special events. A small congregation rents out the chapel on a weekly basis to hold their Sunday school and church services. The Pump House currently serves as shared office space for City staff supporting the Heritage Square rentals and the docents (Friends of Heritage Square) who give weekend tours of the site and hold special events at Heritage Square.

Annual revenue from the rental program averages about \$27,000 per year, primarily from rentals of the chapel and plaza for events. The chapel has 4 to 9 events per month, while the plaza may only have 1 or 2 larger events per month. The equipment being used is mostly comprised of the original equipment purchased years ago. Since the start of the facility rental program, the only increase to the rental fees occurred in 2009.

Updates to Facility Rental Program

Staff plans to implement the following changes to the facility rental program to ensure its financial viability:

- Update rental fees according to current market rates and take operating expenses into account; rental fees will be presented to City Council for approval.
- Utilize Facilitron, an online reservation system, to manage facility rentals. The Recreation Division is kicking off this program in February 2020. Community Development staff plans to launch the use of this system at Heritage Square in July 2020.
- Create a Preferred Vendor list and incorporate a 10% fee to the City; this may require requesting proposals to establish a list of qualified vendors.
- Upgrade tables and chairs to commercial quality and account for the use of them in the rental fee schedule.
- Invest in strategic marketing.
- Relocate City staff from the Pump House to the Service Center to reduce expenses.

Staff anticipates a 15% increase in facility rentals during the first year by making the much-needed CIP repairs and implementing the above mentioned changes.

HERITAGE SQUARE SUMMER CONCERT SERIES

The Summer Concert Series is another major program that is held at Heritage Square. For the last 27 years, a series of 8 to 12 concerts have been held on Friday evenings during the summer months. The Summer Concert Series provides the community with the opportunity to enjoy quality music in a unique historic venue; however

the Summer Concert Series is subsidized by the City. As shown in Attachment B, expenses for the concert series far exceed the revenue. Furthermore, the expenses shown do not take into account staff salaries, the annual association fees, or the additional \$25,000 the City contributes for use of the common areas.

Current Concert Series Model

Concerts are free, with the exception of patrons who reserve boxes, season tables, or individual chairs. The only additional sources of revenue are voluntary donations at each concert and sponsorship opportunities sold prior to the events.

The expenses include: musical performers, security, portable restrooms, sound technicians, special event insurance, and labor for monitoring trash cans, set-up and removal of the stage, tables, and chairs. With the exception of the FY 19-20 concert series, the City had also been paying up to \$18,000 a year to the Downtowners for marketing, janitorial services, website maintenance and other miscellaneous services. The Recreation Division staff performed most of these duties in FY 19-20. City staff will continue to perform these duties in FY 19-20 to continue to reduce expenses.

Summer Concert Series Changes

Staff is proposing the following changes to the concert series to ensure its financial viability:

- Sponsorship levels to include a variety of levels from \$1,000 to \$10,000 and adjust the sponsorship package for each (i.e. included tickets, etc.).
- Create a new opportunity for businesses to buy ad space in the concert programs for \$400/ad; this revenue will be off-set by the minor cost to develop the ad but most are expected to be business card format ads, resulting in limited expenses.
- Hold 10 concerts beginning on July 3rd; the previous models had up to 12 concerts and had concerts that span two fiscal years.
- Charge \$10 per adult for admission (includes a chair), children under 16 remain free beginning with the third concert.
- Offer free admission to the first two concerts to give patrons ample notice of ticket sales and sell tickets for the remaining 8 concerts.
- Offer e-ticketing to make it convenient for residents to purchase tickets.
- Increase revenue by negotiating for the City to receive 15% of food sales from local restaurants who offer dining options to patrons.
- Discontinue agreement with Downtowners for janitorial, marketing, and other services (this occurred with the adoption of the current fiscal year budget).
- Reduce labor expenses by relocating the stage to the lawn area adjacent to the Reiter building, allowing it to remain up for the 10 weeks.

These changes will be evaluated for sustainability over the next fiscal year to ensure the City can continue offering residents a high quality, summer concert series at a very affordable price point in the community's most historic venue.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 3. Strengthen neighborhood development, and connect City, community and culture.

Objective 3a. Create a renewed focus on establishing a positive outlook and orientation of our City, neighborhoods and overall community.

Objective 3f. Develop a co-sponsorship policy with criteria that would enable the City to encourage local community events.

This agenda item also supports the existing Economic Development Strategy. The purpose of the Economic Development Strategy is to develop and enhance Oxnard's business climate, promote the City's fiscal health, and support economic growth in a manner consistent with the City's unique character. This item supports the following goals and objectives:

Goal 1. Create vibrant and economically sustainable commercial, industrial and retail industries throughout the City.

Objective 1a. Focus available resources on a comprehensive effort to promote economic activity in Oxnard, including a marketing program that communicates the City's available resources and assets.

Goal 2. Enhance business development throughout the City.

Objective 2a. Develop a strong citywide economy which attracts investment, increases the tax base, creates employment opportunities, and generates public revenue.

Objective 2b. Improve relationships and communication between the City and the business community.

Objective 2c. Capitalize on historic, cultural and natural resources.

Goal 3. Enhance business retention and attraction.

Objective 3a. Implement an economic development plan for attracting and retaining business.

Goal 5. Revitalize Oxnard's downtown and pursue economic development opportunities.

Objective 5a. Develop a vision and plan (with timelines) for downtown revitalization to create a vibrant center for our community, emphasizing cultural arts, diversity, and historic assets.

FINANCIAL IMPACT

Implementing these changes will allow the City to receive additional revenue to cover the expenses associated with operating an event venue and Summer Concert Series, as well as the ability to allocate funds to pay for maintenance and repairs that arise. With the proposed changes, staff anticipates earning additional revenue from facility rentals and the summer concert series and reducing expenses; these adjustments will be considered as part of the Fiscal Year 20/21 Budget adoption process.

Prepared by: Rosie Ornelas, Economic Development Manager

ATTACHMENTS

1. Attachment A - Heritage Square Annual Expenses and Facility Rental Revenue
2. Attachment B - HS Summer Concert Series Expense_Revenue Report, 2017 - 2019
3. Heritage Square_Summer Concerts PPT (pdf)

HERITAGE SQUARE ANNUAL EXPENSES				
			2019	2020 (est.)
HSPOA Pro Rata Property Assessment				
715 S. A Street			\$1,134	\$1,361
731 S. A Street			\$7,469	\$8,963
720 S. B Street			\$2,238	\$2,685
Fees for Use of Common Areas			\$25,000	\$25,000
Part-Time Staff			\$8,640	\$9,000
Downtowners			\$12,000	-
Security (PSC)			\$6,765	\$7,500
So Cal Edison			\$2,899	\$4,200
Frontier (telephone/internet)			\$2,585	\$3,575
Miscellaneous (fire extinguisher service, supplies, etc.)			\$680	\$680
TOTAL EXPENSES			\$69,410	\$62,964
HERITAGE SQUARE REVENUE				
	2017	2018	2019	
Facility Rental Revenue	\$26,301.25	\$29,062.50	\$27,612.50	

HERITAGE SQUARE SUMMER CONCERT SERIES			
EXPENSES	2017	2018	2019
Number of Concerts	12	12	10
Musical Performers	\$8,550	\$14,350	\$7,500
Security	\$7,560	\$7,560	\$5,100
Sound	\$9,000	\$9,000	\$8,000
Portable Restrooms	\$850	\$800	\$600
Insurance	\$2,449	\$2,949	\$2,461
Banner	\$655	\$1,510	\$270
City Corps for Setup/Breakdown	\$14,400	\$18,000	\$9,916
Advertising/Printing	\$364	\$1,000	-
Downtowners	\$9,000	-	\$6,000
Supplies	\$400	\$400	\$500
Equipment Replacement	-	\$800	-
TOTAL EXPENSES	\$53,228	\$56,369	\$40,347
REVENUE	2017	2018	2019
Sponsorships	\$11,000.00	\$9,500.00	\$18,000.00
Chairs	\$5,834.00	\$6,365.00	\$6,200.00
Season Tables	\$12,520.00	\$12,440.00	\$12,439.98
Concert Tables	\$12,570.00	\$9,880.00	\$7,820.00
Donations	\$4,989.25	\$5,745.07	\$4,933.08
TOTAL REVENUE	\$46,913.25	\$43,930.07	\$49,393.06

Update to Policies of Heritage Square Facility Rentals and Heritage Square Summer Concert Series

Jeffrey Lambert, Community Development Director
Rosie Ornelas, Economic Development Manager
Community Development Department

Housing and Economic Development Committee
February 11, 2020



Background

- Heritage Square opened in 1991
- 14 total buildings
- Community Development Commission purchased 4 buildings in Heritage Square
 - Heritage Square Hall (aka the “Chapel”)
 - Winery building
 - Pump House
 - McGrath House
- Heritage Square Property Owners Association
 - Common Areas
 - Maintenance subsidy



Rental Use of Common Areas at Heritage Square

- **Facility Rentals**

- Weddings
- Reunions, birthdays, showers
- Meetings
- Church service



- **Summer Concert Series**

- 28th year
- Friday evenings
- 8 - 12 concerts
- Variety of genres



3

Maintenance and Repairs of City Buildings

- Three buildings owned by the City have aged, maintenance and repair projects have accumulated
- \$118,000 budgeted in the Capital Improvement Project (CIP)
- Recent Necessary Repair Needs:
 - Estimated cost to repair the fire line is \$18,400
 - Replacing gas heating system with an electric system is \$10,000
- Staff is exploring options to address emergency repairs as soon as possible
- City also pays for utilities, staff, and other operating expenses

4

Updates to Facility Rental Program

- Update rental fees according to current market rates and take operating expenses into account
- Utilize Facilitron, an online reservation system, to manage facility rentals
- Create a Preferred Vendor list and incorporate a 10% fee to the City
- Upgrade tables and chairs to commercial quality and account for the use of them in rental fee schedule
- Invest in strategic marketing
- Relocate City staff from the Pump House to the Service Center to reduce expenses

5

Heritage Square Summer Concert Series

Current Model:

- Free general admission
- City pays for:
 - Security, portable restrooms, sound technicians, special event insurance
 - Labor expenses for the set up and removal of stage, tables, chairs, and monitoring of trash cans for each event
 - \$18,000 a year to the Downtowners for marketing, janitorial services, website maintenance and other miscellaneous services (discontinued in FY 19-20)
 - City will perform these duties in FY19-20 to reduce expenses

6

Summer Concert Series Financials	HERITAGE SQUARE SUMMER CONCERT SERIES			
	EXPENSES	2017	2018	2019
Expenses not included: • Heritage Square staff salary • Pro rata property assessment • Fees for use of common areas • Utilities • CD and ED staff time	Number of Concerts	12	12	10
	Musical Performers	\$8,550	\$14,350	\$7,500
	Security	\$7,560	\$7,560	\$5,100
	Sound	\$9,000	\$9,000	\$8,000
	Portable Restrooms	\$850	\$800	\$600
	Insurance	\$2,449	\$2,949	\$2,461
	Banner	\$655	\$1,510	\$270
	City Corps for Setup/Breakdown	\$14,400	\$18,000	\$9,916
	Advertising/Printing	\$364	\$1,000	-
	Downtowners	\$9,000	-	\$6,000
	Supplies	\$400	\$400	\$500
	Equipment Replacement	-	\$800	-
	TOTAL EXPENSES	\$53,228	\$56,369	\$40,347
	REVENUE	2017	2018	2019
	Sponsorships	\$11,000.00	\$9,500.00	\$18,000.00
	Chairs	\$5,834.00	\$6,365.00	\$6,200.00
	Season Tables	\$12,520.00	\$12,440.00	\$12,439.98
	Concert Tables	\$12,570.00	\$9,880.00	\$7,820.00
	Donations	\$4,989.25	\$5,745.07	\$4,933.08

7

Changes to Summer Concert Series
• Sponsorship levels to include a variety of levels from \$1,000 to \$10,000 • Create a new opportunity for businesses to buy ad space for \$400/ad • Hold 10 concerts beginning on July 3rd • Charge \$10/adult for admission (includes a chair), children under 16 remain free beginning with the third concert ○ Free admission to first two concerts, gives ample notice of ticket sales • Offer e-ticketing for convenience • Increase revenue by negotiating the City to receive 15% of food sales from local restaurants who offer dining options • Reduce labor expenses by relocating stage, allowing it to remain up for the 10 weeks

8

Financial Impact

- Implementing these changes allows the City:
 - To receive additional revenue to cover the associated expenses
 - The ability to allocate funds to pay for maintenance and repairs that arise.
- These financial adjustments will be considered as part of the Fiscal Year 20/21 Budget adoption process.

9

Recommendation

That the Housing and Economic Development Committee receive information on changes to the facility rental program and summer concert series at Heritage Square.

10



Discussion