City of Corona

400 S. Vicentia Ave.
Corona, CA 92882

Minutes - Final

Finance, Legislation & Economic Development Committee

MAYOR JASON SCOTT
COUNCIL MEMBER JACQUE CASILLAS

Wednesday, January 9, 2019 | **9:30 AM** | **Council Board Room**

1. Call To Order

The meeting was called to order by Mayor Jason Scott at 10:05 a.m. In addition to the Committee Members, the following individuals were in attendance:

Darrell Talbert, City Manager
Michele Nissen, Asst. City Mgr.
Jeniffer Schafer, Finance/ CDBG Mrg.
Kimberly Davidson, Economic Development Manager
Ryan Cortez, Economic Development Coordinator
Naomi Ramirez, Management Svcs. Asst.
Kerry Eden, Asst. City Mgr. /Admin Svcs.
Kim Sitton,Finance Mgr.

Others Present:
Ken Brown, HdL
Joe Morgan, Resident

2. Public Comments

None.

3. Agenda Items

A. 19-0013 Update of Sales Tax Information by HdL.
(Administrative Services Department)
Action: Information & Discussion

Ms. Kerry Eden, Assistant City Manager/Administrative Services Director, introduced Mr. Ken Brown from HdL Companies. Mr. Brown provided a PowerPoint presentation which highlighted the 3rd quarter (July - September 2018) sales tax. During the presentation, he discussed the regional report, Corona sales tax by industry, Corona and California cash results, major industry groups, and the adjusted point-of-sales tax trend over the last thirteen quarters.

Mr. Brown provided background information on HdL, who they are and the services that they provided. He provided a brief explanation of what sales tax is and Corona's base rate of 7.75%. He provided the breakdown of the

7.75% sales tax rate. Noting that 1% will be for city/county general fund. He commented on State confidentiality standards, what can and cannot be disclosed.

Mr. Brown discussed Corona and California's cash results for the last three quarters. Mr. Brown noted that receipts from the third quarter were up 19.4% from 2017. The results could be attributed to catch-up payments owned from the previous quarter, which have been delayed by state in a recent transition to new reporting software. Mr. Brown continued with the presentation and provided a regional report of adjusted sales tax growth for Corona, Riverside County, Southern California and California.

Mr. Brown discussed the breakdown of the Corona sales tax receipts by business group. He broke down the top three major industry groups being building and construction, business and industry and general consumer goods. He noted that the building and construction group was made up mainly of supplies and construction relate material. He continued to note the final five industry groups which included: state and county pools, autos and transportation, fuel and service stations, restaurants and hotels, closing the group with food and drugs.

Lastly Mr. Brown reported Corona's adjusted point of sale - sale tax trend. He reported that the thirteenth quarter trend was up 21.3% over the last thirteen quarters.

Council Member Speake inquired about internet sales tax allocation. Mr. Brown informed the committee that the point of sale is entered into a county pool. Then the state will then look at what proportion of Corona's sales tax receipts are compared to the county as a whole. There has been discussion at the state and local level regarding internet sale tax and will continue to move forward.

The committee discussed the sales tax information update and thanked Mr. Brown for his presentation.

B. 19-0014 Economic Development Update.
(Management Services Department)
Action: Information & Discussion

Mr. Ryan Cortez, Economic Development Coordinator, gave a brief update on recent development activity and interest within the community. He noted that City Staff continues to work with Boureston Companies on a medical office development. Mr. Cortez shared that City of Hope will be absorbing 32,500 square feet of space in the first building and staff is working with the developer in marketing the second building to other large medical users.

Mr. Cortez noted that downtown continues to get a large amount of interest largely due to the new medical development as well as the close of escrow for city controlled properties at the Corona Mall.

Mr. Cortez noted that progress on the Shea Properties redevelopment of the former Dairy Farmers of America site located at 1138 West Rincon is moving quickly and staff continues to work with the development team to market the site to expanding local businesses as well as regional companies wishing to expand in the Corona area.

Mr. Cortez also shared that progress on the Corona Innovation Center is moving forward and staff is working to onboard a contractor to construct the improvements. He noted and thanked Western Riverside Council of Governments for their support in the project as well as the current and former Council as the project has been a long-term vision for the City.

Mr. Cortez concluded that staff is continuing to work to analyze trends in the commercial retail marketplace sharing that HDL has completed an opportunity and gap analysis for the city to assist in supplying visual data during attraction effort. Mr. Cortez concluded his presentation.

Ms. Kimberly Davidson, Economic Development Manager, updated the committee regarding the Retail panel for Friday, January 11th with Art Pearlman, Ken Hira, Bart Pebbles and Gregg Solomon and discussed the importance and timeliness of this meeting, given some of the national retailers that are beginning to downsize. The event will be in the Council Chambers at 2:00 p.m. and is free to attend. Ms. Davidson stated that the event will not be live-streamed but will be recorded and made available to the public in its entirety and as a highlights reel once edited.

Ms. Davidson explained that Corona has approximately 400 manufacturers and several events have been created with the purpose of encouraging the expansion and growth of those manufacturers. There will be an “Understanding Workers Comp” event on Thursday, January 10th with Marsh & McLennan at Miguel’s on Frontage Rd. starting at 3:30 p.m. the event is free to attend. The Workforce Strike Team / Manufacturers’ Council will meet at 7:30 a.m. on January 16, 2019 at Corona High School to tour their Career Technical Education (CTE) facilities. On February 13th, the City of Corona will host a Exporting Lunch & Learn for Manufacturers, currently scheduled in the Multi-Purpose Room at 11:30 a.m.

Corona’s Economic Development team was invited to emcee the Manufacturers’ Council of the Inland Empire (MCIE) Manufacturing Summit at the Riverside Convention Center on February 14, 2019. Ms. Davidson informed the committee that we are in the process of creating a “Baja

Connections Event," which will connect our local manufacturers with buyers in Mexico. This event is slated for March 13, 2019, at City Hall and will be free to attend. We are also preparing for an ExporTech "University" with California Manufacturing Technology Consulting (CMTC) for the dates of March 5, 2019; April 2, 2019, and May 7, 2019 at City Hall. This event helps manufacturers to define an executable export plan.

Ms. Davidson is in the process of coordinating another trip to the Port of Los Angeles Tours/Exporting workshop for our manufacturers and will have more information closer to the month of February.

Ms. Davidson also reminded the committee that the regularly scheduled monthly meetings with the Corona Chamber are still occurring as well: Coffee with an Entrepreneur (2nd Monday of the month); Let's Eat Corona (every Monday); Commercial Real Estate Meetup (2nd Thursday of the month); The Business Hour (2nd Thursday of the month); Tech-O Tuesday (last Tuesday of the month).

The committee commended Economic Development staff for their efforts.

C. 19-0020 Establishment of the Finance, Legislation and Economic Development Committee Meeting Schedule for 2019.
(Management Services)
Action: Information & Discussion

Copies of the 2019 Finance, Legislative and Economic Development Committee schedule were distributed and accepted by committee.

4. Adjournment

The meeting was adjourned at 11:12 a.m.