



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, April 3, 2019

9:30 AM

Council Board Room

1. Call To Order

The meeting was called to order by Mayor Jason Scott at 9:42 a.m. In addition to the Committee Members, the following individuals were in attendance:

Michele Nissen, Acting City Manager
Kerry Eden, Asst. City Mgr. /Admin Svcs. Dir.
Kim Sitton, Finance Manager III
Jennifer Schaefer, Finance Manager III
Lien-Chi Cantuba, Financial Analyst III
Naomi Ramirez, Management Svcs. Asst.
Ryan Cortez, Econ. Dev. Coordinator

Others Present:

Ken Brown, HdL Comp.
Scott Smith, CSG
Shane Spicer, Spicer Consulting
Joe Morgan, Resident

2. Public Comments

None.

3. Agenda Items

- A. [19-0313](#) Update of Sales Tax Information by HdL.
(Administrative Services)
Action: Information & Discussion

Attachments: [Corona FLED April 3, 2019 v2](#)

Mr. Ken Brown, HdL Companies, provided a PowerPoint presentation which highlighted the first quarter receipts for the fourth quarter sales (October - December 2018). During the presentation, Mr. Brown provided the Committee with updates on the following items: regional report, Corona sales tax by industry, major industry groups, and the major groups change by industry.

Mr. Brown presented Corona's sales tax receipts and broke it down by group. He noted that the largest category continues to be the "Building and Construction" group, which brought in 18% of the tax revenue for the fourth quarter. He noted that with the recent storms and rain we may see a drop in the category in the upcoming quarter. Mr. Brown provided the cash results for Corona and California. He noted the second quarter saw a drop and that could be due to delayed payments but were made up in the third quarter. In the fourth quarter Corona results on cash bases were up 8.1%. Mr. Brown continued to provide the Regional Reports adjusted sales tax growth. He noted that Corona had a 1% adjusted for the fourth quarter. Mr. Brown provided a line graph showing the Regional Report with the per capita sales. The graph presented had the per capita sales for the past 3 years for Corona, Riverside County and State. He also provided the committee with the per capita sales for surrounding cities like Orange, Lake Elsinore, Riverside, etc. for comparison.

Mr. Brown reported Corona's Major Industry Groups, noting the top four groups are Building and Construction, General Consumer Goods, Business and Industry, and State and County pools. Mr. Brown noted in the Business and Construction group, we see a dip and that is due to seasonal/ weather changes. He noted that when comparing quarters its best to compare the quarter from the previous year for a more accurate comparison. Mr. Brown went on to note the final four Major Industry Groups for Corona which included Auto & Transportation, Fuel and Service Stations, Restaurants and Hotels, and Food and Drugs. Finally, Mr. Brown presented Corona's adjusted point-of-sale tax trend. He noted an increase of 24.3% in the last 13 quarter trend.

Council Member Jacque Casillas inquired about the regional report of adjusted sales tax growth. Mr. Brown provided breakdown of the adjusted sales results for the fourth quarter growth and comparison from 2017 to 2018.

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

B. [19-0314](#)

Discussion on Debt Policy.
(Administrative Services)
Action: Information & Discussion

Ms. Kerry Eden, Assistant City Manager/ Administrative Services Director, provided the Committee with a review of the debt policy regarding Land Based Financing. Ms. Eden reviewed current policy and noted that the City Manager and Assistant City Manager have the authority to negotiate with

the developer for the tax rate amount if there is a benefit to the City. Ms. Eden provided the Committee with several scenarios showing different effective tax rate comparison. The scenarios also showed the different tax structures and the impacts the rate have on homeowners. Staff is requesting guidance in regard to future developer requests for tax rate increases/decreases.

Mr. Scott Smith, CSG, provided the Committee a more detailed background on previous CFDs and Developer requests, the outcomes on the homeowners and City. Mr. Smith discussed the special taxes levied on new developments. He noted it will be a case by case negotiation and the rates will vary. Ms. Eden commended staff for their constant efforts to find potential bond refinancing opportunities to benefit City's homeowners. She presented to the Committee an applicants request to increase tax rate.

The Committee was in favor of current tax rates as they it will be benefiting the resident in the end.

C. [19-0315](#) Economic Development Update
(Management Services)
Action: Information & Discussion

Mr. Ryan Cortez, Economic Development Coordinator, provided a brief update on development activity within the City. Mr. Cortez shared that Lab Holding, LLC is continuing to move forward with plans for the Corona Mall and will be starting with improvements on the most southernly portion commonly referred to as Corona Mall South. Mr. Cortez noted that first quarter vacancy rates for 2019 continue to remain low within the office and industrial markets and shared that Shea Properties has three prospective tenants wishing to relocate to Shea Center Corona generally located at the south west corner of Lincoln and Rincon. Mr. Cortez shared that there is an interested party currently conducting due diligence to develop a vacant industrial project previously proposed at the easterly end of Sherborn Street. Mr. Cortez informed the Committee that the proposed Corona Innovation Center is continuing to progress, and staff is working to secure agreements with resource partners to offer business services. Mr. Cortez concluded his presentation noting that Economic Development staff is working in conjunction with Naval Surface Warfare Center, Corona Division to host Industry Day at Corona City Hall on June 6, 2019.

The Committee commended Economic Development staff for their efforts.

4. Adjournment

The meeting was adjourned at 10:56 a.m.

