



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 22, 2024

FROM: FINANCE DEPARTMENT WARDS: 1 & 2

SUBJECT: ANNUAL REPORT OF DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA AND RESOLUTION OF INTENTION TO LEVY THE ANNUAL ASSESSMENT IN THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA FOR CALENDAR YEAR 2025 AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON LEVY OF PROPOSED ASSESSMENT

ISSUES:

Approve the annual report of the Riverside Downtown Partnership (RDP), acting in its capacity as the advisory board to the Riverside Downtown Parking and Business Improvement Area (Downtown BIA), adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment for Calendar Year 2025, and fixing the time and place for a public hearing on the proposed assessment.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the Annual Report of the Riverside Downtown Partnership, acting in its capacity as the advisory board to the Downtown Parking and Business Improvement Area;
2. Adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment in the Downtown Business Improvement Area for Calendar Year 2025, from January 1, 2025, through December 31, 2025; and
3. Set a public hearing for November 19, 2024, at 3:00 p.m. on the levy of the proposed assessment.

BACKGROUND:

The City of Riverside established the Downtown Parking and Business Improvement Area (Downtown BIA) to promote, represent and manage an environment that supports downtown Riverside as a regional destination for economic arts, cultural, and residential uses. The City Council approved the Downtown BIA in June 1985, with the first assessments beginning January 1, 1986, and was codified in Chapter 3.46 of the Riverside Municipal Code. The Riverside

Downtown Partnership (RDP) was designated as the advisory board to manage the Downtown BIA.

The annual assessment for each business within the Downtown BIA is set at a rate of one hundred percent (100%) of the non-discounted business tax charge. The City's business tax rates are adjusted annually on November 1 and are based upon the most recent annual change in the consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or by a maximum of 5%, whichever is lower.

The Downtown BIA was formed under Section 36500 of the California Streets & Highways Code. The Code mandates the advisory board to prepare an annual report detailing the adjustments and activities funded by the district. The City Council may approve the report as filed or request modification and approve it as modified.

DISCUSSION:

According to the Annual Report, there are no proposed changes to the district boundaries or assessment amounts of the Downtown BIA. The report provides a detailed method and basis of calculating the assessments, enabling each business owner to estimate their annual charges. In 2025, promotion for business activities will continue to be marketed through various methods, including the Pocket and Dining Guide, the Downtown Riverside Historic Walking Guide, and the monthly newsletter. Beautification efforts in the area include outdoor murals, alley lighting, and tree trimming. RDP plans to host and sponsor events such as the Riverside Art and Music Festival, the Mission Inn Run, and Miracles on Main.

During the FY2023-2024 levy process, the City Council emphasized the need for greater transparency within all the Business Improvement Districts, leading to the approval of Resolution 24097 on March 19, 2024. This resolution outlines the new, more detailed reporting requirements that have been integrated into the annual report prepared by RDP. A representative from Downtown BIA will be available at the public hearing to address these items and any Council questions.

1. Existing board policies and board members
2. Mission statement
3. Strategic goals of the BID
4. Community Engagement Plan
 - a. Specific and tangible benefits the BID is providing to businesses
 - b. Description of how the advisory board determined the benefits are needed and related outcomes have been achieved
 - c. Clarify how BID staff and activities respond to emerging needs and how those needs are identified
 - d. Clarify how progress is tracked over time
5. Any proposed changes in the boundaries or assessment amounts within the district
6. If a website is in place for the BID, provide a link to the website and a description of the resources, financials, and other information that is available to the public through the site
7. The method and basis of levying the assessments in sufficient detail to allow each business owner to estimate the amount of assessment to be levied against his or her business
8. An estimate of the cost of providing the improvements and activities for that fiscal year
9. The improvements and activities to be provided for that fiscal year
10. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year

11. The amount of any contributions to be made from sources other than the levied assessments
12. List of sponsors in prior fiscal year and expected sponsors in upcoming fiscal year
13. Detailed line-item budget for the prior fiscal year and upcoming fiscal year

To levy assessments in the Downtown BIA for calendar year 2025, the City Council must adopt the Resolution and schedule a public hearing. This Resolution will be published in a general distribution newspaper seven (7) days prior to the public hearing. Additionally, a notice will be mailed to business license tax certificate holders within the Downtown BIA. The Public Hearing is scheduled for November 19, 2024, at 3:00 pm, at which time any protests against the proposed assessment may be heard. Following the Public Hearing, Council may approve the Annual Report as is or may modify it before final approval.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority No. 3 Economic Opportunity Goal No. 3.1** – Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Establishing Business Improvement Districts and publishing Annual Reports ensures transparency and fairness in funding, managing services within the business district area.
2. **Equity** – The Downtown BIA equitably distributes the cost of promoting local businesses amongst those who benefit.
3. **Fiscal Responsibility** – The Downtown BIA promotes marketing, community partnerships, and community engagement within the district with minimal public fund use.
4. **Innovation** – The Downtown BIA is an innovative and collaborative way to support the changing needs of the Downtown Business District, enabling business owners to guide their destiny.
5. **Sustainability & Resiliency** – The annual levy process provides a sustainable funding for improvements and promotions for businesses within the Downtown Business Area.

FISCAL IMPACT:

This action has no fiscal impact to the City. The assessment is expected to generate approximately \$470,000 for Calendar Year 2025, which the City will collect through the annual business tax process and transfer directly to the Riverside Downtown Partnership.

Prepared by: Meline Carranza, Debt and Treasury Manager
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer
Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Resolution Declaring Intention to Levy an annual assessment in the Downtown Parking and Business Improvement Area
2. Annual Report of the Riverside Downtown Parking and Business Improvement Area
3. Supplemental Documents for the 2025 BID Renewal
4. Boundary Map of the Downtown Parking and Business Improvement Area