



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** NOVEMBER 10, 2015

FROM: FINANCE DEPARTMENT **WARDS:** 1 AND 2

SUBJECT: ANNUAL APPROVAL OF ASSESSMENTS IN THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA – RESOLUTION OF INTENTION ADOPTION

ISSUE:

The issues for City Council consideration are: 1) approval of the annual report for the Downtown Parking and Business Improvement Area ("BIA"); 2) adoption of a Resolution of Intention stating the City's intention to levy the assessments for the 2016 calendar year; and 3) approval to set a public hearing for December 1, 2015, to receive comments from interested parties.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the annual report of the Downtown Parking and Business Improvement Area;
2. Adopt a Resolution of Intention to impose the annual assessments for calendar year 2016 as codified in Riverside Municipal Code 3.46.060; and
3. Schedule a public hearing for December 1, 2015, at 3:00 PM for the purpose of adopting a resolution approving the 2016 assessments.

BACKGROUND:

In 1985, in conjunction with the Riverside Downtown Partnership ("RDP"), the Downtown BIA was formed. Each year the Advisory Board of the BIA is required to present its annual report to the City Council (Attachment 2).

The RDP, which acts as the Advisory Board of the Downtown BIA, is partially funded by an assessment equal to 100% of the Business Tax assessed to businesses within the BIA boundaries. The levy provides funding for specific services and benefits that are conferred directly to the businesses subject to the assessment, at a cost that does not exceed the reasonable costs to the City of providing the services and benefits. For the levy to continue for 2016, the City Council must adopt a Resolution of Intention to impose the levy for the calendar year and to set a public hearing. The public hearing is being set for December 1, 2015, at 3:00 p.m. in the City Council chambers at City Hall, at which time protests may be heard against the proposed action.

No changes are currently proposed to the boundaries of the Downtown BIA or the methodology for calculating the district's assessments. Pursuant to Riverside Municipal Code 3.46.060, as ordained by the City Council, the assessment will remain at an amount equal to one hundred percent (100%) of the business tax charge. The City's business tax rates are adjusted annually on November 1st, upward or downward, in an amount equivalent to the most recent change in the annual average of the Consumer Price Index as published by the United States Department of Labor for the Los Angeles-Anaheim-Riverside metropolitan area or five percent, whichever is less. On November 1, 2015, the rates will increase by 1.0%, which will result in an equivalent increase in revenues to the Downtown BIA.

Per a request from Councilmember Gardner during the public hearing for the Arlington BID, staff is currently analyzing the feasibility of adjustments to the Downtown BIA boundaries that may facilitate the removal of certain residential rental properties from the boundaries of the district. Due to the analysis required and the need to work with the staff of the RDP on any proposed adjustments, it is anticipated that any boundary changes resulting from this analysis would be implemented during calendar year 2017.

FISCAL IMPACT:

The City collects the assessments for the BIA. The assessments are projected to generate approximately \$350,000 for 2016. There is no fiscal impact to the City if the assessments are not collected because all funds are transferred directly to the RDP. The City contributed a matching grant of \$100,000 to the BIA in the prior year. The BIA anticipates the same level of participation in the new year, and that amount is included as part of the 2015/16 adopted budget.

Prepared by: Scott Catlett, Assistant Finance Director
For Brent A. Mason, Finance Director/Treasurer

Certified as to Availability of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Marianna Marysheva-Martinez, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution of Intention to Levy an assessment on the Downtown BIA
2. Annual Report