

## **AUTO CENTER BUSINESS IMPROVEMENT DISTRICT ANNUAL ASSESSMENT & BID FUNDING AGREEMENT**

**Community and Economic Development Department  
Finance Department**

**City Council**  
August 15, 2023

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## **RIVERSIDE AUTO CENTER**

- Riverside Auto Center features 25 dealerships and 32 brands, and offers over 8,000 new and used vehicles
- Rivals Ontario Auto Center as largest in Inland Empire
- Riverside Auto Center features a large electronic sign along the 91 Freeway



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## BUSINESS IMPROVEMENT DISTRICT (BID)

- July 26, 2011 – City Council approved formation of Auto Center Business Improvement District
- Included 13 businesses
- Additional \$8,000 assessment on Business Tax renewal
- Riverside New Car Dealers Association appointed BID advisory board
- 2021 – 4 additional businesses added to BID
- Assessment adjusted to \$6,100 per business



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## DISTRICT LEVY

- No proposed changes to BID boundaries
- Activities and improvements include advertising, installation and maintenance of a new Auto Center electronic sign, property maintenance
- Each BID business will be assessed \$6,100 per year as an additional assessment on business tax renewal
- Auto Center BID representative will be present at public hearing



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## BID FUNDING AGREEMENT

- 2011 – City, Redevelopment Agency, and Riverside New Car Dealers Association entered into BID Funding Agreement
- RDA agreed to pay RNCDA \$1,000,000 over 10 years
- August 2015 – new Agreement between City and RNCDA executed for Display on Riverside Auto Center Sign
- City receives 15% of advertising time on sign for annual amount of \$100,000
- Agreement expires September 1, 2023

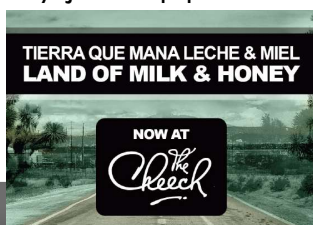


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## RETURN ON CITY INVESTMENT

- City is allotted 15% of daily advertising on Auto Center electronic display sign
- Recent ads:
  - The Cheech
  - 311 Mobile App
  - Explore Riverside
  - City job opportunities



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## RETURN ON CITY INVESTMENT

- Auto Center sign is viewed over 500,000 times per week
- Valuation of City's time on sign is approximately \$170,000 based on standard rates for ads on digital billboards



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## ECONOMIC IMPACT

- Autos and Transportation sector accounts for about 25% of sales tax dollars collected annually
- FY 22/23 sales tax from sector estimated at \$22.5 million
- Autos and Transportation sector accounts for about 19% of Measure Z tax, about \$16 million



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## CONTINUED INVESTMENT

- Proposed 5-year agreement for \$100,000 per year
- \$103,700 in projected revenue from District levy
- City match funds for District levy in exchange for advertising time on electronic sign display



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## STRATEGIC PLAN ALIGNMENT

### **Strategic Priority 3 – Economic Opportunity**

Goal 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

#### Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATIONS

That the City Council:

1. Receive and approve the annual report of the Riverside New Car Dealers Association acting in its capacity as the advisory board to the Auto Center Business Improvement District;
2. Adopt a Resolution declaring the City of Riverside's intent to levy an annual assessment within the Auto Center Business Improvement District beginning September 1, 2023, and ending August 31, 2024;
3. Set a public hearing for September 5, 2023, at 3:00 p.m. on the levy of the proposed assessment;



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## RECOMMENDATIONS

4. Approve an Agreement with the Riverside New Car Dealers Association for Business Improvement District Funding for a five-year term through June 30, 2028, payable in an annual amount of \$100,000 for a total amount of \$500,000;
5. Authorize the City Manager, or designee, to execute the Agreement for Business Improvement District Funding, including making minor and non-substantive changes; and
6. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation from the General Fund undesignated balance in the amount of \$100,000 to the Finance Department Development Agreements account.



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