

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

DATE: OCTOBER 8, 2024

FROM: FINANCE DEPARTMENT

WARDS: 5 & 6

SUBJECT: ARLINGTON BUSINESS AREA VITALITY - \$100,000 SUPPLEMENTAL

APPROPRIATION

ISSUE:

Allocate \$100,000 to the Arlington business area to be utilized for business vitality initiatives as approved by the City Manager or his designee.

RECOMMENDATIONS:

That the City Council, with at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation of \$100,000 from General Fund available fund balance to the General Fund, Non-Departmental Arlington Business Vitality expenditure account.

BACKGROUND:

Purpose of the Arlington Business District:

The City of Riverside established the Arlington Business Improvement District (Arlington BID) to support local businesses, promote community engagement events, initiate improvement projects, and foster pride within the Arlington area.

Location of the Arlington Business District:

The Arlington BID spans from Arlington Avenue in the north to Van Buren and Lincoln in the south, with parts of Magnolia Avenue stretching from Tyler Street in the west to Jackson Street in the east. The annual BID assessment is currently set at 90% of the business tax charge or \$400, whichever is lower.

Formation and History of the Arlington Business District:

The City Council approved the BID on September 24, 2002, with assessments starting on November 1, 2002, as outlined in Chapter 3.48 of the Riverside Municipal Code. The Arlington Business Partnership (ABP) serves as the advisory board managing the BID.

At the time the ABP was established, the City Council agreed to allocate \$100,000 toward improvements in the Arlington Business area, acknowledging the businesses' efforts to enhance the district through self-imposed assessments.

DISCUSSION:

On October 8, 2024, the City Council will conduct a public hearing on the proposed annual assessment for the Arlington Business Improvement District and consider adopting a resolution to levy the assessments for Fiscal Year 2024/25. Alongside the approval of the levy, staff proposes a \$100,000 allocation to support initiatives that promote business vitality for the area approximating the Arlington BID, focusing on infrastructure, beautification, and promotional activities. Although the funds will remain with the City, staff will work closely with the ABP to gather input on strategic uses of the funds that maximize their impact on both residents and businesses in the area.

Riverside has a long-standing commitment to supporting its Business Districts. Below is a summary of the ongoing financial support provided to the Riverside Downtown Partnership (RDP) and ABP from 2008 to the present, along with community benefits resulting from this support.

- In 2008, the City Council and Redevelopment Agency Board approved a three-year agreement with RDP and ABP for \$100,000 annually, to be included in the City's budgets for community engagement projects.
- From 2007 to 2010, the funding supported events such as the Chili Cook-off and Car Show, Health Fair, and Winterfest in Arlington. ABP also engaged in street beautification and graffiti eradication efforts, including mural installations and the addition of new street pole banners and awnings.
- In 2010, the Redevelopment Agency Board renewed the agreement for another three
 years under the same terms. Before its expiration, in 2011, the Board extended the
 agreement by seven years, ensuring long-term funding for these districts.
- From 2010 to 2020, the City's support led to numerous events, including Small Business Saturday, Public Safety Appreciation Luncheons, and Movies in the Park. ABP continued its beautification initiatives, maintaining murals and awnings, assisting businesses with grants, and installing bus shelters. The installation of a digital "Hope Wall" at the Youth Innovation Center, an American flagpole at Arlington Park, and various clean-up events contributed to community pride and safety.

The City's financial support has been instrumental in fostering a vibrant business environment within the Arlington business area. This funding not only enables community events and beautification projects that attract customers and boost local sales, but it also provides direct benefits to businesses by enhancing the area's appeal, increasing foot traffic, and supporting small business grants. As businesses thrive, the City benefits from increased sales and business tax revenue, helping to stabilize and grow its financial base. The City's funding commitment contributes to economic growth for private businesses and the long-term financial stability of the City.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 3 – Economic Opportunity**, and **Goal 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:

 Community Trust – Allocating funds to support visible community improvements and business initiatives fosters transparency and accountability, reinforcing the public's confidence in how the City invests in its neighborhoods.

- 2. **Equity** The allocation ensures that the costs and benefits of promoting local businesses and enhancing infrastructure are fairly distributed across the Arlington area.
- 3. **Fiscal Responsibility** By investing in beautification, infrastructure, and promotional activities, the City maximizes the impact of public funds, generating increased business activity and tax revenue that benefits the entire community.
- 4. **Innovation** This funding supports forward-thinking initiatives that respond to evolving business needs, empowering local businesses to grow and adapt in a competitive environment.
- 5. **Sustainability & Resiliency** The allocation promotes long-term, sustainable growth by funding projects that enhance the business area's infrastructure and environment, ensuring ongoing economic vitality and community resilience.

FISCAL IMPACT:

The fiscal impact of the proposed action is \$100,000. The funding will be utilized to support community engagement events, beautification efforts and infrastructure improvements, which are targeted to enhance foot traffic and increase sales tax revenue for the City. There is sufficient General Fund available fund balance to accommodate the supplemental appropriation; additionally, savings are anticipated from fiscal year-ending June 30, 2024 (pending completion of the City's financial audit). Upon City Council approval, the appropriation will be recorded in the General Fund, Non-Departmental Citywide Financial Mgmt, Arlington Business Vitality expenditure account 7223700-459979.

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