



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: AUGUST 16, 2022**

FROM: FINANCE DEPARTMENT **WARDS: 5 & 6**

SUBJECT: ANNUAL REPORT OF ARLINGTON BUSINESS PARTNERSHIP, A RESOLUTION OF INTENTION TO AMEND THE BOUNDARIES AND ASSESSMENT AMOUNTS OF AND TO LEVY THE ANNUAL ASSESSMENT IN THE ARLINGTON BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR 2022-2023 AND FIXING THE TIME AND PLACE FOR PUBLIC HEARING ON LEVY OF PROPOSED ASSESSMENT; AND INTRODUCE AN ORDINANCE TO AMEND CHAPTER 3.48 OF THE RIVERSIDE MUNICIPAL CODE

ISSUES:

Approve the annual report of the Arlington Business Partnership (ABP), acting in its capacity as the advisory board to the Arlington Business Improvement District (Arlington BID), review and either accept or reject the recommendation of the advisory board to amend the district boundaries and assessment amount, introduce an Ordinance to amend Chapter 3.48 of the Riverside Municipal Code, adopt a Resolution declaring the City of Riverside’s intention to amend the boundaries and assessment amounts of, and to levy an annual assessment for Fiscal Year 2022-2023, and fixing the time and place for a public hearing on the proposed assessment for September 20, 2022.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the Annual Report of the Arlington Business Partnership, acting in its capacity as the advisory board to the Arlington Business Improvement District;
2. Review and either accept or reject the recommendation of the advisory board to amend the boundaries and assessment amount of the Arlington Business Improvement District (Arlington BID);
3. Introduce an Ordinance to amend Chapter 3.48 of the Riverside Municipal Code;
4. Adopt a Resolution declaring the City of Riverside’s intention to amend the boundaries and assessment amounts of, and to levy an annual assessment in the Arlington Business Improvement District for Fiscal Year 2022-2023, from November 1, 2022, through October 31, 2023; and
5. Set a public hearing for September 20, 2022, at 3:00 p.m. on the levy of the proposed

assessment.

BACKGROUND:

The City of Riverside established the Arlington Business Improvement District (Arlington BID) to represent and promote Arlington businesses and events, initiate local improvement projects and create a sense of pride for all who live, work or do business in the Arlington business area. The City Council approved the formation of the Arlington BID on September 24, 2002, with the first BID assessments effective November 1, 2002. The Arlington Business Partnership (ABP) was designated as the advisory board and is empowered to manage the Arlington BID.

At the time of formation, the District area was generally described between Arlington Avenue on the north, along Van Buren to Lincoln on the south, and a portion along Magnolia Avenue from Tyler on the west to Jackson Street on the east. The annual Arlington BID assessment is currently set at an amount equal to ninety percent (90%) of the business tax charge or \$400, whichever is less.

The City's business tax rates, together with any associated charges, are adjusted annually on November 1. The rates increase or decrease based on the most recent change in the annual average of the consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or five percent, whichever is less.

The Arlington BID was formed under Section 36500 of the Streets & Highways Code of the State of California. The Code requires the advisory board prepare a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report (Attachment 1). The City Council may approve the report as filed by the advisory board or may modify any portion of the report and approve it as modified.

DISCUSSION:

The Arlington Business Partnership is proposing changes to the boundaries and assessment amounts within the Fiscal Year 2022-2023 Annual Report. The proposed changes include expanding the district boundaries along Tyler St., Indiana Ave., Urban St., Magnolia Ave., La Sierra Ave., Diana Ave., and Hole Ave. A map of both the current and modified boundaries are shown in the Annual Report, provided by the ABP. The proposed changes to the assessment amount would increase the levy amount for each business within the District. The current method of assessment is 90% of the business tax fee, with a cap of \$400 per business. The proposed modification would be 100% of the business tax fee, with no cap applied. The BID does not assess any home-based businesses.

If Council approves the proposed changes by the advisory board, the ABP has determined that 72% of the current businesses would see an annual increase of an additional \$45. The 72% consist of businesses that pay less than the \$400 maximum. There is an undetermined impact amount for the other 28% of businesses who have a payment that is capped at the \$400 maximum, as well as any new businesses within the expanded district boundaries. The Annual Report details the method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of assessment to be levied against his or her business.

In 2021, City Council requested that all Business Improvement Districts address the following questions during the annual levy process:

- 1) What are the specific benefits the BID is providing to businesses?
- 2) How do we know the attendant benefits have been achieved?
- 3) How are BID staff and activities responding to emerging needs?
- 4) How are these needs identified?
- 5) What are the strategic goals of the BID, and how is progress tracked over time?

These questions are addressed within the Annual Report provided by the ABP, and a representative of the Arlington BID will be on hand at the Public Hearing to further address these questions and any others Council might have at that time. Activities and improvements for the upcoming year include the continuation of Physical Improvement Program and Vandalism Repair grants which help pay for exterior painting and security cameras, new signage, parking lot resurfacing and lighting, and window replacement. Funds will also be used for marketing and promotions of special events within the Arlington BID such as the Annual Riverside Chili Cook-Off, Car/Cycle Show and Winterfest. The proposed modifications in the Annual Report, would help ABP to reintroduce the Clean and Safe Program. Should funding become available, this program would include quarterly trash pickups, sidewalk pressure washing, graffiti removal, and active security monitoring within the Arlington BID.

To modify the boundaries and assessment amounts within the Arlington BID, the City Council must introduce and adopt an Ordinance to amend Chapter 3.48 of the Riverside Municipal Code. The City Council meeting today is to introduce the Ordinance. If the City Council agrees with the modifications as proposed by the ABP, the adoption of the Ordinance will be brought back to City Council on September 20, 2022, which will be the date of the public hearing.

To levy the Arlington BID assessments for Fiscal Year 2022-2023, the City Council must adopt the Resolution of Intention and set a date for a public hearing. The Resolution of Intention will be published in a newspaper of general distribution seven (7) days prior to the public hearing. In addition, a notice of the public hearing will be mailed to each holder of a business license tax certificate within the designated Arlington BID, including those within the proposed amended boundaries, by mail, postage prepaid. The Public Hearing will be held September 20, 2022, at 3:00 p.m. at which time any protests may be heard against the proposed assessment.

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** – The formation of Business Improvement Districts and subsequent Annual Reports provide a transparent and equitable way to finance, administer, and report maintenance and services within the business district area
2. **Equity** – The Arlington BID spreads the cost of promoting Arlington area businesses to the owners that receive the benefits.
3. **Fiscal Responsibility** – The Arlington BID supports marketing, promotion, and business and community partnerships within the Arlington Business District with minimal use of public funds.
4. **Innovation** – The Arlington BID is an innovative and collaborative way to support the

changing needs of the Arlington Business District, enabling business owners to guide their destiny.

5. **Sustainability & Resiliency** – The annual levy process provides a way to finance improvements and promotions for businesses within the Arlington Business District.

FISCAL IMPACT:

The City collects the assessments for the Arlington BID via the annual business tax process. The revenue generated from the assessment is projected to be approximately \$245,000 for Fiscal Year 2022-2023. All assessments collected are transferred directly to the ABP.

Prepared by: Heidi Schrader, Debt and Treasury Manager
Certified as to
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Annual Report of the Arlington BID for Fiscal Year 2022-2023
2. Resolution of Intention to amend the boundaries and assessments of, and to levy an annual assessment in the Arlington BID
3. Updated Boundary Map of the Arlington BID
4. Ordinance to amend Chapter 3.48 of the Riverside Municipal Code