



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 11, 2022**

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 2023 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 2023, 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 2023, from January 1, 2023, through December 31, 2023; and
3. Set a public hearing for November 8, 2022, 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 (RDPBIA) in 1985 to promote, represent, and manage an environment that supports downtown Riverside as a regional destination for economic arts, cultural, and residential uses. The Riverside Downtown Partnership (RDP) was designated as the advisory board and is empowered to manage the RDPBIA. The annual Downtown BIA assessment is described in the Riverside

Municipal Code (RMC) section 3.46.060 as an amount equal to one-hundred percent (100%) of the non-discounted business tax charge.

The City's business tax rates are adjusted annually on November 1. The rates increase or decrease equivalent to the most recent change in the annual average of the consumer price index as published by the Bureau of Labor Statistics for the Riverside-San Bernardino-Ontario metropolitan area or five percent, whichever is less.

The Downtown BIA was formed under Section 36500 of the Streets & Highways Code of the State of California. The Code requires that the advisory board prepare a report for each year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report (Attachment 2). 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 Annual Report details the method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment levied against his or her business. Based on the Riverside Downtown Parking and Business Improvement Area Annual Report, there are no proposed changes to the boundaries or assessment amounts of the RDPBIA.

In 2021, City Council requested that all Business Improvement Districts address the following questions during the annual levy process. Answers to those questions are summarized below and are also addressed within the Annual Report provided by RDP.

1. What are the specific benefits the BID is providing to businesses?

Benefits include promotion of business activities, security monitoring, informational luncheons, hosting and sponsoring of special events, and beautification efforts.

2. How do we know the attendant benefits have been achieved?

The RDPBIA assesses how both direct and indirect benefits are provided through several methods, which include monitoring responses to ads and calendar information, review of daily reports by Ambassadors and external safety patrol, attendance at hosted events, and input received from Board and district members/stakeholders.

3. How are the RDP staff and activities responding to emerging needs?

In late 2021, RDPBIA found there was a need for increased advocacy efforts and outreach to businesses, as well as adding new programs such as 'clean and safe'. RDP engaged a consultant in early 2022 to assist with focus groups and interviews to formulate a strategic plan, which was adopted by the Board in July 2022

4. How are these needs identified?

Several surveys were conducted, and a downtown forum was held in November 2021 to gather responses and concerns from downtown businesses and constituents about issues and priorities.

5. What are the strategic goals of the BID, and how is progress tracked over time?

The goals of the RDP are to serve as the essential liaison between downtown businesses and local government, create partnerships to advance downtown business priorities, and expand services and value for district members. Progress will be tracked in various ways which include monitoring concerns and actions taken at quarterly meetings, the impact of expanding security efforts, and surveying businesses on the effectiveness of workshops, promotions, and activities.

A representative from the Riverside Downtown Partnership will be on hand at the public hearing to further address these questions and any others the public or Council might have at that time.

To levy the RDPBIA assessments for calendar year 2023, the City Council must adopt the Resolution of Intention (Attachment 1) and set a date for a public hearing. The Resolution of Intention will be published in a newspaper of general distribution seven 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 RDPBIA by mail, postage prepaid as required. The Public Hearing will be held on November 8, 2022, at 3:00 pm, at which time any protests may be heard against the proposed assessment.

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:

1. **Community Trust** – The formation of Business Improvement Districts and subsequent Annual Reports provide a transparent and equitable way to fund, administer, and report maintenance and services within the business district area.
2. **Equity** – The Downtown BID spreads the cost of promoting downtown area businesses to the owners that receive the benefits.
3. **Fiscal Responsibility** – The Downtown BID supports marketing, promotion, and business and community partnerships within the Downtown Business Area with minimal use of public funds.
4. **Innovation** – The Downtown BID 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 way to fund improvements and promotions for businesses within the Downtown Business Area.

FISCAL IMPACT:

There is no fiscal impact to the City for this action. The City collects the assessments for the Downtown BID via the annual business tax process. The revenue generated from the assessment is projected to be approximately \$435,000 for Calendar Year 2023. All assessments collected are transferred directly to the RDP.

Prepared by: Heidi Schrader, Debt and Treasury Manager
Certified as to
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial
Officer/City Treasurer
Approved by: Edward Enriquez, Interim Assistant City Manager/Chief Financial
Officer/City Treasurer
Approved as to form: Phaedra A. 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. Boundary Map of the Downtown Parking and Business Improvement Area