City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: NOVEMBER 8, 2022**

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

SUBJECT: **PUBLIC HEARING – RESOLUTION CONFIRMING ANNUAL REPORT OF RIVERSIDE BUSINESS PARTNERSHIP ACTING AS ADVISORY BOARD TO RIVERSIDE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA AND LEVYING ASSESSMENTS FOR CALENDAR YEAR 2023.**

ISSUES:

Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Riverside Downtown Parking and Business Improvement District for Calendar Year 2023 and adopt a Resolution confirming the annual report of the Riverside Downtown Partnership, acting as the advisory board to the Riverside Downtown Parking and Business Improvement District, and levying assessments for Calendar Year 2023.

RECOMMENDATIONS:

That the City Council:

1. Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Riverside Downtown Parking and Business Improvement Area annual assessment and projects for Calendar Year 2023;

2. Adopt a Resolution confirming the annual report of the Riverside Downtown Partnership, acting as the advisory board to the Downtown Parking and Business Improvement Area and levying assessments for Calendar Year 2023; and

3. Direct the Riverside Downtown Partnership to expend revenues derived from the Riverside Downtown Parking and Business Improvement Area annual assessment and to operate the programs and activities in accordance with Chapter 3.46 of the Riverside Municipal Code and the annual report.

BACKGROUND:

The City of Riverside established the Riverside Downtown Parking and Business Improvement Area (RDPBIA) in 1985 by Ordinance No. 5303, pursuant to the provisions of the California Streets and Highways Code Section 36500. Its purpose is 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 RDPBIA assessment is described in the Riverside Municipal Code (RMC) section 3.46.060 as an amount equal to one hundred percent (100%) of the business tax charge. The City's business tax rates are adjusted annually on November 1. The rates vary 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 Riverside Downtown Parking and Business Improvement Area was formed under Section 36533 of the Streets and 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:

On October 11, 2022, the City Council received the Annual Report of the RDPBIA and adopted a resolution to set a public hearing for today. The current activities and improvements for the upcoming year include security patrol, visitor assistance, promotion of business activities and public events, and beautification efforts such as outdoor murals, alley lighting, and tree trimming. Based on the report, there are no proposed changes to the boundaries or assessments of the RDPBIA. 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.

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 increasing 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, impact of

expanding security efforts, and surveying businesses on the effectiveness of workshops, promotions, and activities.

A representative of the Riverside Downtown Business Partnership will be on hand at the public hearing to further address these questions and any others Council might have on operations within the Riverside Downtown Parking and Business Improvement Area. During the public hearing, any interested person may make a protest either orally or in writing and file it with the City Clerk at or before the hearing.

Upon the conclusion of this public hearing, the City Council must rule as to whether there has been a majority protest to the imposition of the assessment for the type of activities proposed. If none exist, the City Council may confirm the Annual Report with direction to the RDP to expend the resources of the Riverside Downtown Parking and Business Improvement Area and adopt the resolution imposing the assessment for Calendar Year 2023.

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
2. Annual Report of the Riverside Downtown Parking and Business Improvement Area
3. Boundary Map of the Riverside Downtown Parking and Business Improvement Area
4. Presentation – City of Riverside
5. Presentation – Riverside Downtown Partnership