



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: OCTOBER 8, 2024**

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

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING ANNUAL REPORT OF ARLINGTON BUSINESS PARTNERSHIP ACTING AS ADVISORY BOARD TO ARLINGTON BUSINESS IMPROVEMENT DISTRICT AND LEVYING ASSESSMENTS FOR FISCAL YEAR 2024/25**

**ISSUES:**

Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Arlington Business Improvement District for Fiscal Year 2024/25 and adopt a Resolution confirming the annual report of the Arlington Business Partnership, acting as the advisory board to the Arlington Business Improvement District, and levying assessments for Fiscal Year 2024-2025.

**RECOMMENDATIONS:**

That the City Council:

1. Conduct a Public Hearing to hear and rule on any protests to the annual assessment proposed for the Arlington Business Improvement District for Fiscal Year 2024/25; and
2. Adopt a Resolution confirming the annual report of the Arlington Business Partnership, acting as the advisory board to the Arlington Business Improvement District, and levying assessments for FY 2024/25.

**BACKGROUND:**

The City of Riverside established the Arlington Business Improvement District (Arlington BID) to represent and promote local businesses and community engagement events, initiate improvement projects, and foster a sense of pride within the Arlington business area. The City Council approved the BID's formation on September 24, 2002, with the first BID assessments beginning November 1, 2002, and was codified in Chapter 3.48 of Riverside Municipal Code. The Arlington Business Partnership (ABP) was designated as the advisory board to manage the Arlington BID.

The District encompasses an area from Arlington Avenue to the north, Van Buren to Lincoln on the south, and a parts of Magnolia Avenue from Tyler on the west to Jackson Street on the east.

The annual Arlington BID assessment is currently set at 90% of the business tax charge or \$400, whichever is less.

Business tax rates in the City, including any associated charges, are adjusted annually on November 1, and are based upon the most recent annual change in the consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or by a maximum of 5%, whichever is lower.

The Arlington BID was formed under Section 36500 of the California Streets & Highways Code. The Code mandates that the advisory board prepare an annual report detailing the assessments and activities funded by the BID. The City Council may approve the report as filed or may request modifications and approve it as modified.

## **DISCUSSION:**

The City Council adopted a resolution on September 17, 2024, declaring the intention to impose an assessment for the Arlington BID for FY 2024/25, effective November 1, 2024, and setting a public hearing for October 8, 2024. According to the Annual Report provided by the ABP, there are no proposed changes to the district boundaries or the assessment amounts. The report provides a detailed method and basis of calculating the assessments, enabling each business owner to estimate their annual charges. Upcoming activities include marketing events like the Annual Chili Cook-Off, Car/Cycle Show and Winterfest, as well as beautification efforts through grants for physical improvements and vandalism repair within the district. A sample of the Physical Improvement Grant Application is attached for reference.

During the FY2023/24 levy process, the City Council emphasized the need for greater transparency within all the Business Improvement Districts, leading to the approval of Resolution 24095 on March 19, 2024. This resolution outlines the new, more detailed reporting requirements that have been integrated into the ABP's Annual Report. A representative of the Arlington BID will be available at the public hearing to address these items and any Council questions.

1. Existing board policies and board members
2. Mission statement
3. Strategic goals of the BID
4. Community Engagement Plan
  - a. Specific and tangible benefits the BID is providing to businesses
  - b. Description of how the advisory board determined the benefits are needed and related outcomes have been achieved
  - c. Clarify how BID staff and activities respond to emerging needs and how those needs are identified
  - d. Clarify how progress is tracked over time
5. Any proposed changes in the boundaries or assessment amounts within the district
6. If a website is in place for the BID, provide a link to the website and a description of the resources, financials, and other information that is available to the public through the site
7. The method and basis of levying the assessments in sufficient detail to allow each business owner to estimate the amount of assessment to be levied against his or her business
8. An estimate of the cost of providing the improvements and activities for that fiscal year
9. The improvements and activities to be provided for that fiscal year
10. The amount of any surplus or deficit revenues to be carried over from a previous fiscal year

11. The amount of any contributions to be made from sources other than the levied assessments
12. List of sponsors in prior fiscal year and expected sponsors in upcoming fiscal year
13. Detailed line-item budget for the prior fiscal year and upcoming fiscal year

Upon the conclusion of this public hearing, the City Council may confirm the Annual Report as originally filed or Council can order changes to any portion of the annual report and confirm the report as modified. To levy assessments for Fiscal Year 2024-2025, Council must approve the Resolution confirming the Annual Report and levying assessments in the District.

### **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** – Establishing Business Improvement Districts and publishing Annual Reports ensures transparency and fairness in funding and managing services within the business district area.
2. **Equity** – The Arlington equitably distributes the costs of promoting local businesses amongst those who benefit.
3. **Fiscal Responsibility** – The Arlington BID promotes marketing, community partnerships, and community engagement within the Arlington Business District with minimal public fund use.
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 sustainable funding for improvements and promotions for businesses within the Arlington Business District.

### **FISCAL IMPACT:**

This action has no fiscal impact to the City. The assessment is expected to generate approximately \$255,000 for FY 2024/25, which the City will collect through the annual business tax process and transfer directly to the Arlington Business Partnership.

Prepared by: Meline Carranza, Debt and Treasury Manager  
Certified as to  
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Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/City  
Treasurer  
Approved as to form: Phaedra Norton, City Attorney

Attachments:

1. Annual Report of the Arlington BID
2. PIP Grant Application example
3. Resolution Confirming the Annual Report and Levy
4. Boundary Map of the Arlington BID
5. Presentation – City
6. Notice of Public Hearing