



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JULY 14, 2015**

**FROM: FINANCE DEPARTMENT** **WARDS: 4 AND 5**

**SUBJECT: INTENTION TO LEVY THE ANNUAL ASSESSMENT IN THE AUTO CENTER BUSINESS IMPROVEMENT DISTRICT - RESOLUTION ADOPTION**

## **ISSUE:**

The issues for City Council consideration are to: 1) receive the annual report of the Riverside New Car Dealers Association (RNCDA) acting in its capacity as the advisory board to the Auto Center Business Improvement District (BID); 2) adopt a Resolution of Intention to impose the annual BID assessment for Fiscal Year 2015/16; and 3) schedule a public hearing for August 11, 2015 for the purpose of adopting a resolution establishing the Fiscal Year 2015/16 BID assessment.

## **RECOMMENDATIONS:**

That the City Council:

1. Receive and approve the annual report of the Riverside New Car Dealers Association acting in its capacity as the advisory board to the Auto Center BID;
2. Adopt a Resolution of Intention to impose the annual assessment for Fiscal Year 2015/16, from September 1, 2015 through August 31, 2016; and
3. Schedule a public hearing for August 11, 2015 at 3:00 PM for the purpose of adopting a resolution establishing the 2015/16 BID assessment.

## **BACKGROUND:**

The formation of the Auto Center BID was approved by the City Council on July 26, 2011, with the BID assessments becoming effective on September 1, 2011. The Riverside New Car Dealers Association has been designated as the advisory board to the BID. State law requires the advisory board to present its annual report to the City Council, a copy of which is attached.

Each business within the BID is assessed \$8,000 per year as an additional assessment via the annual business tax certificate renewal process. The assessment is used to provide funding for specific services and benefits which are conferred directly to each business subject to the assessment, at a cost that does not exceed the reasonable cost to the City of providing the services and benefits. For the assessments to continue for the Fiscal Year 2015/16, the City Council must adopt a Resolution of Intention to impose the assessments and set a date for a public hearing. The public hearing is being scheduled for August 11, 2015 at 3:00 PM in the City Council Chambers at City Hall, at which time protests may be heard against the proposed action.

As a matter of information, the attached Annual Report includes a reference to a matching funds agreement between the City and Redevelopment Agency and the Riverside New Car Dealers Association. With the elimination of redevelopment agencies statewide, the courts have determined the agreement to be an unenforceable obligation such that the Successor Agency to the Redevelopment Agency cannot fund the agreement. The City and the Riverside New Car Dealers Association are in discussions regarding a new agreement. City staff anticipates City Council consideration of the new agreement in the near future.

**FISCAL IMPACT:**

The City collects the assessments for the Auto Center BID via the annual business tax certificate renewal process. The revenue generated from the assessments is projected to be approximately \$104,000 for Fiscal Year 2015/16. There is no fiscal impact to the City if the assessments are not collected because all funds are transferred directly to the Riverside New Car Dealers Association.

Prepared by: Scott Catlett, Assistant Finance Director  
for Brent A. Mason, Finance Director/Treasurer

Certified as to

Availability of funds: Brent A. Mason, Finance Director/Treasurer

Approved by: Al Zelinka, FAICP, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution of Intention to Levy Assessments in the Auto Center BID
2. Annual Report on the Auto Center Business Improvement District