



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 6, 2015**
FROM: FINANCE DEPARTMENT **WARDS: 5 AND 6**
SUBJECT: INTENTION TO LEVY THE ANNUAL ASSESSMENT IN THE ARLINGTON BUSINESS IMPROVEMENT DISTRICT (ABID) – RESOLUTION ADOPTION

ISSUE:

The issues for City Council consideration are to: 1) receive and approve the annual report of the Arlington Business Partnership (ABP) acting as the advisory board to the ABID; 2) adopt a Resolution of Intention to impose the annual assessment for the 2015/16 year; 3) accept the recommendation by the ABP Board to revise the ABID boundaries; and 4) schedule a public hearing for October 20, 2015 to adopt a resolution setting the 2015/16 annual assessment in the ABID.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the 2014/15 annual report of the ABID;
2. Adopt a Resolution of Intention to impose the annual assessment for the 2015/16 year, from November 1, 2015 through October 31, 2016;
3. Accept the recommendation by the ABP Board to revise the ABID boundaries; and
4. Schedule a public hearing for October 20, 2015 at 3:00 PM for the purpose of adopting a resolution setting the 2015/16 ABID levy.

BACKGROUND:

The Arlington Business Improvement District (ABID) was formed in 2002. Each year the Advisory Board of the ABID is required to present its annual report to the City Council (Attachment 1). The Arlington Business Partnership acts as the Advisory Board of the ABID. ABP is partially funded by an assessment at a rate not to exceed 90% of the annual Business Tax charge paid by each business within the ABID boundaries, or \$400, whichever is less. For the assessment to continue for the 2015/16 year, effective November 1, 2015, the City Council must approve the annual report as submitted, or as modified by the City Council, and then adopt a Resolution of Intention to impose the levy and set a public hearing. The resolution is attached (Attachment 2) and the public hearing is scheduled for October 20, 2015, at 3:00 PM.

In addition, this year the City Council is being asked to approve a revised boundary for the ABID. The revised boundary is being proposed to remove residential rental properties of four units or less.

Over the past several years Business Tax staff have been utilizing new business tax software that assists in identifying residential rental properties operating as businesses. As part of Business Tax staff's routine review, residential rentals were identified and assessed the ABID levy. Councilman MacArthur was contacted regarding the assessment to rental properties and forwarded the concern to Finance staff. Finance staff worked with ABP staff to review whether residential rental properties fit into the programming of the ABID. ABP staff along with Finance staff determined that residential rental properties should not be included in the ABID. Finance staff, ABP staff and City Attorney's Office staff have met and discussed a revision of the ABID boundaries to exclude the residential rental properties. Approving the revised boundaries will remove areas of the ABID that have been identified to contain residential rental properties.

At the public hearing on October 20, the City Council may order changes in any of the matters provided for in the report, including but not limited to, changes in the boundaries of the district.

FISCAL IMPACT:

There is no fiscal impact associated with this report. The income associated with the residential rental properties is not material and has not been historically collected.

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for Brent A. Mason, Finance Director/Treasurer

Certified as to
availability of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Deanna Lorson, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. 2014/15 Annual Report of the Arlington Business Improvement District
2. Resolution of Intention to Levy an annual assessment in the Arlington Business Improvement District
3. Revised boundaries of the Arlington Business Improvement District