



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 20, 2015
FROM: FINANCE DEPARTMENT WARDS: 5 AND 6
**SUBJECT: PUBLIC HEARING - ARLINGTON BUSINESS IMPROVEMENT DISTRICT
2015/16 LEVY - RESOLUTION ADOPTION - ORDINANCE AMENDING
RIVERSIDE MUNICIPAL CODE CHAPTER 3.48**

ISSUE:

The issues before the City Council are 1) to conduct a public hearing to rule on any protests to the annual assessment proposed for the Arlington Business Improvement District (ABID), 2) confirm the annual report of the Arlington Business Partnership (ABP) acting as the advisory board to the ABID, 3) provide fiscal and operational direction to the ABP, 4) adopt a resolution to impose the annual assessment for the 2015/16 year in the ABID, and 5) adopt an ordinance amending Chapter 3.48.050 of the Riverside Municipal Code to approve the recommendation by the ABP Board to revise the ABID boundaries.

RECOMMENDATIONS:

That the City Council:

1. Conduct the Public Hearing, and hear and rule on any protests to the ABID assessment and projects for 2015/16;
2. Confirm the September 2015 Annual Report of the ABP acting in its capacity as the advisory board to the ABID;
3. Direct the ABP (i) to expend revenues derived from the ABID assessment and the \$100,000 matching grant from the City and (ii) to operate programs and activities in accordance with Chapter 3.48 of the Riverside Municipal Code and the September 2015 Annual Report;
4. Adopt a Resolution to impose the assessment for the ABID for business tax year 2015/16 and revise the boundaries as recommended by the ABP; and
5. Introduce and adopt an Ordinance amending Chapter 3.48.050 of the Riverside Municipal Code.

BACKGROUND:

The City Council adopted a resolution on October 6, 2015, declaring its intention to impose an

assessment for the Arlington BID for the fiscal year 2015/16, effective November 1, 2015, and set a Public Hearing for today. At that meeting, the annual report of the ABP, acting as the advisory board to the ABID, was included as supporting documentation to assist the City Council in making its decision to adopt the resolution. The Report included the history of the ABID, proposed 2015/16 expenditures and programs, and the method and basis of levying the assessments for 2015/16. The ABP is partially funded by an assessment at a rate not to exceed the rate of 90% of the annual Business Tax charge paid by each business within the District boundaries, or \$400, whichever is less.

At the conclusion of the 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.

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 4 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 if 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 residential rental properties. Approving the revised boundaries will remove areas of the ABID that have been identified to contain residential rental properties.

FISCAL IMPACT:

The assessments are collected by the City for the ABID. The assessments are projected to total approximately \$185,000 for the 2015/16 fiscal year. There is no fiscal impact to the City if the assessments are not collected because all funds are transferred directly to the ABP. The City provides a \$100,000 matching grant that the ABP anticipates receiving. The grant has been included in the current year's approved budget.

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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

Attachment:

1. Resolution Confirming the Annual Report of the ABP and Levying Assessments for Fiscal Year 2015/16
2. Annual Report on the ABID

3. Ordinance amending section 3.48.050 of the municipal code