



# City Council Memorandum

City of Arts & Innovation

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**TO: HONORABLE MAYOR AND CITY COUNCIL**                      **DATE: AUGUST 18, 2020**

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

**SUBJECT: PUBLIC HEARING – RESOLUTION CONFIRMING ANNUAL REPORT OF RIVERSIDE NEW CAR DEALERS ASSOCIATION AND LEVYING AUTO CENTER BUSINESS IMPROVEMENT DISTRICT ANNUAL ASSESSMENT FOR FISCAL YEAR BEGINNING SEPTEMBER 1, 2020**

**ISSUES:**

Conduct a public hearing and rule on any protests to the Auto Center Business Improvement District assessments and projects for Fiscal Year 2020-2021, from September 1, 2020, through August 31, 2021 and; adopt a resolution confirming the annual report of Riverside New Car Dealers Association acting in its capacity as the advisory board to the Auto Center Business Improvement District and levying assessments for the Fiscal Year beginning September 1, 2020.

**RECOMMENDATIONS:**

That the City Council:

1. Conduct a public hearing and rule on any protests to the Auto Center Business Improvement District assessments and projects for Fiscal Year 2020-2021, from September 1, 2020, through August 31, 2021; and
2. Adopt a Resolution confirming the annual report of the Riverside New Car Dealers Association acting in its capacity as the advisory board to the Auto Center Business Improvement District and levying assessments for the Fiscal Year beginning September 1, 2020.

**BACKGROUND:**

The City of Riverside established the Auto Center Business Improvement District (Auto Center BID) in the Auto Center area to engage in general business and event promotions and business activities, advertise Auto Center BID businesses, operate and maintain an electronic display sign, and to maintain and repair entryway monuments, pods and landscaping. The City Council approved the formation of the Auto Center BID on July 26, 2011, with the first BID assessments effective on September 1, 2011. Each business within the Auto Center BID is assessed \$8,000 per year as an additional assessment through the City of Riverside’s annual Business Tax renewal process. At time of formation, the City Council appointed the Riverside New Car Dealers

Association (RNCDA) as the advisory board, empowered to manage the Auto Center BID.

On March 8, 2011, the City Council and Redevelopment Agency of the City of Riverside approved an agreement with RNCDA to provide the Auto Center BID with \$100,000 in matching funds annually for a period of ten (10) years to enhance the Auto Center and promote business activities. The City Council approved a subsequent agreement with RNCDA on August 26, 2015, to continue matching funds to help fund the maintenance & operating costs of an electronic sign in exchange for 15% daily advertising time of the electronic sign usage within the Auto Center BID through September 1, 2023.

The Auto Center BID was formed under Section 36500 of the Streets & Highways Code, which requires that the advisory board prepare a report for any fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report (Attachment 1). 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 July 21, 2020 the City Council received and approved the RNCDA annual report. The report included a discussion of accomplishments, proposed Fiscal Year 2020-2021 program expenditures, and the method/basis of levying the assessments for FY 2020-2021. The report also confirmed no changes to Auto Center BID boundaries or assessment limits.

At the same meeting, the City Council adopted a resolution stating the City’s intention to impose the Auto Center BID assessments for FY 2020-2021, effective September 1, 2020, and to set a public hearing for August 18, 2020. Any interested person may make a protest either orally or in writing during the public hearing and file it with the City Clerk at or before the hearing. At the conclusion of the public hearing, the City Council may adopt a resolution confirming the report as originally filed or as revised by City Council. Adopting the resolution confirms the levy of an assessment for fiscal year 2020-2021.

**FISCAL IMPACT:**

The total fiscal impact is \$100,000 in matching funds to help pay the maintenance and operating costs of an electronic sign for the Auto Center. Sufficient funds for Fiscal Year 2020-2021 are budgeted in account 7223000-446000.

The City collects the assessments for the Auto Center BID via the annual business tax renewal process. The revenue generated from the assessment is projected to be approximately \$112,000 for Fiscal Year 2020-2021. All assessments collected are transferred directly to the RNCDA.

Prepared by: Heidi Schrader, Debt and Treasury Manager  
Certified as to  
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer  
Approved by: Moises Lopez, Deputy City Manager  
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Annual Report on the Auto Center BID
2. Resolution Levying the Auto Center BID Assessments for FY 2020-2021
3. Map of Auto Center BID
4. Presentation
5. Notice of Public Hearing