



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JULY 6, 2021**

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

SUBJECT: ANNUAL REPORT OF RIVERSIDE NEW CAR DEALERS ASSOCIATION AND RESOLUTION DECLARING INTENTION TO LEVY ANNUAL ASSESSMENT IN AUTO CENTER BUSINESS IMPROVEMENT DISTRICT FOR ONE YEAR BEGINNING ON SEPTEMBER 1, 2021 AND FIXING TIME AND PLACE FOR A PUBLIC HEARING ON LEVY OF PROPOSED ASSESSMENT; AND INTRODUCE AN ORDINANCE TO AMEND CHAPTER 3.49 OF THE RIVERSIDE MUNICIPAL CODE

ISSUES:

Approve 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, review and either accept or reject the recommendation of the advisory board to amend the district boundaries, introduce an Ordinance to amend Chapter 3.49 of the Riverside Municipal Code, adopt a Resolution declaring the City of Riverside's intent to levy an annual assessment within the Auto Center Business Improvement District beginning September 1, 2021, and fix the time and place for a public hearing on the levy of the proposed assessment for July 20, 2021, at 3:00 p.m.

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 Business Improvement District;
2. Review and either accept or reject the recommendation of the advisory board to amend the boundaries of the Auto Center Business Improvement District;
3. Introduce an Ordinance to amend Chapter 3.49 of the Riverside Municipal Code;
4. Adopt a Resolution declaring the City of Riverside's intent to levy an annual assessment within the Auto Center Business Improvement District beginning September 1, 2021, and ending August 31, 2022; and
5. Set a public hearing for July 20, 2021, at 3:00 p.m. on the levy of the proposed assessment.

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 District businesses, provide electronic display sign operation and maintenance, and to provide maintenance and repair of entryway monuments, pods, and landscaping. The City Council approved the formation of the Auto Center BID on July 26, 2011, with the assessments effective on September 1, 2011. The Riverside New Car Dealers Association (RNCDA) was designated as the advisory board and is empowered to manage the Auto Center BID.

On August 15, 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 fund the cost of an electronic sign for the Auto Center. The City Council approved a subsequent agreement with RNCDA on August 26, 2015, to continue matching funds for electronic sign usage with the Auto Center BID through September 1, 2023.

The Auto Center BID was formed under Section 36500 of the Streets & Highway Code of the State of California. Section 36533 of the Streets & Highways Code requires that the advisory board (RNCDA) prepare a report for each fiscal year for which assessments are to be levied and collected to pay the costs of the improvements and activities described in the report. 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:

The RNCDA is proposing changes to the boundaries and assessment amounts within the Fiscal Year 2021-2022 Auto Center BID annual report. The modified boundaries will update the description area of the district to be along Indiana Avenue, Adams Street, Auto Center Drive, and Jefferson Street, between the 91 freeway and Lincoln Avenue. These boundary changes will include four additional businesses, as shown in the proposed BID map. The annual report details the method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business. In prior years, each business within the Auto Center BID was assessed \$8,000 as an additional assessment on its business tax renewal. RNCDA is proposing to lower the assessment amount to \$6,100 per year for each business within the new district boundary. Since there are more businesses proposed in the district but not an increase in expenses, this results in a lower overall assessment for all businesses within the district. The costs of activities and improvements for the upcoming year include debt service and maintenance for the Auto Center electronic sign display and property maintenance such as pods and landscaping for businesses within the district.

To modify the boundaries and assessment amounts within the Auto Center BID, the City Council must introduce and adopt an Ordinance to amend Chapter 3.49 of the Riverside Municipal Charter. The City Council meeting today is to introduce the Ordinance. If the City Council agrees with the modifications as proposed by the RNCDA in its annual report, the adoption of the Ordinance will be brought back to the City Council on July 20, 2021, which will be on the date of the public hearing.

To levy the Auto Center BID assessments for Fiscal Year 2021-2022, the City Council must adopt the Resolution of Intention and set a date for a public hearing. The Resolution of Intention will be published in a newspaper of general distribution seven (7) days prior to the public hearing. In addition, a notice of the public hearing will be mailed to each holder of a business license tax certificate within the amended Auto Center BID by mail, postage prepaid as required. The Public Hearing will be held on July 20, 2021, at 3:00 p.m., at which time any protests may be heard against the proposed action, which includes the proposed boundary change.

FISCAL IMPACT:

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 \$104,000 for Fiscal Year 2021-2022. There is no additional fiscal impact to the City, as 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: Kristi J. Smith, Interim City Attorney

Attachments:

1. Annual Report of the Auto Center BID
2. Resolution of Intention to Levy Assessments in the Auto Center BID
3. Updated map of Auto Center BID
4. Ordinance to amend Chapter 3.49 of the Riverside Municipal Code