



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 7, 2021

FROM: FINANCE DEPARTMENT WARDS: 5 AND 6

**SUBJECT: ANNUAL REPORT OF ARLINGTON BUSINESS PARTNERSHIP AND
RESOLUTION OF INTENTION TO LEVY THE ANNUAL ASSESSMENT IN THE
ARLINGTON BUSINESS IMPROVEMENT DISTRICT FOR FISCAL YEAR
2021/22 AND SETTING TIME AND PLACE FOR PUBLIC HEARING ON LEVY OF
PROPOSED ASSESSMENT**

ISSUES:

Approve the annual report of the Arlington Business Partnership (ABP), acting in its capacity as the advisory board to the Arlington Business Improvement District (Arlington BID), adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment for Fiscal Year 2021-2022, and fixing the time and place for a public hearing on the proposed assessment.

RECOMMENDATIONS:

That the City Council:

1. Receive and approve the Annual Report of the Arlington Business Partnership, acting in its capacity as the advisory board to the Arlington Business Improvement District;
2. Adopt a Resolution declaring the City of Riverside's intention to levy an annual assessment in the Arlington Business Improvement District for Fiscal Year 2021/22, from November 1, 2021, through October 31, 2022; and
3. Set a public hearing for October 5, 2021, at 3:00 p.m. on the levy of the proposed assessment.

BACKGROUND:

The City of Riverside established the Arlington Business Improvement District (Arlington BID) to represent and promote Arlington businesses and events, stimulate the local economy, initiate local improvement projects, and create a sense of pride for all who live, work, or do business in the Arlington business area. The District area is generally described between Arlington Avenue on the north, along Van Buren to Lincoln on the south, and a portion along Magnolia Avenue from Tyler on the west to Jackson Street on the east. The City Council approved the formation of the Arlington BID on September 24, 2002, with the first BID assessments effective November 1, 2002. The annual Arlington BID assessment is described in the Riverside Municipal Code (RMC) section

3.48.070 as an amount equal to ninety percent (90%) of the business tax charge or \$400, whichever is less. The Arlington Business Partnership (ABP) was designated as the advisory board and is empowered to manage the Arlington BID.

On May 25, 2010, the City of Riverside Redevelopment Agency approved a three-year agreement to provide the Arlington BID matching funds of \$100,000 per year. On January 25, 2011, the Redevelopment Agency amended the agreement with ABP to extend the term by an additional seven (7) years. In 2012, the Redevelopment Agency was dissolved, and the State of California allocated funds for the repayment of the agreement under the Successor Agency Recognized Obligation Payment Schedule. Fiscal Year 2021 was the final year of the former RDA agreement, and there is no longer an allocation of tax increment from the State. The loss of this revenue to the Arlington BID has created an operational deficit, and they requested the City of Riverside to consider a new agreement in their Annual Report.

The City's business tax rates, together with any associated charges, are adjusted annually on November 1. The rates increase or decrease based on the most recent change in the annual average of the consumer price index for the Riverside-San Bernardino-Ontario metropolitan area, or five percent, whichever is less.

The Arlington BID was formed under Section 36500 of the Streets & Highways Code of the State of California. The Code requires the advisory board to 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 (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:

Based on the FY 2021/22 Arlington BID Annual Report, there are no proposed changes to the boundaries of the Arlington BID. There is a request to include street vendors within the existing Arlington BID boundaries if the practice the Riverside City Council is currently considering is approved. This wouldn't require an amendment of the existing boundaries of the Arlington BID to implement.

Current activities and improvements for the upcoming year include retaining existing staff, sponsorship of events and activities within the Arlington BID, maintenance of the entry monument signs and bus shelters, and the continuation of activities like the Physical Improvement Program grants, which provides assistance for improvements to business owners within the district. The 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.

To levy the Arlington BID assessments for FY 2021/22, the City Council must adopt the Resolution of Intention (Attachment 2) 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 designated Arlington BID by mail, postage prepaid. The Public Hearing will be held October 5, 2021, at 3:00 p.m. at which time any protests may be heard against the proposed assessment.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 3 Economic Opportunity Goal No. 3.1 – Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Administrative support of the Arlington BID assessment process supports Riverside's diverse business community and results in greater public good overall.
2. **Equity** – The Arlington BID equitably spreads the cost of promoting Arlington area businesses to the owners that receive the benefits.
3. **Fiscal Responsibility** – The Arlington BID improves marketing, promotion, and business and community partnerships within the Arlington Business Corridor with minimal use of public funds.
4. **Innovation** – The Arlington BID is an innovative and collaborative way to support the changing needs of the Arlington Business District, enabling business owners to guide their destiny.
5. **Sustainability & Resiliency** – The Business Improvement District model is a sustainable way to ensure the resiliency of Arlington Corridor Businesses.

FISCAL IMPACT:

There is no fiscal impact related to this action. The City collects the assessments for the Arlington BID via the annual business tax process. The revenue generated from the assessment is projected to be approximately \$210,000 for FY 2021/22. All assessments collected are transferred directly to the ABP.

Prepared by: Heidi Schrader, Debt and Treasury Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. 2021-2022 Annual Report of the Arlington BID
2. Resolution of Intention to Levy an annual assessment in the Arlington BID
3. Boundary Map of the Arlington BID